



Lori A. Cole
Manager - Regulatory & Tariffs

March 16, 2018

VIA ELECTRONIC FILING

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 15-E-0302 - Proceeding on Motion of the Commission to Implement a Large-Scale Clean Energy Standard.

Dear Secretary Burgess:

In compliance with the New York Public Service Commission's (the "Commission") Order Directing Tariff Amendments, issued and effective on February 22, 2017 (the "Order"), New York State Electric & Gas Corporation ("NYSEG") and Rochester Gas and Electric Corporation ("RG&E"), (together the "Companies") file the Clean Energy Standard ("CES") Statements to become effective April 1, 2018.

CES Statement No. 2 to NYSEG – PSC No. 120
CES Statement No. 2 to NYSEG – PSC No. 121
CES Statement No. 2 to RG&E – PSC No. 18
CES Statement No. 2 to RG&E – PSC No. 19

The filing of changes to the CES Statements is also in accordance with the Companies' tariffs.

Purpose and Overview of Filing

The Order requires that the Companies procure Renewable Energy Credits ("RECs") and Zero-Emission Credits ("ZECs") and pay an Alternative Compliance Payment ("ACP") for any shortage of RECs in their compliance amount at the end of a CES compliance year. The recovery of costs associated with RECs, ZECs and any ACP payments is through a volumetric per kilowatt-hour ("kWh") surcharge billed to retail commodity customers. The Companies are recovering the RECs, ZECs and any ACP payments through the Supply Adjustment Charge component of the Supply Charge.

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Rates

The REC rates were calculated by taking the forecasted expenses for twelve months ending March 31, 2019, plus a true-up for the prior period and the uncollectible component, and dividing by forecasted units. The resulting rate will be \$0.00 per kWh for each Company¹.

The ZEC rates were calculated by taking the forecasted expenses for twelve months ending March 31, 2019 plus a true up for the prior period and the uncollectible component, and dividing by forecasted units. There are currently no ACP or Tier 2 Maintenance and Backstop expenses forecasted for either Company.

Company Contacts

If you have any questions related to this filing, please contact Patti Beaudoin at 607.762.7061.

Respectfully submitted,



Lori A. Cole

Enclosures

¹ The original REC expenses used to set the REC rates for the period April 1, 2017 – March 31, 2018 were inadvertently overstated, resulting in an over collection of costs.