



November 14, 2018

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

**RE: Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources (VDER)
Case 15-E-0082 – Proceeding on Motion of the Commission as to the Policies, Requirements, and Conditions for Implementing a Community Net Metering Program**

Dear Secretary Burgess:

The enclosed tariff amendments, issued by Niagara Mohawk Power Corporation d/b/a National Grid ("Company"), are being transmitted for filing in compliance with the September 12, 2018 *Order on Value Stack Eligibility Expansion and Other Matters* issued by the New York State Public Service Commission ("Commission") in the above case numbers ("Order").

Identification of Tariff Amendments:

Tenth Revised Leaf No. 148
Original Leaf No. 148.1
Ninth Revised Leaf No. 149
Seventh Revised Leaf No. 218
Sixth Revised Leaf No. 220
First Revised Leaf No. 220.0.1
First Revised Leaf No. 220.0.2
Original Leaf No. 220.0.3
First Revised Leaf No. 220.2
Third Revised Leaf No. 220.4
Second Revised Leaf No. 220.7
First Revised Leaf No. 419

To P.S.C. No. 220 Electricity

Effective: December 1, 2018

Purpose of the Filing:

On May 22, 2018, Department of Public Service Staff ("Staff") filed the Staff Proposal on Value Stack Eligibility Expansion ("Staff Whitepaper"). The Staff Whitepaper proposed that certain currently ineligible distributed energy resources ("DERs") be compensated using the same Value Stack crediting approach used in the VDER tariffs without changes to the Value Stack elements. The Order adopted

Staff's proposals and directed all electric utilities to file tariff changes to implement the expanded eligibility of certain technologies to become eligible under the VDER Value Stack compensation mechanism. In addition, the Order authorized interzonal crediting for remote net metered ("RNM") and Community Distributed Generation ("CDG") projects being compensated under the Value Stack approach.

Tariff Comments:

The Company expanded Rule 40.2 – Value Stack to include the newly eligible technologies such that any of the technologies appearing in PSL Sections 66-j and 66-l can be built by any type of customer up to the overall 5 MW limit, with the exception of Combined Heat and Power ("CHP"). CHP projects remain restricted to those eligible under net energy metering ("NEM"). In addition, the Order expanded VDER Value Stack eligibility to include those identified in the Clean Energy Standard ("CES") Tier 1 Eligible Resources, as well as those projects that would be eligible for Tier 1 but for vintage dates.

The Order also expanded Value Stack eligibility to customer-generators with stand-alone electric energy storage ("ESS") technology. The Company further expanded Rule 40.2 – Value Stack to include this newly eligible technology, including regenerative braking and vehicle-to-grid systems. The Order further required that full service customer-generators with stand-alone ESS technology served under the Value Stack tariff shall be subject to hourly supply pricing under the hourly pricing provisions of the Company's Tariff.¹

The Order specified restrictions on which Value Stack components would be applicable to both the newly eligible CES Tier 1 technologies and the stand-alone ESS technologies. The Company altered language within Rule 40.2.3 – VDER Value Stack Crediting to clarify that both the newly eligible CES Tier 1 technologies and stand-alone ESS would receive Value Stack Capacity compensation under Alternative 3, stand-alone ESS technologies would not receive Value Stack Environmental compensation, and newly eligible CES Tier 1 technologies would not receive Market Transition Credit (MTC) compensation.

The Order adopted the requirement that standby rate provisions that would apply to non-VDER prosumers will also apply to newly eligible technologies. The Company added Special Provision J to leaf 419 to comply with this change. Lastly, the Order Commission adopted interzonal crediting within a utility territory for CDG projects and RNM projects compensated under the Value Stack. Accordingly, the Company expanded language in Rule 40.2.1.4 and 40.2.1.5 to remove interzonal crediting restrictions for CDG and RNM projects compensated under the Value Stack.

Conclusion and Notice:

Ordering Clause No. 1 of the Order directed utilities to file tariff changes within 30 days' notice of the Order, to become effective on December 1, 2018. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara

¹A customer-generator with stand-alone ESS technology participating under the Value Stack tariff must be charged for consumption at the mandatory hourly pricing ("MHP") rate. However, only full service customers taking supply from the Company are charged the MHP rate. Customers taking service from an Energy Supply Company ("ESCO") with stand-alone electric energy storage technology will also be allowed to participate under the Value Stack tariff but since they do not pay the Company for supply rates, they will not be charged the MHP rate. Through the New York Independent System Operator ("NYISO") settlement process, the Company will report the actual hourly load to facilitate the NYISO's financial settlement process with the load serving entity at the applicable locational based marginal price ("LBMP").

Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (collectively, the “Joint Utilities”) requested an extension of the filing date to November 14, 2018. This request was granted by the Secretary with no change in the tariff amendments’ effective date. Accordingly, this filing is issued with an effective date of December 1, 2018.

Also, as directed in Ordering Clause No. 2 of the Order, the requirements of PSL §66 (12) (b) and 16 NYCRR §720-8.1 concerning newspaper publication of tariff amendments are waived for this filing.

Attachment 1 contains redlined tariff leaves showing where the changes to the above leaves have occurred. Please advise the undersigned of any action taken regarding this filing.

Respectfully submitted,

/s/ Carol Teixeira

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