

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: MARCH 31, 2021

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 42  
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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**  
**Capacity Market Value Cost Recovery - ALTERNATIVE 1**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 20,831 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 29,129.24**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>ICP Allocator</b>	
SC1	40.99%	\$11,940.08
SC1C	0.81%	\$235.95
SC2ND	2.54%	\$739.88
SC2D	14.46%	\$4,212.09
SC3-Secondary	13.34%	\$3,885.84
SC3-Primary	5.15%	\$1,500.16
SC3-Subtransmission/Transmission	1.65%	\$480.63
SC3A-Secondary/Primary	2.98%	\$868.05
SC3A-Sub Transmission	3.75%	\$1,092.35
SC3A-Transmission	14.31%	\$4,168.39
Streetlighting	0.02%	\$5.83
<b>Total</b>	<b>100.00%</b>	<b>\$29,129.24</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	921,160,464	\$0.00001
SC1C	23,314,171	\$0.00001
SC2ND	49,430,948	\$0.00001
		<b><u>\$/kW</u></b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.01
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	13,072,340	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**  
**Capacity Market Value Cost Recovery - ALTERNATIVE 2**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: 16,258 kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ 22,733.96**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$9,318.65
SC1C	0.81%	\$184.15
SC2ND	2.54%	\$577.44
SC2D	14.46%	\$3,287.33
SC3-Secondary	13.34%	\$3,032.71
SC3-Primary	5.15%	\$1,170.80
SC3-Subtransmission/Transmission	1.65%	\$375.11
SC3A-Secondary/Primary	2.98%	\$677.47
SC3A-Sub Transmission	3.75%	\$852.52
SC3A-Transmission	14.31%	\$3,253.23
Streetlighting	0.02%	\$4.55
<b>Total</b>	<b>100.00%</b>	<b>\$22,733.96</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00001
SC1C	23,314,171	\$0.00001
SC2ND	49,430,948	\$0.00001
		<b><u>\$/kW</u></b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	13,072,340	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Market Value Cost Recovery - ALTERNATIVE 3**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 3 VDER Projects' Net Injections at hour of NYISO Peak: 88 kW

**Total Alternative 3 Capacity Market Value Cost to Recover: \$ 123.05**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$50.44
SC1C	0.81%	\$1.00
SC2ND	2.54%	\$3.13
SC2D	14.46%	\$17.79
SC3-Secondary	13.34%	\$16.42
SC3-Primary	5.15%	\$6.34
SC3-Subtransmission/Transmission	1.65%	\$2.03
SC3A-Secondary/Primary	2.98%	\$3.67
SC3A-Sub Transmission	3.75%	\$4.61
SC3A-Transmission	14.31%	\$17.61
Streetlighting	0.02%	\$0.02
<b>Total</b>	<b>100.00%</b>	<b>\$123.05</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00000
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	13,072,340	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Out of Market Value Cost Recovery**  
**Rule 40.3.2.2**

VDER Value Stack Capacity Market Value (Rule 40.3.2.1): \$ 51,986.26

Total VDER Value Stack Capacity Component Paid to Projects: \$ 4,076.54

**Total Capacity Out of Market Value Cost to Recover: \$ (47,909.72)**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	38.79%	-\$18,582.59
SC1C	-0.34%	\$162.98
SC2ND	11.92%	-\$5,710.11
SC2D	15.94%	-\$7,639.15
SC3	31.97%	-\$15,315.96
SC3A	0.00%	\$0.00
Streetlighting	1.72%	-\$824.89
<b>Total</b>	<b>100.00%</b>	<b>-\$47,909.72</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	-\$0.00002
SC1C	23,314,171	\$0.00001
SC2ND	49,430,948	-\$0.00012
		<b><u>\$/kW</u></b>
SC2D	1,028,289	-\$0.01
SC3	1,282,348	-\$0.01
SC3A	1,394,535	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	13,072,340	-\$0.00006

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Market Value Cost Recovery<sup>1</sup>**  
**Rule 40.3.2.3**

NYSERDA Tier 1 REC rate in effect for the recovery month<sup>2</sup>: \$ 0.02163 /kWh

Total of VDER Projects' Net Injections during recovery month: 6,626,665 kWh

**Total Environmental Market Value Cost to Recover: \$ 143,316.69**

Notes:

1. The Environmental Market Value costs are recovered annually as part of the Clean Energy Standard Supply charge as specified in Rule 46.3.5.
2. NYSERDA's alternative compliance payment (ACP) price, less 10% administrative adder, used as proxy until quarterly auction clears.

