

PSC No: 120 – Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: June 24, 2022

Leaf No. 117.53  
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## GENERAL INFORMATION

### 46. Earnings Adjustment Mechanism (“EAM”)

The EAM Surcharge is designed to recover incentives associated with Energy Efficiency (“EE”), Beneficial Electrification (“BE”), Distributed Energy Resource (“DER”) Utilization, or Electric Class Load Factor Electric EAMs from all customers taking service under Service Classification Nos. 1, 2, 3, 5, 6, 8, 9, 10, 11 and 14.

#### A. Cost recovery shall be determined as follows:

##### 1. Energy Efficiency (“EE”):

- Electric Share the Savings (“ESTS”) excluding Low- and Moderate-Income Customers (“LMI”) EAM; or
- ESTS LMI Only EAM; or
- Heat Pump Share the Savings (“HPSTS”) EAM; or
- Environmental Justice (“EJ”) EAM

##### a. The Company shall allocate the EE EAMs by using the same allocation method used to allocate Energy Efficiency-EE Tracker costs to service classes as follows:

- (1) 83.43% is based on energy;
- (2) 6.53% is based on a 2 CP demand allocator;
- (3) 3.38% is based on a 12 CP demand allocator;
- (4) 1.72% is based on a primary NCP demand allocator; and
- (5) 4.95% is based on a secondary NCP demand allocator.

##### b. In the event the Company undertakes non-pipes alternatives which include heat pumps as part of the solution, the Company will not include those heat pumps associated with any such project in the calculation of the Heat Pump Share the Savings EAM.

##### 2. Beneficial Electrification (“BE”):

- Heat Pump CO2 Reduction EAM; or
- Electric Vehicle Make Ready EAM; or
- Electric Vehicle CO2 Reduction EAM

##### a. For the BE EAMs, the Company shall allocate EAM incentives to Service Classifications for the BE EAMs using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight using the energy allocator.

##### 3. Distributed Energy Resources (“DER”) Utilization:

- DER MWH Connected EAM; or
- Coordinated Electric System Interconnection Review (“CESIR”) Study Turnaround Time EAM; or
- Developer Checkout Passing Rate EAM

##### a. For the DER EAMs, the Company shall allocate EAM incentives to Service Classifications using transmission demand (12 CP), primary demand, secondary demand, and energy allocators with each carrying equal weight.

##### 4. Electric Class Load Factor EAM

- a. For the Electric Class Load Factor EAM, the Company shall allocate EAM incentives to Service Classification using the transmission demand allocator (12 CP).