

PSC NO: 220 ELECTRICITY

LEAF: 218

NIAGARA MOHAWK POWER CORPORATION

REVISION: 7

INITIAL EFFECTIVE DATE: DECEMBER 1, 2018

SUPERSEDING REVISION: 6

STAMPS: Issued in Compliance with Order Issued September 12, 2018 in Case 15-E-0751 and 15-E-0082.

## GENERAL INFORMATION

## 40. VALUE OF DISTRIBUTION ENERGY RESOURCES (VDER)

The VDER Phase One tariffs will be comprised of two components: Phase One net energy metering (NEM) and the Value Stack tariff, when available.

## 40.1 Phase One NEM

40.1.1 New mass market on-site projects (as defined in Rule No. 36.1.9) with eligible generating equipment under PSL Section 66-j interconnected before January 1, 2020, or a Commission order directing modifications, will be compensated under Phase One NEM. Newly Eligible Technologies, as defined in Rule 29, will not be eligible for compensation under Rule 40.1 – Phase One NEM.

40.1.2 New mass market on-site projects (defined as those Customer-Generators served under a residential or small commercial service class that are not billed for demand) with eligible generating equipment under PSL Section 66-l that are not used to offset consumption at any other site and are interconnected after the 0.3% cap (as defined in Rule No. 37.3) is reached and before January 1, 2020, or a Commission order directing modifications, will be compensated under Phase One NEM.

40.1.3 Projects with eligible generating equipment under PSL Section 66-j that have not met the deadlines established in Rule No. 36.1.8 will be compensated under Phase One NEM.

40.1.4 Remote net metered projects (as defined in Rule No. 36.7), large on-site projects (defined as Customer-Generators served under a non-residential demand or mandatory hourly pricing (MHP) service classification), and Community Distributed Generation (CDG) projects with eligible generating equipment under PSL Section 66-j for which, by July 17, 2017, 25% of the interconnection costs have been paid or a Standard Interconnection Contract has been executed if no such payment is required, will be compensated based on Phase One NEM subject to the following additional limitation:

40.1.4.1 CDG projects will be subject to market capacity limitations which the PSC has established as 100 MW for the Company.

40.1.5 Remote net metered projects, large on-site projects, and CDG projects with eligible generating equipment under PSL Section 66-j that do not qualify for Phase One NEM will be compensated under the Value Stack tariff, when available.

40.1.6 Phase One NEM is identical to net metering in Rule No. 36.1 except that projects eligible for Phase One NEM will be subject to a compensation term length of 20 years from the date of interconnection and will have the ability to carryover excess credits to subsequent billing periods and annual periods as follows:

- a. Excluding credits held by CDG project sponsors, unused credits may be carried over to the next monthly billing period, including to the next annual period.
- b. At the end of a project's compensation term, any unused credits will be forfeited.
- c. CDG project sponsors will be given a two-year grace period beyond the end of the annual period to distribute any credits they retain at the end of the annual period.

Issued by John Bruckner, President, Syracuse, NY