

PSC NO. 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: NOVEMBER 1, 2017  
STAMPS: Issued in Compliance with Order Issued September 14, 2017 in Case 15-E-0751 and 15-E-0082

LEAF NO. 220.5  
REVISION: 0  
SUPERSEDING REVISION:

#### GENERAL INFORMATION

#### 40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER) (Continued)

- iv. The Demand Reduction Value (“DRV”) Component will be calculated by multiplying: i) the average of the project’s net kW injections for each of the Company’s ten (10) highest peak hours during the preceding calendar year, by ii) the project’s DRV Component rate (\$/kW-mo.) in effect during the billing period. If an interval meter was not in service for the project at the time of the Company’s ten (10) highest peak hours during the preceding calendar year, then the Company will estimate the project’s net injections for those hours.

The DRV Component rate will be fixed for the project for three (3) years from the interconnection date, using the DRV Component rate established at the time of the project’s Eligibility Date. The DRV will be adjusted by the Company after three (3) years from the interconnection date to the DRV in effect at that time and will be readjusted every three (3) years thereafter for the remaining term of the project’s compensation under the VDER Value Stack. The DRV Component rate will be determined by the Company at least every three (3) years and will be shown on a statement filed with the PSC.

The DRV Component is not applicable to customers who receive the VDER Value Stack Market Transition Credit (“MTC”) Component, which include CDG satellites that are mass market customers and mass market customers who opt into the VDER Value Stack per 40.2.1.8.

For CDG projects, the DRV Component will only apply to non-mass market satellites and will be determined for each non-mass market satellite by multiplying the applicable DRV Component rate calculated above by the satellite’s allocation percentage in effect for the Billing Period as provided by the CDG project sponsor. The DRV Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in 40.2.5.