



May 16, 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

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 following leaves, issued by Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”), are being transmitted for filing in compliance with the New York State Public Service Commission’s (“Commission”) March 9, 2017 *Order on Net Energy Metering Transition, Phase One Value of Distributed Energy Resources, and Related Matters* in Case 15-E-0751 (“VDER Phase One Order”):

Second Revised Leaf 220.4
First Revised Leaf 220.10
To PSC No. 220 Electricity
Effective: May 31, 2018

The purpose of this filing is to revise Rule 40 –Value of Distributed Energy Resources (“VDER”) as it relates to two aspects of the Environmental Component proposed in the VDER Phase One Order and supported in the Commission’s September 14, 2017 *Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues, and Related Matters* (“September 14, 2017 VDER Order”).

After review of the revised New York Generation Attribute Tracking System (“NYGATS”) Responsible Party process and conversations with representatives from the New York State Energy Research and Development Authority (“NYSERDA”), the Company wishes to clarify the transfer of Renewable Energy Credits (“RECs”) ownership from customer-generators to the Company upon enrollment into VDER Value Stack. The change clarifies that customer-generators who do not opt out of the Environmental Component will effectively transfer all RECs generated by the project to the Company.

In addition, the Company wishes to correct an error in the description of the Environmental Market Value cost recovery. As intended by the September 14, 2017 VDER Order, the costs to recover will be based on all VDER Value Stack project’s net injections during the recovery month as opposed to the project’s net injections at the hours of the New York Independent System Operator (“NYISO”) system peak during the previous calendar year. Furthermore, this kWh quantity should be multiplied by the active Tier 1 REC market rate and not the VDER Environmental Component rate at the time of recovery.

The enclosed attachment contains redlined leaves showing where the changes have occurred. In accordance with the September 14, 2017 VDER Order, these revisions are to become effective on not less than fifteen (15) days' notice.

Also, per Ordering Clause 23 of orders issued March 9, 2017 and September 14, 2017, the requirements of §66(12)(b) of the Public Service Law and 16 NYCRR §720-8.1 concerning newspaper publication of the tariff amendments described in Ordering Clause No. 1 are waived.

Please contact the undersigned of any action taken regarding this filing.

Sincerely;

/s/ Carol Teixeira

Carol Teixeira, Manager
NY Electric Pricing

Enc.