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PSC No: 120 - Electricity
 New York State Electric & Gas Corporation
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GENERAL INFORMATION

40. Value of Distributed Energy Resources ("VDER")

A. Phase One Net Energy Metering ("NEM")

1. Eligibility

- a. Any customer, residential or non-residential, who owns or operates electric generating equipment ("Facility"), as defined in Public Service Law ("PSL") §66-j, limited in size in conformance with the statute for each facility type and customer type that generates electric energy. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.
 - i. To comply with the 2 MW generation capacity limit applicable to solar generating equipment, each solar array of not more than 2 MW shall be:
 - a. Separately metered and interconnected to the Company's distribution system;
 - b. Located on a separate parcel; and
 - c. Independently operated from any other project.
- b. A customer taking service pursuant to Rule Nos. 22, 26, 27, 29, 30, or 31 may opt to take service under this Rule. Such election shall be a one-time election and shall be irrevocable.

2. Available To

- a. Phase One NEM shall be available to a customer with a project interconnected on or after March 10, 2017 and to projects for which Standard Interconnection Requirement Step 4 (for projects 50kW or less) or Step 8 (for projects greater than 50kW), as applicable, was not completed by March 9, 2017 as follows:
 - i. Mass market on-site projects, defined as projects located behind the meter of a residential or small commercial customer that is not billed based on demand, that are not used to offset consumption at any other site and interconnected before the earlier of January 1, 2020, or a Commission order directing modification;
 - ii. Large on-site projects, defined as projects located behind the meter of a non-residential customer that is billed based on demand or subject to the provisions of the Company's Hourly Pricing Provision, that are not used to offset consumption at any other site for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017;
 - iii. A project eligible for Remote Net Metering pursuant to the Special Provisions within Rules 22, 27, 29, and 31 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017; and
 - iv. A project eligible for Community DG pursuant to Rule 37 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017, up to a total rated generating capacity of 28 MW. In the event that capacity remains below this threshold which would accommodate a portion of an eligible project, the provisions of this Rule shall be available to the entire project.
- b. A customer that meets the requirements of 2.a.i or 2.a.ii above shall be permitted to include energy storage technology with their Facility and remain eligible for Phase One NEM.
- c. A change in ownership shall not affect the compensation term.
- d. A customer (Host Account) that meets the requirements of 2.a.iii. or 2.a.iv. above shall be permitted to designate non-metered account(s) as a Satellite Account if the Host Account is being compensated based on a monetary crediting methodology under this Rule, Value of Distributed Energy Resources ("VDER").

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York