

PSC NO: 15 ELECTRICITY LEAF: 106.1.1
COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION REVISION: 3
INITIAL EFFECTIVE DATE: 08/19/23 SUPERSEDING REVISION: 2
Issued in Compliance with Order in C.15-E-0302 and 15-E-0751 dated April 20, 2023 & 22-E-0549 dated March 17, 2023

29. ENERGY COST ADJUSTMENT MECHANISM (Cont'd)

Miscellaneous Charges Factor (Cont'd)

Value of Distributed Energy Resources (VDER)

The VDER factor is designed to recover certain elements of the compensation paid to customers under General Information Section 48.B ("Value Stack Compensation") and General Information Section 48.D ("Wholesale Value Stack") related to the purchase of generation as follows:

1. Capacity Component:

- (a) The market value of the Capacity Component will be based on the monthly NYISO Spot Auction price for the New York Control Area and will be allocated to service class and sub-class based on load-ratio;
- (b) The difference between the total actual Value Stack compensation paid to customers for the Capacity Component and the aforementioned total estimated market value will be allocated on a pro-rata basis to the same service classes and sub-classes as the Community Distributed Generation ("CDG") subscribers and/or customers receiving such Value Stack compensation;
- (c) Cost recovery will be on a monthly basis;
- (d) Cost recovery will be on a kWh basis for non-demand customers, on a kW basis for demand customers, and on an as-used basis for customers taking service under Service Classification No. 14; and,
- (e) The rate per kWh or kW will be determined by dividing allocable costs by estimated billed kWh deliveries or kW demand over the collection period.

2. Environmental Component:

Effective through December 31, 2024 the Environmental Component of Value Stack compensation will be recovered as follows:

- (a) The difference between the total actual Value Stack compensation paid to customers for the Environmental Component and the total estimated market value included in the MPC will be allocated on a pro-rata basis to the same service classes and sub-classes as the Community Distributed Generation ("CDG") subscribers and/or customers receiving such Value Stack compensation;
- (b) Cost recovery will be on a kWh basis; and,
- (c) The rate per kWh will be determined by dividing allocable costs by estimated billed kWh deliveries over the collection period and will be the same for all service classifications.

Effective January 1, 2025, all Environmental Component credits paid to customers will be recovered through the Renewable Energy Credits component. Any over or under-collection associated with the out of market Environmental Component that remains as of January 1, 2025 will be included for refund or recovery in the determination of the next annual Renewable Energy Credits component.