

PSC No: 19 - Electricity
 Rochester Gas and Electric Corporation
 Initial Effective Date: ~~December 1, 2020~~ June 1, 2023
 Revision: 1
 Issued in compliance with Order in Case Nos. ~~15-E-0302 and 15-E-0751-19 E-0380~~, dated ~~November 19, 2020~~ April 20, 2023.

Leaf No. 160.26.1.0

Revision: 34

Superseding

GENERAL INFORMATION

12. SUPPLY SERVICE OPTIONS (Cont'd)

B. Transition Charge (Cont'd)

Components of the Transition Charge (Cont'd):

2. Value of Distributed Energy Resources ("VDER") Value Stack Credits Statement
 - a. The following costs associated with Value Stack credits paid by the Company pursuant to Rule 26.B, Value Stack shall be allocated and collected by service classification as follows:
 - i. Capacity Value [Market Value]: allocated to service classes based on how the Company allocates ICAP;
 - a. Costs associated with the Capacity Value [Market Value and Out of Market Value] shall not be recovered from Hourly Pricing customers
 - ii. Capacity Value [Out of Market Value], Environmental Value [Out of Market Value], and Market Transition Credit: all delivery customers, allocated to service classes based on the composition of subscribers who receive benefits in proportion to the benefits received;
 - a. The Environmental Value [Out of Market Value] shall be recovered through the Transition Charge through December 31, 2024. Beginning January 1, 2025, the full cost of the Environmental Component (Rule 26.B.6.iii), including the Environmental Value [Out of Market Value], shall be recovered through the Supply Adjustment Charge.
 - iii. Demand Reduction Value (DRV) and Locational System Relief Value (LSRV): all delivery customers on a voltage level basis; allocated to service class by voltage level based on appropriate T&D demand allocators. The DRV and LSRV shall be collected from demand-billed customers on a per-kW basis.

A Value of Distributed Energy Resources Cost Recovery ("VDER-CR") Statement setting forth the VDER rates shall be filed with the Commission on not less one day's notice. Such statement can be found at the end of this Schedule.

3. Distribution Load Relief Program
 - a. The costs associated with Rule 4.R., Distribution Load Relief Program; Rule 4.S., Commercial System Relief Program; and Rule 4.T., Direct Load Control Program, shall be allocated as described in those Rules and collected by service classification as follows:
 - i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Dynamic Load Management ("DLM") Statement setting forth the cost values for the Distribution Load Relief Program, by service classification, shall be updated annually and filed with the Public Service Commission on not less than one days' notice. Such statement can be found at the end of this Schedule.

4. Rate Adjustment Mechanism ("RAM")
 - a. The cost associated with Rule 24. Rate Adjustment Mechanism, shall be allocated as described in that Rule and collected by service classifications as follows:
 - i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Rate Adjustment Mechanism Statement setting forth the RAM rates shall be filed with the Commission on not less 30 days' notice to be effective July 1. Such statement can be found at the end of this Schedule.

5. Non-Wire Alternatives ("NWA")

The cost associated with Rule 32, Non-Wires Alternatives, shall be allocated as described in that Rule and collected by service classification as follows:

 - i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Non-Wires Alternatives Statement setting for the NWA rates shall be filed with the Commission on not less than 30 days' notice. Such statement can be found at the end of this Schedule.

ISSUED BY: Joseph J. Syta Jeremy J. Euto, Vice President, ~~Controller and Treasurer~~ - Regulatory, Rochester, New York

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: June 1, 2023
Issued in compliance with Order in Case Nos. 15-E-0302 and 15-E-0751, dated April 20, 2023.

