

PSC NO. 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: NOVEMBER 1, 2017  
STAMPS: Issued in Compliance with Order Issued September 14, 2017 in Case 15-E-0751 and 15-E-0082

LEAF NO. 220.2  
REVISION: 0  
SUPERSEDING REVISION:

#### GENERAL INFORMATION

#### 40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER) (Continued)

ii. Value Stack Capacity Component - the Customer-Generator may select Alternative 1, Alternative 2, or Alternative 3 for intermittent technologies, or Alternative 3 for dispatchable technologies:

a. Alternative 1 – The VDER Value Stack Capacity Component compensation will be calculated by multiplying the sum of the project's net injections (kWh) for the billing period by the Alternative 1 VDER Value Stack Capacity Component (\$/kWh) in effect at the time of billing. The Alternative 1 VDER Value Stack Capacity Component will be determined as the capacity portion of the kWh supply charge applicable to SC2-ND customers for the applicable billing period and will be shown on a statement filed with the PSC.

Alternative 1 will be the default VDER Value Stack Capacity Component compensation methodology for intermittent resources if Alternative 2 or Alternative 3 is not otherwise selected by the Customer-Generator.

b. Alternative 2 – The VDER Value Stack Capacity Component compensation will be calculated by multiplying the sum of the project's net injections (kWh) for each on-peak hour in the summer months of June, July, and August by the effective Alternative 2 VDER Value Stack Capacity Component (\$/kWh). The Alternative 2 VDER Value Stack Capacity Component will be the sum of the historical monthly capacity charges calculated for SC2-ND service class for the previous calendar year divided by the 460 peak summer hours to determine a \$/kWh compensation value to be applied during the following summer season. The on-peak hours are defined as the hours of 2 pm to 7 pm each day in the months of June, July, and August.

A Customer-Generator must elect Alternative 2 by May 1 to be eligible to receive the rate beginning June 1 of that year. A Customer-Generator electing Alternative 2 after May 1 will be compensated under Alternative 1 until April 30 of the following calendar year.

The Alternative 2 rate will be revised by June 1 of each year and will be shown on a statement filed with the PSC.