



Orange and Rockland Utilities, Inc.  
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February 13, 2018

Honorable Kathleen H. Burgess  
 Secretary  
 New York State Public Service Commission  
 Three Empire State Plaza, 19<sup>th</sup> Floor  
 Albany, New York 12223-1350

Re: Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources*

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. (the "Company") hereby submits for filing with the Public Service Commission (the "Commission") revisions to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY (the "Tariff").

The revised Tariff Leaves, which are identified below, make changes to Rider N – Net Metering and Value Stack Tariff for Customer-Generators. The revised Tariff Leaves have an effective date of March 1, 2018.

<u>Tariff Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision</u>
185.7	1	0
185.8	1	0

### **Reason for Filing**

This filing is made pursuant to the Commission's Order Regarding Compensation of Community Distributed Generation Projects, issued and effective January 18, 2018 (the "Order") in Case 15-E-0751. The Order (at pp 16-17) directed the Company to file tariff amendments related to the establishment of Tranche 4 of the Market Transition Credit ("MTC") component of the credits paid under the Value Stack<sup>1</sup>.

### **Tariff Changes**

Pursuant to the Order, the Company has modified Rider N to establish Tranche 4. Under Section (C)(4) of the Billing – Value Stack Tariff section of Rider N, the Company lays out the rules for which Tranche a customer-generator will be assigned to. The Company has added two provisions to this section. First, a project that has not been placed in a Tranche based on

<sup>1</sup> Community Distributed Generation ("CDG") projects compensated under the Value Stack receive an MTC for Service Classification ("SC") No. 1 and SC No. 2 – Non-Demand billed Satellite Accounts ("Mass Market Customer CDG Satellite Accounts"). In addition, SC No. 1 and SC No. 2 – Non-Demand billed projects with on-site generation that are not Host Accounts under CDG or Remote Net Metering who opt into the Value Stack also receive an MTC.

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its payment of 25 percent of interconnection costs or execution of an interconnection agreement by January 18, 2018 will be placed in Tranche 4 at the time the project pays at least 25 percent of its interconnection costs or executes the interconnection agreement if no such payment is required, until Tranche 4 is full<sup>2</sup>. After Tranche 4 is full, a project will not receive an MTC unless and until the Commission takes further action.

Commencing with the statement effective March 1, 2018, the Company will include the calculated Tranche 4 value of \$0.0462 per kWh for SC No. 1 and \$0.0235 per kWh for SC No. 2 on the Statement of Value of Distributed Energy Resources Value Stack Credits ("VDER-CRED Statement")<sup>3</sup>.

### **Conclusion and Notice**

As directed by Ordering Clauses 1, 2, and 4 of the Order, the Company is filing changes to the Electric Tariff to become effective on March 1, 2018.

As specified in Ordering Clause 6 of the Order, the Commission has waived the requirements for newspaper publication.

Any questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.  
Director – Rate Engineering

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<sup>2</sup> As per the Order (p 15), Tranche 4 for the Company will be capped at 15 MW.

<sup>3</sup> The VDER-CRED Statement containing the Tranche 4 MTC rates will be filed by the Company no less than three days prior to March 1, 2018.