Leaf No. 160.26.1.0
Revision: 3
Superseding Revision: 1

GENERAL INFORMATION

12. SUPPLY SERVICE OPTIONS (Cont'd)

B. Transition Charge (Cont'd)

Components of the Transition Charge (Cont'd):

2. Value of Distributed Energy Resources ("VDER") Value Stack Credits Statement

- a. The following costs associated with Value Stack credits paid by the Company pursuant to Rule 26.B, Value Stack shall be allocated and collected by service classification as follows:
 - i. Capacity Value [Market Value]: allocated to service classes based on how the Company allocates ICAP;
 - a. Costs associated with the Capacity Value [Market Value and Out of Market Value] shall not be recovered from Hourly Pricing customers
 - ii. Capacity Value [Out of Market Value], Environmental Value [Out of Market Value], and Market Transition Credit: all delivery customers, allocated to service classes based on the composition of subscribers who receive benefits in proportion to the benefits received;
 - a. The Environmental Value [Out of Market Value] shall be recovered through the Transition Charge through December 31, 2024. Beginning January 1, 2025, the full cost of the Environmental Component (Rule 26.B.6.iii), including the Environmental Value [Out of Market Value], shall be recovered through the Supply Adjustment Charge.
 - iii. Demand Reduction Value (DRV) and Locational System Relief Value (LSRV): all delivery customers on a voltage level basis; allocated to service class by voltage level based on appropriate T&D demand allocators. The DRV and LSRV shall be collected from demand-billed customers on a per-kW basis.

A Value of Distributed Energy Resources Cost Recovery ("VDER-CR") Statement setting forth the VDER rates shall be filed with the Commission on not less one day's notice. Such statement can be found at the end of this Schedule.

3. Distribution Load Relief Program

- a. The costs associated with Rule 4.R., Distribution Load Relief Program; Rule 4.S., Commercial System Relief Program; and Rule 4.T., Direct Load Control Program, shall be allocated as described in those Rules and collected by service classification as follows:
 - i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Dynamic Load Management ("DLM") Statement setting forth the cost values for the Distribution Load Relief Program, by service classification, shall be updated annually and filed with the Public Service Commission on not less than one days' notice. Such statement can be found at the end of this Schedule.

4. Rate Adjustment Mechanism ("RAM")

- a. The cost associated with Rule 24. Rate Adjustment Mechanism, shall be allocated as described in that Rule and collected by service classifications as follows:
 - i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Rate Adjustment Mechanism Statement setting forth the RAM rates shall be filed with the Commission on not less 30 days' notice to be effective July 1. Such statement can be found at the end of this Schedule.

5. Non-Wire Alternatives ("NWA")

- The cost associated with Rule 32, Non-Wires Alternatives, shall be allocated as described in that Rule and collected by service classification as follows:
- i. non-demand billed customers on a per-kWh basis;
 - ii. demand-billed customers on a per-kW basis.

A Non-Wires Alternatives Statement setting for the NWA rates shall be filed with the Commission on not less than 30 days' notice. Such statement can be found at the end of this Schedule.

PSC No: 19 - Electricity
 Rochester Gas and Electric Corporation
 Initial Effective Date: ~~September 28, 2018~~ June 1, 2023
~~1211~~

Leaf No. 160.26.2
 Revision: ~~1312~~

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Issued in compliance with Order in Case Nos. ~~15-E-0302 and 15-E-0751-18-E-0071~~, dated ~~July 12, 2018~~ April 20, 2023.

GENERAL INFORMATION
12. SUPPLY SERVICE OPTIONS (Cont'd)

C. Calculation of the Commodity Charge (Cont'd)

1. S.C. Nos. 1, 2, 6 and P.S.C. No. 18 Street Lighting (Cont'd)

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component:

The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

Hedge Adjustment:

The hedge adjustment shall pass through to customers the impact of any hedge position entered into on behalf of such customers.

NYISO Related Transmission Charges:

Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

Supply Adjustment Charge Component:

Unaccounted For Energy, Renewable Energy Credits (RECs), Zero Emissions Credits (ZECs), and if applicable, Alternative Compliance Payment (ACP), Offshore Wind Renewable Energy Credits (ORECs), costs the Company has paid for the Value Stack Energy Component not reflected in the price for the Energy Component and the Market Value of the Environmental component of the Value Stack pursuant to Rule 26.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

Beginning January 1, 2025, the full cost of the Environmental Component (Rule 26.B.6.iii), including the Out of Market Value, shall be included in the Supply Adjustment Charge.

