

PSC No: 120 - Electricity  
 New York State Electric & Gas Corporation  
 Initial Effective Date: July 1, 2015  
 Issued in Compliance with Order in Case 14-E-0423 dated December 15, 2014

Leaf No. 117.46.16  
 Revision: 0  
 Superseding Revision:

#### GENERAL INFORMATION

#### 35. Commercial System Relief Program (Cont'd)

##### J. Reservation Payment Option (Cont'd)

##### 2. Penalties and Adjustment for Non-performance

##### a. Performance Adjusted kW

The Performance Adjusted kW must be a level such that:

- i. It is equal to or less than the average hourly kW of Load relief that was provided during the most recent event (i.e., Test Event, Planned Event, or Unplanned Event);
- ii. It is greater than the kW of Load Relief on which the last payment was based; and
- iii. It cannot exceed the kW of contracted Load Relief.

The Performance Adjusted kW shall become effective on the first of the month following the date the request is received. If the request is received late due to the Company's delay in providing interval meter data, the Performance Adjusted kW shall be applied retroactively, effective as of the first of the month after the event on which the Performance Adjusted kW calculation is based occurred. The new kW level shall remain in effect until the earlier of:

- i. month in which a new Performance Adjusted kW is requested and approved pursuant to (b) below; or
- ii. the average kW for all events in a month represents kW of Load Relief that is lower than the Performance Adjusted kW. In this case, the new lower kW is used to calculate payment and a penalty is applied for the shortfall between the new kW amount and the Performance Adjusted kW; or
- iii. the term of service under this Program ends.

##### b. Performance Factor

When more than one Planned Event and/or Test Event is called during the month, the average of the Performance Factors of all events for a Direct Participant or Aggregator is the Performance Factor for that month.

Direct Participants and Aggregators may increase the kW of contracted Load Relief in subsequent Capability Periods above their previously contracted kW of Load Relief, provided their most recent Performance Factor was 1.00. The Performance Factor is rounded to two decimal places. If the Direct Participant or Aggregator does not have a historical Performance Factor, the Performance Factor is 1.00.

##### c. Penalties

If the average kW of Load Relief provided for Planned Events in the current month is lower than the prior month's average kW of Load Relief for Planned Events or the contracted kW, whichever is lower, the Direct Participant or Aggregator shall be subject to a Penalty. The penalty is equal to the Reservation Payment rate times the difference between the prior month's average kW or the contracted kW, whichever is lower, and the current (lower) average kW performed. If the current average kW performed is negative, 0 kW shall be set as the current month's average kW performance.

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