

PSC NO: 220 ELECTRICITY

LEAF: 37.2

NIAGARA MOHAWK POWER CORPORATION

REVISION: 10

INITIAL EFFECTIVE DATE: ~~APRIL 1, 2017~~ September 28, 2018

SUPERSEDING REVISION: 0

STAMPS: Issued in Compliance with Order issued ~~February 22, 2017~~ July 12, 2018 in Case ~~185-E-0071302~~

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 2.0 Clean Energy Standard ("CES") – The program intended to achieve the New York State Energy Plan goals that 50 percent of electricity generated in New York will be from renewable sources by the year 2030 (the "50 x 30 goal") and greenhouse gas emissions will be reduced by 40 per cent by the same year. The CES includes, but is not limited to, the following components: (a) program and market structures to encourage consumer-initiated clean energy purchases or investments; (b) obligations on LSEs to financially support new renewable generation resources to serve their retail customers; (c) a requirement for regular Renewable Energy Certificate ("REC") procurement solicitations; (d) obligations on distribution utilities on behalf of all retail customers to continue to financially support the maintenance of certain existing at-risk small hydro, wind and biomass generation attributes; (e) a program to maximize the value potential of new offshore wind resources; and (f) obligations on LSEs to financially support the preservation of existing at-risk nuclear zero-emissions attributes to serve their retail customers.
- ~~2.1 Offshore Wind ("OSW") Standard ("OSW") - The Program adopted by the PSC as a supplementary goal toward the overall objective of the CES, whereby the quantity of electricity supplied by renewable resources and consumed in New York State should include the output of 2.4 GW of new OSW offshore wind generation facilities by 2030. The primary components of the OSW Standard include: (a) initial procurement solicitations, to be held by NYSEERDA, NYPA, and/or LIPA in 2018 and 2019, for ORECs associated with approximately 800 MW of OSW offshore wind (i.e., Phase 1); and (b) an obligation on LSEs to obtain, on behalf of their retail customers, the ORECs procured in Phase 1 in an amount proportional to their load.~~
- ~~2.21~~ Renewable Energy Standard ("RES") – The renewable program as set forth in the CES that requires LSEs to procure RECs ~~and ORECs~~ (as defined below) from qualified renewable resources and demonstrate compliance on an annual basis.
- ~~2.32~~ Tier 2 Maintenance Renewables – A provision of the RES that provides financial support for at-risk baseline renewable facilities which are demonstrated to be economically unviable and will cease operation.
- ~~2.43~~ Renewable Energy Certificate ("REC") - Certificates that evidence that an entity has procured renewable energy from a renewable resource. ~~"Renewable Energy Credit," where used in this tariff, has the same meaning.~~
- ~~2.5 Offshore Wind Renewable Energy Credits ("ORECs") – Certificates from qualifying OSW offshore wind generation facilities, as defined in the OSW Standard that evidence that an entity has procured renewable OSW offshore wind energy from a renewable OSW offshore wind resource.~~
- ~~2.64~~ Zero-Emissions Certificate ("ZEC") – Certificates from qualifying nuclear generation facilities, as defined in the CES, that evidence that an entity has procured zero-emission energy from a zero-emissions resource.
- ~~2.76~~ NYSEERDA – The New York State Energy and Research Development Authority
- ~~2.87~~ Alternative Compliance Payment ("ACP") – A payment of a certain dollar amount per MWh which a LSE may submit to NYSEERDA in lieu of providing qualified RECs for RES compliance as defined in the CES.
- ~~2.98~~ RES Compliance Year – A calendar year beginning January 1st and ending December 31, for which a LSE must demonstrate that it has met the requirements of the RES.
- ~~2.109~~ ZEC Compliance Year – The twelve months beginning April 1st and ending March 31st, for which a LSE must demonstrate it has met the obligations of the CES ZEC requirement.
- ~~2.110~~ Backstop Charge – The charge to be paid to NYSEERDA funded by distribution customers of the electric distribution companies to ensure NYSEERDA has sufficient funds to make timely payments to generators. The Backstop Charge applies to both RES and ZEC programs.

