

P.S.C. NO. 3 ELECTRICITY**ORANGE AND ROCKLAND UTILITIES, INC.**

INITIAL EFFECTIVE DATE: November 12, 2017

SUPERSEDING REVISION: 0

LEAF: 185.5

REVISION: 1

Issued in compliance with Order in Cases 15-E-0751 and 15-E-0082 dated 9/14/2017.

GENERAL INFORMATION**13. SERVICE CLASSIFICATION RIDERS (Continued)****RIDER N (Continued)****NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS****BILLING – VALUE STACK TARIFF (Continued)**

(C) (Continued)

(2) Value Stack Capacity Component (Continued)

- (b) Alternative 2: The Value Stack Capacity Component Rate 2 will be the capacity rate as shown on the Value Stack Credits Statement, which is based on the total annual SC No. 3 capacity costs concentrated into 460 hours occurring during the hours beginning 2 PM through the end of the hour beginning 6 PM during the months of June, July, and August. The credit under Alternative 2 will be calculated by multiplying net injections starting at the hour beginning 2 PM through the end of the hour beginning 6 PM in the months of June, July, and August by the Value Stack Capacity Component Rate 2 and summing these credits up in the billing period. The Value Stack Capacity Component Rate 2 will be \$0/kWh outside of the months and hours listed above. For customers with energy storage paired with electric generating equipment, only the non-storage generation can qualify for Alternative 2 compensation.

A customer must elect Alternative 2 by May 1 to be eligible to receive Value Stack Capacity Component Rate 2 beginning June 1 of that summer. A customer electing Alternative 2 after May 1 will remain on Alternative 1 until April 30 of the following calendar year.

- (c) Alternative 3: The Value Stack Capacity Rate 3 will be the capacity rate as shown on the Value Stack Credits Statement and will be determined by the NYISO ICAP monthly auction market clearing prices applicable in the current billing period and the applicable reserve requirement. The credit under Alternative 3 will be the product of: (1) the NYISO ICAP market clearing price in effect during the current billing period; (2) the applicable reserve requirement; (3) the customer-generator's net injection during the New York Control Area ("NYCA") peak hour of the previous calendar year; and (4) the applicable loss factor set forth in General Information Section No. 32.

If metering was not in place to measure the customer-generator's net injection during the NYCA peak hour of the previous calendar year, then the Company will estimate such net injection during that hour.

Issued By: Timothy Cawley, President, Pearl River, New York