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PSC No: 19 - Electricity

Leaf No. 240

Rochester Gas and Electric Corporation

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Issued in compliance with Orders in Case No. 14-E-0488, dated April 20, 2015 and November 25, 2015

**SERVICE CLASSIFICATION NO. 14****STANDBY SERVICE (Cont'd)****OPTIONAL STANDBY SERVICE RATE PHASE-IN IS APPLICABLE TO:****1. Existing Customers**

An Existing Customer is defined as a customer operating OSG (including renewable, Combined Heat and Power ("CHP"), and wholesale generators (defined as companies whose primary business is the production of electricity for sale into the wholesale electricity market)) as of January 31, 2003, or who, as of that date:

- a) had commenced construction of an OSG facility;
- b) had been named by the New York State Energy Research and Development Authority ("NYSERDA") as an OSG project grant recipient as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4;
- c) had been named by NYSERDA as an OSG feasibility study grant recipient, as listed in the Commission Order Establishing Electric Standby Rates, issued and effective July 30, 2003, Attachment A, paragraph 4; or
- d) had received a binding, written financial commitment from a lending institution for the construction and installation of an OSG.

To remain qualified as an Existing Customer, a customer under (c) or (d), above, must commence operation of its OSG by May 31, 2019.

**2. A Designated Technology Customer is defined as:**

- a) A customer operating OSG that exclusively uses one or more of the following technologies and/or fuels for producing electricity: fuel cell; wind; solar thermal; photovoltaics ("PV"), sustainable managed biomass; tidal; geothermal; or methane waste, or
- b) Uses small, efficient types of combined heat and power ("CHP") generation that do not exceed 15 MW of capacity, and conforms with the following criteria:
  - i. Sized to serve no more than 100% of the Customer's maximum potential demand.
  - ii. Annual overall efficiency should not be less than 60% based on the higher heating value (HHV) of the fuel input;
  - iii. The usable thermal energy component should absorb minimum of 20% of the CHP facility's total usable annual energy output;
  - iv. The size limits shall be determined by aggregating the nameplate ratings of the generation units, installed at its location, excluding emergency generation units used only during a utility distribution system failure or in response to the NYISO Emergency Demand Response Program;
  - v. An eligible CHP facility shall demonstrate to the utility that its generation installation meets an environmental standard of no more than 4.4 lbs./MWh of No<sub>x</sub> emissions, based on its electrical and mechanical output or its rated capacity, or as updated by the Department of Environmental Conservation (DEC);
  - vi. Customers shall comply with the above criteria and:
    - 1. Monitor and record efficiency data,
    - 2. Have records available for utility inspection,
    - 3. Retain the records for a 3-year period.
    - 4. An additional meter will be required for CHP generating facilities greater than 1 MW. The customer shall be required to install, at their expense, revenue grade, interval meters to measure generation output and additional telemetry equipment capable of transmitting operational information to the Company.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York