

PSC NO. 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: FEBRUARY 1, 2019

LEAF: 220.7
REVISION: 3
SUPERSEDING REVISION: 2

STAMPS: Issued in Compliance with Order Issued December 13, 2018 in Case 15-E-0751.

GENERAL INFORMATION

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

- vi. Market Transition Credit ("MTC") Component – The MTC Component will apply only to a CDG project's mass market satellites and those mass market customers who opt into the VDER Value Stack compensation per 40.2.1.8. Projects eligible under Rules 40.2.1.1.1 and 40.2.1.1.2 are not eligible to receive the MTC Component compensation. The MTC Component will be calculated by multiplying: i) the sum of the project's total net injections for the billing period (kWh), and ii) the MTC component rate applicable to the project's assigned tranche and applicable service class.

For CDG projects, the MTC Component will be calculated for each individual mass market satellite customer by multiplying: i) the sum of the project's total net injections for the billing period (kWh), ii) the MTC Component rate applicable to the project's assigned tranche and satellite's service class, and iii) the satellite's allocation percentage in effect for the Billing Period as provided by the CDG project sponsor. The CDG project sponsor will not be allowed to bank any MTC components related to Unallocated Satellite Percentages.

The MTC Component will be fixed for the VDER Value Stack's 25-year compensation term and will be shown in a statement filed with the PSC.

40.2.3.2 Hybrid Facilities

40.2.3.2.1 For customers taking service under this Rule 40 with Hybrid Facilities, the Company will calculate the Value Stack Capacity Component, the Environmental Component, and the Market Transition Credit ("MTC") Component pursuant to the rules set forth below. All other Value Stack components, including the Value Stack Energy Component, the DRV Component, and LSRV Component, will be calculated as specified in Rule 40.2.3.1. Consistent with Rule 40.2.3.1, the Environmental Component will only be provided where the electric generating equipment is eligible to receive Tier 1 RECs, the MTC Component will only be provided for eligible customers and consistent with the MTC rate applicable to the customer, and the Value Stack Capacity Component will be calculated based on Alternative 1, Alternative 2, or Alternative 3 based on customer election.

40.2.3.2.2 Customers operating Hybrid Facilities will have the opportunity to elect one of the four compensation methodologies described below. Customers will make this election at the same time they select a capacity compensation methodology in accordance with Rule 40.2.3.1. The default option, if no other election is made by the customer, is compensation methodology (d) below.