

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: OCTOBER 26, 2105
STAMPS: Issued in compliance with order in Case 15-E-0082 dated 10/16/2015

LEAF: 148
REVISION: 8
SUPERSEDING REVISION: 7

GENERAL INFORMATION

COMMUNITY DISTRIBUTED GENERATION ("CDG")

29. In accordance with the ~~order~~orders in Case 15-E-0082 issued July 17, 2015 and October 16, 2015, Rule 29 sets forth the requirements of the Community Distributed Generation ("CDG") Program which consists of a CDG Host facility eligible for net metering which is in conformance with the net metering requirements of PSL 66-j and 66-l. The size of the generation must be limited in size consistent with the above statutes, and located behind a host meter under either a non-residential demand or non-residential non-demand service classification. The CDG project will consist of a CDG Host and associated CDG Satellites who shall own or contract for a portion of the credits in excess of load accumulated at the CDG Host's meter.

Phase 1 of the CDG ~~program~~Program will be in effect from October ~~1926~~, 2015 through April 30, 2016 and will be available where: (a) the generating equipment is located in an ~~opportunity zone~~Opportunity Zone as designated by the Company; or (b) a minimum of 20% of the associated CDG Satellites in a CDG project are residential customers enrolled in the Company's low income program which includes the Low Income Discount Program, Low Income Electric Discount Program and Low Income Electric Heating Discount Program

Phase II will commence on May 1, 2016 and will be available to any CDG Host within the Company's entire service territory.

29.1 Application of CDG Host

29.1.1 The CDG Host, by submitting a completed allocation request form to the Company, is certifying that its project meets all the criteria and requirements set forth by the New York State Public Service Commission in its order issued July 17, 2015 and October 16, 2015 in Case 15-E-0082, as may be amended from time to time by any future order(s) in this case.

29.1.2 A CDG Host must be a non-residential customer who owns and operates farm waste, solar, wind, micro-hydroelectric, or fuel cell electric generating facilities and may be any of the following: a single entity (including the generating facility developer), an ESCo, a municipal entity (e.g., town or village), a for-profit business or a not-for-profit corporation, a limited liability company, a partnership, or some other form of business or civic organization. The CDG Host and associated CDG Satellites must be located within the same NYISO load zone and within the Company's service territory.

29.1.2.1 A CDG Satellite account must have only one CDG Host account and shall not be a net metered customer, a remote net metered ~~host~~customer, or satellite account or take service under SC 7-Standby Service or SC-12-Special Contract Rates, in accordance with their individual contracts.

29.1.2.2 A CDG Satellite may not be a ~~remote net metered~~Remote Net Metered host or satellite account.

29.1.2.3 If the CDG Host account was previously a remote net metering customer as an energy only account and ~~who~~ was grandfathered under the Transition Plan in ~~Case No.~~Cases 14-E-0151/14-E-0422 to receive monetary crediting ~~may become~~, conversion to a CDG Host ~~if will require that~~ it surrenders its grandfathered status to receive monetary crediting and will be subject to volumetric crediting.

29.1.2.4 If the CDG Host account was previously established as a net metered ~~customer~~generator or Remote Net Metered ~~Host~~Customer-Generator, it must forfeit any remaining kWh credits at the time it becomes a CDG Host.

29.1.3 The CDG Host will be responsible for building the CDG facility, interconnecting to the grid, and owning or operating the facility in conformance with the requirements of PSL 66-j (3)(e), (f) and (g) and 66-l (3)(e).

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29.1.3.1 The CDG Host electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 2 MW or Less Connected in Parallel with Utility Distribution Systems. CDG Hosts must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 2 MW or Less Connected in Parallel with Utility Distribution Systems, and as set forth within the SIR Addendum to this tariff, which may be amended from time to time.

29.2 Requirements of CDG Hosts

29.2.1 The CDG Host ~~will be responsible for providing the Company with the CDG Satellites' names and account numbers and any other such information required by the Company showing each CDG Satellites utility account number, name, address, and its proportionate share of the CDG Host's percentage of excess generation credits. Also,~~ by submitting the completed allocation request form to the Company, ~~the CDG Host~~ certifies that it has written authorization from the ~~Customer~~customer to request and receive the ~~Customer's~~customer's historic usage and that it has entered into a written contract with the Customer. The CDG Host will be responsible for providing the Company with the CDG Satellites' names, addresses, account numbers, proportionate share of excess generation credits and any other such information required by the Company 60 days before credits are to be distributed to the CDG Satellite. The Company will not be responsible or held liable for any contractual arrangements or other agreements between the CDG Host and CDG Satellite, including terms, pricing, dispute resolution or contract termination.

29.2.2 The CDG Host must certify in writing to the Company, both prior to commencing CDG service and annually thereafter that it meets the creditworthiness standards and requirements established by the PSC to be a CDG Host.

29.2.3 The CDG Host must not have less than ten associated CDG Satellites. No more than 40 percent of the output of the CDG Host may serve CDG satellites of 25 kW or greater. Each associated CDG Satellite must take a percentage of the CDG Host's excess generation. The percentage must equal at least 1,000 kWh annually but must not exceed the CDG Satellite account's historic average annual kWh or a forecasted average annual kWh if actual data is not available.

