



Carol Teixeira
Manager, NY Electric Pricing

January 10, 2020

Honorable Michelle Phillips, 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)

Dear Secretary Phillips:

The enclosed tariff amendments, issued by Niagara Mohawk Power Corporation d/b/a National Grid (the “Company”), are being transmitted in compliance with the December 12, 2019 *Order Regarding Value Stack Compensation for High-Capacity-Factor Resources* issued by the New York State Public Service Commission (“Commission”) in the above case number (“Order”).

Identification of Tariff Amendments:

Sixth Revised Leaf No. 220.4
Fifth Leaf No. 220.7
Original Leaf No. 220.7.0.1
Second Revised Leaf No. 220.7.3

To P.S.C. No. 220 Electricity

Effective: February 1, 2020

On May 10, 2019, the Joint Utilities¹ filed a Petition Seeking Clarification of the Treatment of High-Capacity-Factor Resources Eligible for Community Distributed Generation (“CDG”) expressing concern that the application of the Market Transition Credit (“MTC”) and Community Credit to satellites of certain high-capacity-factor resources, particularly fuel cells, could result in excessive cost shifts inconsistent with Commission decisions and guidance.

On August 13, 2019, Department of Public Service Staff (“Staff”) filed a Whitepaper Regarding High-Capacity-Factor Resources (“Staff Whitepaper”) that recommended modifications to the treatment of certain high-capacity-factor distributed generation in the Value Stack framework. The Order adopts the recommendations in the Staff Whitepaper with modifications. Specifically, the Order adopts the following changes: (a) a fuel cell CDG receiving Value Stack compensation, as a dispatchable high-capacity factor resource, shall receive an adjusted MTC or Community Credit, if otherwise eligible, based on the average fuel cell capacity factor as compared to the average solar capacity factor, unless the resource qualified before August 13, 2019; (b) a resource receiving Value Stack compensation shall only receive the

¹ The Joint Utilities are Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric and Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas & Electric Corporation.

Environmental Value, if otherwise eligible, if it meets the definition of renewable energy systems in Public Service Law (“PSL”) §66-p, unless the resource qualified before August 13, 2019; (c) a fuel cell that qualified on or before August 13, 2019, should receive an Environmental Value and MTC or Community Credit, if otherwise eligible, based on the applicable values at the time of qualification; and, (d) for any fuel cell that receives an unadjusted MTC or Community Credit, the interconnecting utility should reduce available MWs in the applicable MTC or Community Credit Tranche by the capacity of each fuel cell resource multiplied by the ratio of the estimated average capacity factor for fuel cells to an average solar capacity factor. The attached tariff amendments implement these changes into the Company’s Value Stack tariff.

Ordering Clause No. 1 of the Order directed utilities to file tariff amendments on no less than twenty days’ notice effective on February 1, 2020. Ordering Clause No. 2 of the Order waived the requirements of PSL §66 (12) (b) and 16 NYCRR §720-8.1 concerning newspaper publication of tariff amendments.

Attachment 1 contains the Company’s 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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Enc.

cc: Sandra Hart, DPS Staff (via e-mail)
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