

PSC NO. 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: MAY 31, 2018
STAMPS: Issued in Compliance with Order Issued September 14, 2017 in Case 15-E-0751 and 15-E-0082

LEAF NO. 220.10
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

40.3.2.3 Environmental Market Value Cost Recovery

40.3.2.3.1 The Environmental Market Value costs will be determined as the product of i) the sum of all VDER Value Stack project's net injections during the recovery month, times ii) the market rate of RECs during the recovery month determined from available published market prices for Tier 1 RECs.

40.3.2.3.2 The Environmental Market Value costs will be recovered from the Company's supply customers on a per kWh basis as part of the Clean Energy Standard Supply charge, which is filed and reconciled annually, as specified in 46.3.5.

40.3.2.4 Environmental Out of Market Value Cost Recovery

40.3.2.4.1 The Environmental Out of Market Value costs will be determined as the difference between i) the sum of all VDER Value Stack Environmental Components paid to projects and satellites, where applicable, during the recovery month and ii) the Environmental Market Value costs determined in 40.3.2.3 for the recovery month.

40.3.2.4.2 The Environmental Out of Market Value costs will be recovered from all delivery customers, with respective costs allocated to the service classes of the projects and satellites, where applicable, who receive the VDER Value Stack Environmental Component credits, in proportion to the credits received by each service class.

40.3.2.4.3 The Environmental Out of Market Value costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.

40.3.2.5 DRV Cost Recovery

40.3.2.5.1 The DRV Component costs to be recovered will be the sum of all VDER Value Stack DRV Components paid to projects and satellites, where applicable, during the recovery month.

40.3.2.5.2 The DRV Component costs will be recovered from all delivery customers by service class and voltage delivery level, with the DRV Component costs that were provided to sub-transmission and transmission voltage delivery projects and satellites, where applicable, being allocated using the most recent transmission demand allocator (*i.e.*, single coincident peak) from the Company's most current ECOS, and the DRV Component costs that were provided to primary and secondary voltage delivery projects and satellites, where applicable, being allocated using the most recent distribution demand allocator (*i.e.*, non-coincident peak) from the Company's most current ECOS.

40.3.2.5.3 The DRV Component costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.