



Carol Teixeira
Manager, NY Electric Pricing

September 11, 2019

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: Tariff Filing by Niagara Mohawk Power Corporation d/b/a National Grid to Revise VDER Value Stack DRV Language.

Dear Secretary Burgess:

The enclosed tariff amendment, issued by Niagara Mohawk Power Corporation d/b/a National Grid (the "Company"), are being transmitted in accordance with the requirement of the New York State Public Service Commission (the "Commission").

Identification of Tariff Amendments:

First Revised Leaf No. 220.5.1
To P.S.C. No. 220 Electricity
Effective: January 22, 2020

Purpose of the Filing:

On May 22, 2019, the Company filed tariff amendments in compliance with the April 18, 2019 *Order Regarding Value Stack Compensation*¹ that made several modifications to the Value Stack, including how the Demand Reduction Value ("DRV") is calculated for certain projects. For projects that qualified after July 26, 2018, the DRV Component is calculated by multiplying the project's net injections during the hours of 2:00 pm to 7:00 pm weekdays, non-holidays, between June 24 and September 15 inclusive, by the project's hourly DRV Component rate (\$/kWh).

At the time of the filing, the Company defined the calculation of these projects' hourly DRV Component rate as dividing the Company's \$/kW-year DRV Component rate in effect at the time of the project's eligibility date, by the total number of eligible hours in the ten-year eligibility period for the project. However, after further analysis, the Company discovered this calculation under values the DRV Component rate by distributing the value over ten (10) years instead of calculating the rate for each individual eligible hour in the ten-year period. The correct calculation of the DRV Component rate is: multiplying the Company's \$/kW-year DRV Component rate in effect at the time of the project's eligibility date by ten (10) years and then dividing the result by the total number of eligible hours in the ten-year eligibility period for the project. This tariff amendment is being transmitted to reflect the correct calculation language.

¹ Case 15-E-0751 *et al.*, *In the Matter of the Value of Distributed Energy Resources ("VDER")*, Order Regarding Value Stack Compensation (issued April 18, 2019).

Honorable Kathleen H. Burgess, Secretary
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Page 2 of 2

Process for Rebilling:

Prior to discovering the incorrect rate, the Company had billed six (6) customers under the new Value Stack compensation terms using the incorrect DRV rate. The Company will calculate the difference between the incorrect DRV compensation and the corrected DRV compensation and credit these customers on their next billing cycle. Furthermore, after consultation with Department of Public Service Staff, the Company will use the corrected rate for any of these customers' bills, or additional qualified customers' bills, that have yet to be processed during this DRV compensation period (projects' net injections during the hours of 2:00 pm to 7:00 pm weekdays, non-holidays, between June 24 and September 15).

Conclusion and Notice:

The Company will notify the affected customers directly with their recalculated bills and therefore respectfully requests waiver of the newspaper publication requirements of Public Service Law § 66-12 and 16 NYCRR § 720.8. Attachment 1 contains the redlined tariff leaf showing where the changes have occurred. Please advise the undersigned of any action taken regarding this filing.

Respectfully submitted,

/s/ Carol Teixeira

Carol Teixeira
Manager, NY Electric Pricing

Enc.
mpd/CT

cc: Sandra Hart, DPS Staff, w/enclosure (via e-mail)
MaryAnn Sorrentino, w/enclosure (via e-mail)
Wajiha Mahmoud, w/enclosure (via e-mail)
Kellie Smith, w/enclosure (via e-mail)
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