Received: 11/14/2018 Status: CANCELLED
Effective Date: 12/01/2018

48. Value of Distributed Energy Resources (VDER) (Cont'd)

B. **Phase One Value Stack** (Cont'd)

Value Stack Components: (Cont'd)

Alternative 2: The capacity compensation rate will be determined by concentrating the most recent twelve months of capacity costs utilized to determine the rate in Alternative 1 into the 460 summer hours beginning 2 pm through the end of the hour beginning 6 pm on all days in the months of June, July and August. The rate so determined, which will remain effective for each of the three months of June, July and August, will be multiplied by the customer-generator's net exports during these same hours to yield the total capacity compensation. The capacity compensation rate will be zero (0) for all months and hours outside those listed above. Such capacity rate will be published on the VDER Statement as detailed below. Only the non-storage generation will qualify for Alternative 2 compensation for customers with energy storage paired with electric generating equipment.

Alternative 3: Capacity compensation will be determined in each billing period by multiplying the customer-generator's net energy export during the previous summer's New York Control Area ("NYCA") peak hour, as adjusted pursuant to the NYCA peak load forecast for the corresponding capability period and NYISO Unforced capacity ("UCAP") requirements, by the HPP UCAP rate filed with the Public Service Commission on the Statement of Market Price Charge and Market Price Adjustment.

If the appropriate metering was not in place to measure the customer-generator's net injection during the NYCA peak of the previous summer, the Company will estimate such net injection during that hour based on the National Renewable Energy Laboratory Photovoltaic Profiles ("NREL Profiles") included in Appendix H of the Commission's September 14, 2017 Order in Case 15-E-0751.

3. Environmental Component

Customers with generation that is eligible to receive Renewable Energy Standard Tier 1 Renewable Energy Credits ("RECs") will transfer all RECs generated by the generator and receive compensation under the Environmental Component unless they make a one-time irrevocable election prior to the date of interconnection, to retain all RECs generated. The Company will be the Responsible Party within the New York Generation Attribute Tracking System ("NYGATS") for all projects receiving compensation under the Environmental Component, including Tranche 0 CDG projects, and will receive all associated RECs. Projects electing to opt-out of compensation under the Environmental Component and retain their RECs must designate a Responsible Party with NYGATS. The environmental compensation rate will be determined at the time the customer pays at least twenty-five percent of its interconnection costs or executes the interconnection agreement, where no such payment is required, will be fixed for the term of the customer-generator's eligibility of 25 years from the project's in-service date and will be the greater of: (1) the clearing price of the New York State Energy Research and Development's ("NYSERDA") most recent Tier 1 REC procurement, or (2) the Social Cost of Carbon net of the Regional Greenhouse Gas Initiative ("RGGI") allowance values per kWh, calculated each January by averaging the clearing price of the previous four RGGI auctions. For all other customers, including customers with CES Tier 1 eligible technologies with in-service dates prior to January 1, 2015, the environmental compensation rate will be $0 per kWh. The environmental compensation rate will be published on the VDER Statement as detailed below and will be fixed for the term of compensation for the interconnected resource.