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Out of Market Value Cost Recovery**  
**Rule 40.3.2.4**

VDER Value Stack Environmental Market Value (Rule 40.3.2.3): \$ 143,316.69

Total VDER Value Stack Environmental Component Paid to Projects: \$ 175,787.12

**Total Environmental Out of Market Value Cost to Recover:** **\$ 32,470.43**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	37.41%	\$12,146.67
SC1C	-0.15%	-\$48.44
SC2ND	7.57%	\$2,457.04
SC2D	15.81%	\$5,133.61
SC3	37.07%	\$12,037.15
SC3A	0.79%	\$257.01
Streetlighting	1.50%	\$487.39
<b>Total</b>	<b>100.00%</b>	<b>\$32,470.43</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	921,160,464	\$0.00001
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00005
		<b><u>\$/kW</u></b>
SC2D	1,028,289	\$0.00
SC3	1,282,348	\$0.01
SC3A	1,394,535	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	13,072,340	\$0.00004

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Secondary/Primary** Projects: \$ 7,089.73

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$4,016.33
SC1C	1.18%	\$83.66
SC2ND	3.30%	\$233.96
SC2D	18.62%	\$1,320.11
SC3-Secondary	18.51%	\$1,312.31
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$52.46
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$70.90
<b>Total</b>	<b>100.00%</b>	<b>\$7,089.73</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00000
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00000
		<b>\$/kW</b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b>\$/kWh</b>
Streetlighting	13,072,340	\$0.00001

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Subtransmission/Transmission** Projects: \$ 564.22

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>ICP Allocator</b>	
SC1	40.99%	\$231.27
SC1C	0.81%	\$4.57
SC2ND	2.54%	\$14.33
SC2D	14.46%	\$81.59
SC3-Secondary	13.34%	\$75.27
SC3-Primary	5.15%	\$29.06
SC3-Subtransmission/Transmission	1.65%	\$9.31
SC3A-Secondary/Primary	2.98%	\$16.81
SC3A-Sub Transmission	3.75%	\$21.16
SC3A-Transmission	14.31%	\$80.74
Streetlighting	0.02%	\$0.11
<b>Total</b>	<b>100.00%</b>	<b>\$564.22</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00000
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00000
		<b>\$/kW</b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b>\$/kWh</b>
Streetlighting	13,072,340	\$0.00000



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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Secondary/Primary** Projects: \$ 2,034.42

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$1,152.50
SC1C	1.18%	\$24.01
SC2ND	3.30%	\$67.14
SC2D	18.62%	\$378.81
SC3-Secondary	18.51%	\$376.57
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$15.05
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$20.34
<b>Total</b>	<b>100.00%</b>	<b>\$2,034.42</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00000
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00000
		<b>\$/kW</b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b>\$/kWh</b>
Streetlighting	13,072,340	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$0.00
SC1C	0.81%	\$0.00
SC2ND	2.54%	\$0.00
SC2D	14.46%	\$0.00
SC3-Secondary	13.34%	\$0.00
SC3-Primary	5.15%	\$0.00
SC3-Subtransmission/Transmission	1.65%	\$0.00
SC3A-Secondary/Primary	2.98%	\$0.00
SC3A-Sub Transmission	3.75%	\$0.00
SC3A-Transmission	14.31%	\$0.00
Streetlighting	0.02%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$0.00</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00000
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00000
		<b>\$/kW</b>
SC2D	1,028,289	\$0.00
SC3-Secondary	811,325	\$0.00
SC3-Primary	336,345	\$0.00
SC3-Subtransmission/Transmission	134,679	\$0.00
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
		<b>\$/kWh</b>
Streetlighting	13,072,340	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**MTC Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack MTC Component Paid to Projects: \$ 16,360.68

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	94.04%	\$15,384.99
SC1C	0.00%	\$0.00
SC2ND	5.96%	\$975.69
<b>Total</b>	<b>100.00%</b>	<b>\$16,360.68</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00002
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00002

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Community Credit Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack Community Credit Component Paid to Projects: \$ 96,797.52

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	45.86%	\$44,395.21
SC1C	0.00%	\$0.00
SC2ND	5.05%	\$4,883.50
SC2D	19.67%	\$19,044.14
SC3-Secondary	14.44%	\$13,976.41
SC3-Primary	12.03%	\$11,645.69
SC3-Subtransmission/Transmission	1.72%	\$1,668.44
SC3A-Secondary/Primary	0.00%	\$0.00
SC3A-Sub Transmission	1.18%	\$1,142.15
SC3A-Transmission	0.00%	\$0.00
Streetlighting	0.04%	\$41.98
<b>Total</b>	<b>100.00%</b>	<b>\$96,797.52</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	921,160,464	\$0.00005
SC1C	23,314,171	\$0.00000
SC2ND	49,430,948	\$0.00010
		<b>\$/kW</b>
SC2D	1,028,289	\$0.02
SC3-Secondary	811,325	\$0.02
SC3-Primary	336,345	\$0.03
SC3-Subtransmission/Transmission	134,679	\$0.01
SC3A-Secondary/Primary	171,262	\$0.00
SC3A-Sub Transmission	261,991	\$0.00
SC3A-Transmission	961,283	\$0.00
Streetlighting	13,072,340	\$0.00000