Formatted: Not Highlight

Issued by ~~Kenneth D. Daly~~ John Bruckner, President, Syracuse, NY

PSC NO: 220 ELECTRICITY

LEAF: 229.3

NIAGARA MOHAWK POWER CORPORATION

REVISION: ~~54~~

INITIAL EFFECTIVE DATE: ~~APRIL 1, 2017~~ September 28, 2018

SUPERSEDING REVISION: ~~43~~

STAMPS: Issued in Compliance with Order issued February 22, 2017 July 12, 2018 in Case 185-E-0071302

GENERAL INFORMATION

46. SUPPLY SERVICE CHARGES (Continued)

46.3.3.2 The actual amount of the net market value associated with Legacy Contracts assessed through the LTC pursuant to Rule 46.2, NYPA R&D Contracts assessed through the NYPA Benefit factor pursuant to Rule 46.2.6, New Hedges assessed through the New Hedge Adjustment factor pursuant to Rule 46.3.1, the Mass Market Adjustment determined pursuant to Rule 46.3.2, and any reconciliation balance from prior periods determined pursuant to Rule 46.3.3.4 below.

46.3.3.3 The Supply Service Adjustment factor shall be calculated monthly as the amount determined in accordance with Rules 46.3.3.1 and 46.3.3.2 divided by the forecasted kWh sales for the applicable month to all customers receiving Electricity Supply Service from the Company.

46.3.3.4 The Supply Service Adjustment shall be subject to reconciliation in which the reconciliation amount determined in accordance with Rules 46.3.3.1 and 46.3.3.2 shall be compared to the actual revenue billed by the Supply Service Adjustment factor for the applicable month. Any reconciliation balance, whether positive or negative, shall be included in the adjustment of subsequent periods pursuant to Rule 46.3.4.

46.3.4 Supply Reconciliation Balance – The charges or credits associated with -supply reconciliations for Mass Market customers that are delayed from the typical two month lag.

46.3.4.1 Generally, reconciliations will be performed on a two month lag basis. Any delay in these reconciliations will be implemented through the Supply Reconciliation Balance. Any subsequent reconciliations of the Supply Reconciliation Balance caused by sales variances will occur within the reconciliation of the New Hedge Adjustment.

46.3.5 Clean Energy Standard Supply (“CESS”) Charge - All customers receiving supply service in accordance with Rule 46.1 will be subject to the Clean Energy Standard Supply (“CESS”) charge. The CESS will consist of:

46.3.5.1 Renewable Energy Standard (“RES”) charge – The costs associated with the ~~Clean Energy Standard (“CES”)~~ RES program, where the Company procures qualifying ~~Renewable Energy Certificates (“RECs”)~~ and /or remits ~~Alternative Compliance Payments (“ACPs”)~~ as mandated by the CES Order in Case 15-E-0302. ~~The RES charge also includes the costs associated with the purchase of Offshore Wind Renewable Energy Credits (“ORECs”) as mandated by the Offshore Wind (“OSW”) Standard in Case 18-E-0071-~~ The annual RES cost will be calculated using available RES Compliance Year REC prices (\$/MWh) times the Company’s RES Compliance Year REC obligation percentage(s) times the Local Transmission Efficiency Factors for Secondary service Rule 39.18; plus the annual OREC cost, as determined by NYSERDA, for the applicable RES Compliance Year, divided by the forecast annual kWh sales of all customers receiving Electricity Supply Service from the Company for the applicable period.-

46.3.5.2 Any costs associated with purchases of RECs or ACPs that have occurred or are forecasted to occur for the period of January 1, 2017 through March 31, 2018 will be included in the first year RES calculations beginning April 1, 2017. Commencing April 1 2018, the RES charge calculation will be performed on an annual basis for the upcoming April through March period.

