PSC No: 19 - Electricity Rochester Gas and Electric Corporation Initial Effective Date: February 26, 2010 Issued in compliance with Order in Case No. 09-E-0832 dated 02/12/2010. Leaf No. 160.39.6 Revision: 3 Superseding Revision: 2

## GENERAL INFORMATION

## 18. Micro-combined Heat and Power (MCHP) Service Option

Applicable to any Residential Customer (as defined by HEFPA) who owns, leases or operates MCHP generating equipment. MCHP generating equipment is defined as an integrated, cogenerating building heating and electrical power generation system, operating on any fuel and of any applicable engine, fuel cell, or other technology, with a rated capacity of at least one kilowatt and not more than ten kilowatts electric and any thermal output that at full load has a design total fuel use efficiency in the production of heat and electricity of not less than eighty percent, and annually produces at least two thousand kilowatt hours of useful energy in the form of electricity that may work in combination with supplemental or parallel conventional heating systems, that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities. Such system must be connected to the customer's electric system and operated in parallel with RG&E's transmission and distribution facilities. Application of the MCHP Residential Service Option will be available to eligible customers, on a first come, first served basis, until the total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in RG&E's service area is equivalent to 16,250 kW (one percent of RG&E's electric demand for the year 2005) and is available only in non-network areas of the Corporation's territory. Customers 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 ("SIR Contract"). In addition, customers 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, as set forth within Addendum-SIR of Schedule PSC 19.

For a net metered customer, the Corporation will install metering appropriate for the customer's service classification that enables the Corporation to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Corporation. Where the Corporation determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Corporation, the customer will be responsible for the cost of the meter, the installation and any additional costs. For each billing period during the term of the SIR Contract, the Corporation will net the electricity (kWh) delivered to the customers with the electricity (kWh) supplied by the customer to the Corporation.

- a) If the electricity (kWh) supplied by the Corporation exceeds the electricity supplied by the customer to the Corporation during the billing period the customer shall be billed for the net kWh supplied by the Corporation to the customer at the standard service class rates. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, netting will occur in each time period.
- b) If the electricity (kWh) supplied by the customer to the Corporation during the billing period exceeds the electricity (kWh) supplied by the Corporation to the customer, the Corporation will provide a credit on the next bill for net electricity supplied at the Corporation's Service Classification No. 5 Buy-back Service energy only rate. For customers billed on time-differentiated rates (TOU meter), e.g., On-Peak/Off-Peak, the kWh credit will be a credit for the appropriate time period.

Upon the Corporation's determination that the customer has taken service under this Section while in violation of the conditions of service set forth herein, the customer shall forfeit any positive balance accrued during the annual period in which the violation occurred.

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York