

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: NOVEMBER 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 38  
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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: \$ 0.85 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 10,073 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 8,595.46**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$3,523.28
SC1C	0.81%	\$69.62
SC2ND	2.54%	\$218.32
SC2D	14.46%	\$1,242.90
SC3-Secondary	13.34%	\$1,146.63
SC3-Primary	5.15%	\$442.67
SC3-Subtransmission/Transmission	1.65%	\$141.83
SC3A-Secondary/Primary	2.98%	\$256.14
SC3A-Sub Transmission	3.75%	\$322.33
SC3A-Transmission	14.31%	\$1,230.01
Streetlighting	0.02%	\$1.72
<b>Total</b>	<b>100.00%</b>	<b>\$8,595.46</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00000
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$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: \$ 0.85 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: 12,158 kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ 10,374.40**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$4,252.47
SC1C	0.81%	\$84.03
SC2ND	2.54%	\$263.51
SC2D	14.46%	\$1,500.14
SC3-Secondary	13.34%	\$1,383.94
SC3-Primary	5.15%	\$534.28
SC3-Subtransmission/Transmission	1.65%	\$171.18
SC3A-Secondary/Primary	2.98%	\$309.16
SC3A-Sub Transmission	3.75%	\$389.04
SC3A-Transmission	14.31%	\$1,484.58
Streetlighting	0.02%	\$2.07
<b>Total</b>	<b>100.00%</b>	<b>\$10,374.40</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	1,011,907,639	\$0.00000
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00001
		<b>\$/kW</b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b>\$/kWh</b>
Streetlighting	18,496,455	\$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: \$ 0.85 /kW

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

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

**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>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00000
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$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): \$ 18,969.86

Total VDER Value Stack Capacity Component Paid to Projects: \$ 93,710.01

**Total Capacity Out of Market Value Cost to Recover: \$ 74,740.15**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	49.12%	\$36,715.44
SC1C	0.06%	\$41.93
SC2ND	10.27%	\$7,673.16
SC2D	12.22%	\$9,134.63
SC3	26.43%	\$19,753.32
SC3A	0.00%	\$0.00
Streetlighting	1.90%	\$1,421.67
<b>Total</b>	<b>100.00%</b>	<b>\$74,740.15</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00004
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00015
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.01
SC3	1,342,237	\$0.01
SC3A	1,432,277	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$0.00008

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

**Environmental Market Value Cost Recovery**  
**Rule 40.3.2.3**

NYSERDA Tier 1 REC rate in effect for the recovery month: \$ 0.02209 /kWh

Total of VDER Projects' Net Injections during recovery month: 13,797,568 kWh

**Total Environmental Market Value Cost to Recover: \$ 304,788.28**

The Environmental Market Value costs will be recovered annually as part of the  
Clean Energy Standard Supply charge annual reconconciliation as specified in Rule 46.3.5.

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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): \$ 304,788.28

Total VDER Value Stack Environmental Component Paid to Projects: \$ 371,380.21

**Total Environmental Out of Market Value Cost to Recover:** **\$ 66,591.93**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	44.81%	\$29,839.75
SC1C	0.04%	\$24.76
SC2ND	15.39%	\$10,245.32
SC2D	13.33%	\$8,873.47
SC3	25.07%	\$16,696.16
SC3A	0.00%	\$0.00
Streetlighting	1.37%	\$912.47
<b>Total</b>	<b>100.00%</b>	<b>\$66,591.93</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00003
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00020
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.01
SC3	1,342,237	\$0.01
SC3A	1,432,277	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$0.00005

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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: \$ 262,158.63

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$148,512.86
SC1C	1.18%	\$3,093.47
SC2ND	3.30%	\$8,651.23
SC2D	18.62%	\$48,813.94
SC3-Secondary	18.51%	\$48,525.56
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$1,939.97
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$2,621.59
<b>Total</b>	<b>100.00%</b>	<b>\$262,158.63</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00015
SC1C	25,610,732	\$0.00012
SC2ND	52,331,427	\$0.00017
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.05
SC3-Secondary	850,175	\$0.06
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.01
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$0.00014

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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: \$ 27,720.45

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$11,362.61
SC1C	0.81%	\$224.54
SC2ND	2.54%	\$704.10
SC2D	14.46%	\$4,008.38
SC3-Secondary	13.34%	\$3,697.91
SC3-Primary	5.15%	\$1,427.60
SC3-Subtransmission/Transmission	1.65%	\$457.39
SC3A-Secondary/Primary	2.98%	\$826.07
SC3A-Sub Transmission	3.75%	\$1,039.52
SC3A-Transmission	14.31%	\$3,966.80
Streetlighting	0.02%	\$5.54
<b>Total</b>	<b>100.00%</b>	<b>\$27,720.45</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00001
SC1C	25,610,732	\$0.00001
SC2ND	52,331,427	\$0.00001
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$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: \$ 1,228.28

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$695.82
SC1C	1.18%	\$14.49
SC2ND	3.30%	\$40.53
SC2D	18.62%	\$228.71
SC3-Secondary	18.51%	\$227.35
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$9.09
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$12.28
<b>Total</b>	<b>100.00%</b>	<b>\$1,228.28</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00000
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	18,496,455	\$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	1,011,907,639	\$0.00000
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00000
		<b>\$/kW</b>
SC2D	1,082,871	\$0.00
SC3-Secondary	850,175	\$0.00
SC3-Primary	351,703	\$0.00
SC3-Subtransmission/Transmission	140,360	\$0.00
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00
		<b>\$/kWh</b>
Streetlighting	18,496,455	\$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: \$ 43,912.66

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Allocator</u></b>	
SC1	94.78%	\$41,618.96
SC1C	0.00%	\$0.00
SC2ND	5.22%	\$2,293.70
<b>Total</b>	<b>100.00%</b>	<b>\$43,912.66</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,011,907,639	\$0.00004
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00004

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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: \$ 196,924.53

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	53.35%	\$105,065.16
SC1C	0.00%	\$0.00
SC2ND	3.68%	\$7,238.62
SC2D	16.51%	\$32,516.45
SC3-Secondary	13.07%	\$25,742.82
SC3-Primary	12.85%	\$25,295.45
SC3-Subtransmission/Transmission	0.54%	\$1,066.03
SC3A-Secondary/Primary	0.00%	\$0.00
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$196,924.53</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	1,011,907,639	\$0.00010
SC1C	25,610,732	\$0.00000
SC2ND	52,331,427	\$0.00014
		<b>\$/kW</b>
SC2D	1,082,871	\$0.03
SC3-Secondary	850,175	\$0.03
SC3-Primary	351,703	\$0.07
SC3-Subtransmission/Transmission	140,360	\$0.01
SC3A-Secondary/Primary	176,299	\$0.00
SC3A-Sub Transmission	269,844	\$0.00
SC3A-Transmission	986,134	\$0.00