29.2.4 A CDG Host may not request termination or suspension of electric service to an associated CDG Satellite.

29.2.5 Service under this rule terminates for the CDG Host and CDG Satellites if ~~a~~ CDG Host is no longer eligible, if the CDG Host terminates CDG participation, or if the Company terminates service to the CDG Host account.

29.2.6 The Company's CDG Program Procedural ~~Requirements~~details~~Requirements detail~~ the format and requirements for CDG submissions. Additionally, the Company's CDG Program Procedural ~~Requirements~~sets~~Requirements set~~ forth consumer protections required of CDG Hosts until such time that the PSC establishes the Uniform Business Practices for Distributed Energy ~~Resource~~Resources (DER) Providers.

29.3 Allocations of Generators' Output

29.3.1 At least sixty days before commencing net metered service under the CDG program, the CDG Host must submit to the Company an allocation request form with its list of associated CDG Satellite accounts and the percentage (up to three decimal places of accuracy) of the CDG Host's net energy output to be allocated to each, as well as the percentage to be retained by the CDG Host. If less than 100.000% of the CDG Host's net energy output is allocated by the CDG Host to associated CDG Satellites, the balance will be retained on

| the CDG Host account, so that the full output of the CDG Host is allocated. Allocations of more than 100.00% [of the CDG Host's net energy output](#) shall be rejected by the Company.

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GENERAL INFORMATION

COMMUNITY DISTRIBUTED GENERATION ("CDG") (Continued)

29.3.1.1 If there is insufficient metering data in any month to ascertain the kWh supplied by the CDG Host to the CDG Satellite accounts, the CDG Host's excess credits will be assumed to be zero. When and if actual data becomes available, credits will be prospectively applied as appropriate.

29.3.1.2 The CDG Host may modify its associated CDG Satellite accounts and/or the percentage ~~allocated to itself or~~ to its CDG Satellites by giving notice to the Company no less than thirty days before the CDG Host account's billing date to which the modifications apply and by submitting a revised allocation request form to the Company with the new percentages and new associated CDG Satellite accounts.

29.3.2 If a distributed generation customer participates as a CDG Host and is billed on an energy only commercial rate, the excess generation will be allocated to the associated CDG Satellites on a volumetric basis based on the percentage directed in the ~~application~~ allocation request form provided to the Company by the CDG Host.

29.3.2.1 Volumetric credits received from the CDG Host to be applied to the CDG Satellite accounts will be converted to a monetary credit based on the CDG Satellite's service classification and used to reduce the volumetric charges only on the CDG ~~Satellites Bill~~ Satellite's electric utility bill.

29.3.2.2 If a CDG Satellite account is billed under time-of-use rates, the- credits shall be applied in proportion to the usage in each time period.

29.3.2.3 After each CDG Satellite account has been credited in the current billing period, any remaining -credits will be carried forward on that CDG Satellite account to the succeeding billing period.

29.3.3 If a distributed generation customer participates as a CDG Host and is billed on a demand rate the excess generation will be converted to a dollar amount based on the CDG Host's ~~Service Classification~~ service classification. The monetary credit will be allocated to the associated CDG Satellites based on the percentage basis as directed in the ~~application~~ allocation request form provided to the Company by the CDG Host.

29.3.3.1 Monetary credits from the CDG Host will be applied to the CDG Satellite accounts in their next bill. Credits from the CDG Host will be applied to the CDG Satellite accounts' bill, including energy, customer, demand or other charges on the electric bill until the bill is reduced to zero.

29.3.3.2 If a CDG Satellite account is billed under time-of-use rates, the monetary credits shall be applied in proportion to the usage in each time period.

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29.3.3.3 After each CDG Satellite account has been credited in the current billing period, any remaining monetary credit will be carried forward on that CDG Satellite account to the succeeding billing period.

29.3.4 ~~In the event the CDG host has credits existing on the CDG host account at the end of their anniversary date, the~~ The CDG Host must furnish the Company ~~with instructions for distributing those credits to itself and/or, one or more of its CDG Satellite accounts each year, no less than~~ 30 days before the CDG Host's anniversary date. 12 month anniversary of commencing CDG net metered service with written instructions for allocating any remaining credits on the CDG Host account after the issuance of its month 12 bill to its CDG Satellites. The CDG Host cannot allocate to its own account. No distribution will be made if instructions are ~~not~~ note received by the required date, ~~and, If the Company does not receive the required notification~~ any undistributed credits on the CDG Host account will be forfeited.

29.3.5 Account Closure – The Company requires an actual reading to close an account of a CDG Host. The Company will close an account on the earlier of (a) the first billing cycle date on which a reading is taken following the requested turn off date, or (b) the date of the special reading date, which the CDG Host may request in accordance with Rule 39.14.4. After the final bill is rendered to the CDG Host, any remaining ~~kWh~~ credits on the CDG Host account will not be cashed out or transferred. CDG Satellites accounts will no longer receive credits once ~~ana~~ a CDG Host account is closed and the final bill is rendered on the CDG Host. ~~If a kWh credit remains on a CDG Satellite Account after its final bill is rendered, such credit will be returned to the CDG Host Account.~~