46.3.5.3 Zero-Emissions Credit (“ZEC”) Charge – The costs associated with the CES ZEC requirements, where the Company is contractually obligated to purchase ZECs from NYSERDA during the ZEC Compliance Year. The annual ZEC cost, as determined by NYSERDA for the ZEC Compliance Year, will be divided by the forecast annual kWh sales of all customers receiving Electricity Supply Service from the Company for the applicable period.

PSC NO: 220 ELECTRICITY

NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: ~~NOVEMBER 1, 2017~~ September 28, 2018

STAMPS: Issued in Compliance with Order Issued September 14, 2017 July 12, 2018 in Case ~~15-E-0751~~ and ~~15-E-~~

~~008218-E-0071~~

LEAF: 229.4

REVISION: ~~21~~

SUPERSEDING REVISION: ~~10~~

GENERAL INFORMATION

46. SUPPLY SERVICE CHARGES (Continued)

46.3.5 Clean Energy Standard Supply ("CESS") Charge (Continued)

46.3.5.4 An annual reconciliation will be performed for the prior CESS revenue and CESS costs associated with the RES and ZEC procurements, plus any incremental costs or adjustments and will include the Environmental Market Value Cost Recovery as specified in Rule 40.3.2.3 for the annual reconciliation period.

46.3.5.5 The CESS Charge will be comprised of the RES and ZEC annual charges, plus the CESS annual reconciliation. The CESS charge will be filed annually with the Public Service Commission and included as a monthly charge on the supply portion of the customer's bill.

46.4 A monthly Supply Service Charge Statement shall set forth the following rates each month: the forecast Rule 46.1.1 ESCost rates; the forecasted NYISO Capacity Spot Market price utilized in Rule 46.1.3.7; the LTC in Rule 46.2, the ESRM in Rule 46.3, and Rule 46.3.4 Supply Reconciliation Balance. A separate annual statement will set forth the CESS Charge in Rule 46.3.5. The Supply Service Charge Statement and the CESS Charge Statement will be filed with the Public Service Commission apart from this rate schedule on not less than three (3) business days' notice before the effective date.

46.5 The Clean Energy Standard Delivery ("CESD") charge will be applicable to all delivery customers including customers who have load served by NYPA. The CESD will be a per kWh charge on all energy delivered to the customer and will be set annually using forecasted costs.

46.5.1 Costs to be recovered by the CESD consists of:

46.5.1.1 Tier 2 Renewables – The costs associated with the Clean Energy Standard Tier 2 Maintenance Renewables program, as invoiced by NYSERDA to the Company. The CESD annual rate will be based on a forecast of these costs as determined by NYSERDA and subject to reconciliation annually as provided herein.

46.5.1.2 Backstop Costs – The costs associated with any NYSERDA Backstop charges from the ~~CESClean Energy Standard~~ and ~~OSWOffshore Wind Standard~~ programs. Backstop costs invoiced by NYSERDA to the Company will be collected as part of the CESD charge in either the next annual CESD rate reconciliation, or in an interim adjustment to the CESD rate. Backstop Costs collected as part of an interim adjustment to the CESD rate may be collected over a period from one month to twelve months, at the Company's discretion, and will be subject to reconciliation as provided herein.

46.5.1.3 An annual reconciliation will be performed of the prior year's CESD revenue and costs including any incremental costs or adjustments.

46.5.1.4 The CESD annual charge will be calculated as the sum of the forecast Tier 2 Maintenance Renewables costs, plus any uncollected Backstop costs invoiced by NYSERDA to the Company, plus the annual reconciliation of prior CESD revenue and costs divided by the forecast delivery kWhs (including NYPA load).

~~46.5.1.5~~ The CESD charge will be filed annually, or on an interim basis per Rule 46.5.1.2, with the Public Service Commission and a monthly charge will be included in the delivery portion of a customer's bill.