



May 22, 2019

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

Re: Case 15-E-0751 – Order Regarding Value Stack Compensation

Dear Secretary Burgess:

In compliance with Ordering Clause 1¹ of the Commission's Order Regarding Value Stack Compensation in Case 15-E-0751 issued and effective April 18, 2019, Central Hudson Gas & Electric Corporation ("Central Hudson" or "the Company") hereby files the following proposed tariff amendments to become effective on June 1, 2019.

P.S.C No. 15 – Electricity

8 th Revised Leaf No. 163.5.11	2 nd Revised Leaf No. 163.9.8
5 th Revised Leaf No. 163.5.12	3 rd Revised Leaf No. 163.9.9
5 th Revised Leaf No. 163.5.40	Original Leaf No. 163.9.9.1
1 st Revised Leaf No. 163.5.42.1	4 th Revised Leaf No. 163.9.10
2 nd Revised Leaf No. 163.9.1	2 nd Revised Leaf No. 163.9.11
3 rd Revised Leaf No. 163.9.5	Original Leaf No. 163.9.11.1
3 rd Revised Leaf No. 163.9.6	4 th Revised Leaf No. 163.9.12
Original Leaf No. 163.9.6.1	3 rd Revised Leaf No. 163.9.13
3 rd Revised Leaf No. 163.9.7	1 st Revised Leaf No. 163.9.14
1 st Revised Leaf No. 163.9.7.1	1 st Revised Leaf No. 163.9.15

The above tariff leaves have been amended within General Information Section 38 – Net Metering For Customer Generators, General Information Section 44 – Commercial System Relief Program and General Information Section 48 – Value of Distributed Energy Resources (VDER) to address the following:

Phase One Net Energy Metering Expansion

Phase One Net Energy Metering (NEM) has been expanded to include projects that: have a rated capacity of 750 kW AC or lower; are located behind the same meter as the customer whose load is being offset; and, have annual output less than or equal to 110% of the customers annual usage (exclusive of any generation offset). The expansion applies to projects that qualify before January 1, 2020, for a 20-year term from the project's in-service date. The expansion of Phase One NEM eligibility is not applicable to Remote Net Metering and Community Distributed Generation projects.

¹ As per extension granted by the Secretary to May 22 by letter dated May 8, 2019.

Applicability of Phase One- and Phase Two- Value Stack

Definitions and related changes have been added to General Information Section 48.B. – Value Stack to differentiate between Phase One Value Stack and Phase Two Value Stack for projects qualifying on or before July 26, 2018, or after July 26, 2018, respectively. The term “qualify”, referring to the date when a Customer has made payment for 25% of a project’s interconnection costs or has executed a Standard Interconnection Contract if no such payment is required, has also been defined throughout General Information Section 48.B for consistency and simplicity.

Alternative 1 Capacity Value

A description of the Alternative 1 Capacity Value for Phase Two Value Stack has been added to reflect the following components:

- Use of the correlated solar PV load curves for the Lower Hudson Valley, as set forth in Appendix E of the Order, in the hours of 2 p.m. through 7 p.m. on non-holiday weekdays, from June 24 through August 31, will be utilized to develop a proxy capacity factor.
- Underlying capacity costs for Alternative 1 compensation were defined as utilizing the monthly kW-month auction price, as set forth by the NYISO, multiplied by the proxy capacity factor, divided by the monthly kWh/kW, also set forth in Appendix E.

Alternative 2 Capacity Value

A description of the Alternative 2 Capacity Value for Phase Two Value Stack has been added to reflect the following components:

- Compensation based on performance during the 240 to 245 hours from 2 p.m. through 7 p.m. on non-holiday weekdays, from June 24 through August 31.
- The total kW-year value will be determined annually based on the sum of the kW-month capacity prices utilized in the determination of Alternative 1, for the 12 months ending April 30 each year.

Demand Reduction Value (DRV)

A description of the DRV for Phase Two Value Stack has been added to specify:

- the applicable DRV kW-year value and hours are established at the time that a project qualifies and fixed for a period of 10-years; and,
- the relevant hours for compensation are between 2 p.m. through 7 p.m. on weekdays (excluding Independence Day and Labor Day) from June 24 through September 15.

Locational System Relief Value (LSRV)

LSRV compensation for projects qualifying for Phase Two Value Stack compensation has been defined based on performance during call windows. The call windows will be between one and four hours in duration and will generally occur between 2 p.m. and 7 p.m. on weekdays, (excluding Independence Day and Labor Day) between June 24 and September 15. The customer’s lowest net injection during a call window will be multiplied by their existing kW-year value and divided by ten to determine the compensation for each respective call window.

Commercial System Relief Program (CSRP)

As an alternative to DRV and LSRV compensation, projects can make a one-time, irrevocable opt-in to participate in CSRP, consistent with program’s participation rules, by notifying the utility. The Company does not currently have any customers enrolled in the CSRP for the upcoming capability period that are receiving Value Stack compensation. In the event that an application is received prior to the June 1 CSRP enrollment deadline, such customer would receive CSRP compensation for their load reduction and DRV compensation for their generation, for this summer only.

Community Adder

The Community Adder incentive, which is available to qualifying Central Hudson and Orange & Rockland customers, is not included in the proposed tariff amendments as it is an incentive funded directly by NYSERDA.

Other Administrative

The Company will file a statement of VDER-Credits to be effective on June 1, 2019, on not less than three business days' notice pursuant to current tariff provisions, to effectuate the changes described herein.

Pursuant to Ordering Clause 4, the requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1 concerning newspaper publication of the tariff amendments in Clause 1 are waived.

Questions related to this filing should be directed to Jay Tompkins at jtompkins@cenhud.com or (845) 486-5203.

Respectfully,

Anthony S. Campagiorni
Vice President
Customer Services & Regulatory Affairs

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