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2. Non-Hourly Pricing S.C. Nos. 3, 4, 7, 9

The charge for Electric Power Supply provided by the Company shall fluctuate with the market price of electricity and shall include the following components: Energy, Energy Losses, Unaccounted for Energy ("UFE"), Capacity, Capacity Reserves, Capacity Losses, ancillary services, NTAC, and a Supply Adjustment Charge. The methodology for calculating the Energy and Capacity components of the charge for Electric Power Supply is as follows:

Energy Component:

For each day of the customer's billing cycle, a daily average value of market supply is derived from the day ahead NYISO posted Locational Based Marginal Prices (LBMP) of electricity for the region weighted to reflect hourly usage based on service classification load profiles for the calendar month and day-type (Weekday, Saturday or Sunday). Separate calculations shall be made for each metered time period for the Customer's individual Service Classification.

The daily load weighted market price of energy shall be adjusted to reflect losses and Unaccounted For Energy. These daily average market supply values are used in conjunction with the service classification profile to develop a weighted average value of market supply for each metered time period within the Customer's specific billing period. The weighted average value of market supply is multiplied by the Customer's metered kWh usage for each metered time period to determine the value of market supply.

Capacity Component:

The Capacity component is calculated using the market-clearing price of capacity in \$/kWh as determined from the NYISO's monthly capacity auction price. The Capacity Component shall be revised in accordance with each monthly UCAP auction held by the NYISO. The capacity price shall also include capacity losses and reserves based on the NYISO monthly and spot capacity auctions. The service class profile shall be used to determine the customer's capacity responsibility of state-wide system peak demand. A new capacity responsibility amount shall be effective each May 1st. The service class profile contribution to the system peak demand may need to be adjusted for a growth factor. The cost of the capacity component shall be applied to On-Peak hours only.

Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

UCAP Charge = (UCAP_{req} * (1 + Reserve_{req}) * Price_{monthlyauc})

UCAP_{req} = The demand for the customer's service class that occurred at the time of the New York system peak of the prior year, grossed up for losses and a growth factor.

Reserve_{req} = Additional reserve requirement as required by NYISO.

Price_{monthlyauc} = Monthly NYISO auction price.

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ISSUED BY: ~~Joseph J. Syta~~ Jeremy J. Euto, Vice President – ~~Regulatory, Controller and Treasurer~~, Rochester, New York

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GENERAL INFORMATION

12. SUPPLY SERVICE OPTIONS (Cont'd)

C. Calculation of the Commodity Charge (Cont'd)

1. S.C. Nos. 1, 2, 6 and P.S.C. No. 18 Street Lighting (Cont'd)

Ancillary Services/NYPA Transmission Adjustment Charge (NTAC) Component:

The ancillary services/NTAC shall be forecasted each month and included in the supply price and subsequently reconciled.

Hedge Adjustment:

The hedge adjustment shall pass through to customers the impact of any hedge position entered into on behalf of such customers.

NYISO Related Transmission Charges:

Transmission project costs allocated to the Company under the NYISO tariff as approved by FERC.

Supply Adjustment Charge Component:

Unaccounted For Energy, Renewable Energy Credits (RECs), Zero Emissions Credits (ZECs), and if applicable, Alternative Compliance Payment (ACP), Offshore Wind Renewable Energy Credits (ORECs), costs the Company has paid for the Value Stack Energy Component not reflected in the price for the Energy Component and the Market Value of the Environmental component of the Value Stack pursuant to Rule 26.B., and all costs incurred related to supply shall be reconciled and recovered or refunded through a subsequent Supply Adjustment Charge incorporated in the supply charge.

Beginning January 1, 2025, the full cost of the Environmental Component (Rule 26.B.6.iii), including the Out of Market Value, shall be included in the Supply Adjustment Charge.

2. Non-Hourly Pricing S.C. Nos. 3, 4, 7, 9

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Capacity Component:

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Capacity Charge = UCAP Charge + Demand Curve Reserve Charge

UCAP Charge = $(UCAP_{req} * (1 + Reserve_{req}) * Price_{monthlyauc})$

$UCAP_{req}$ = The demand for the customer's service class that occurred at the time of the New York system peak of the prior year, grossed up for losses and a growth factor.

$Reserve_{req}$ = Additional reserve requirement as required by NYISO.

$Price_{monthlyauc}$ = Monthly NYISO auction price.