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48. Value of Distributed Energy Resources (VDER) (Cont'd)

B. **Phase One Value Stack** (Cont'd)

Value Stack Components:

1. Energy Component

For any hour in a billing period where the customer-generator has a net export of generation onto the Company's system, the customer-generator will receive a credit determined by multiplying the net export by the hourly Day-Ahead Locational Based Market Price as set forth by the New York State Independent System Operator ("NYISO") for Hudson Valley, Zone G, adjusted for losses. Credits will not be recalculated if such prices are modified by the NYISO after the billing period. The total credit for a billing period will be the sum of all such hourly credits.

2. Capacity Component

For capacity compensation, projects will be separated into two categories by technology type: (1) intermittent, such as solar and wind, or (2) dispatchable, encompassing all other eligible technology types.

Customers with intermittent resources will be able to:

(a) select between three alternative compensation methodologies, with Alternative 1, below, the default methodology; and,

(b) request a change, in writing, in compensation methodology as follows:

   (1) move from compensation under Alternative 1 to Alternative 2 or Alternative 3; or,
   (2) move from compensation under Alternative 2 to Alternative 3; however,
   (3) customers compensated under Alternative 2 may not switch to Alternative 1, and a project compensated under Alternative 3 may not switch to Alternative 1 or Alternative 2.

A customer must elect Alternative 2 by May 1 to be eligible to receive Value Stack Capacity Component compensation thereunder beginning June of that summer. A customer electing Alternative 2 after May 1 will remain on Alternative 1 until April 30 of the following calendar year.

Customers with dispatchable resources will be compensated under Alternative 3, below.

Alternative 1: Capacity compensation will be determined by multiplying the customer-generator's net exports in a billing period by the equivalent Service Classification No. 2 – Secondary Demand capacity rate as included in the Market Price Charge pursuant to General Information Section 29. Such capacity rate will be published on the Statement of Value of Distributed Energy Resources – Credits ("VDER Statement") as detailed below.

Cancelled by 1 Rev. Leaf No. 163.9.8 Effective 12/01/2018