

PSC NO: 10 – Electricity  
 Consolidated Edison Company of New York, Inc.  
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### GENERAL RULES

## 20. Standby Service and Standby Service Rates - Continued

### 20.3 Customers Exempt from Standby Service Rates - Continued

#### 20.3.3 Customers With Targeted Exemptions

- (a) A Customer who newly installs or expands an efficient CHP generation facility on or after January 1, 2017, may apply for an exemption from Standby Service rates provided that all of the conditions specified below and in General Rule 20.3.4 are met:
- (i) the CHP facility has an aggregated capacity of 1 MW or greater and serves no more than the Customer's maximum potential demand;
  - (ii) the CHP facility has an average annual efficiency of 60 percent or greater and has a usable thermal energy component that absorbs a minimum of 20 percent of the CHP facility's total usage annual energy output;
  - (iii) the CHP facility is designed to meet NOx emissions ratings specified in General Rule 20.3.4; provided, however, that the facility is designed to have maximum NOx emissions of 1.6 lbs/MWh in zip codes not listed in that General Rule;
  - (iv) the Customer submits a completed application for interconnection in accordance with the SIR by December 31, 2019, and commences operation of the CHP by December 31, 2021, for either a new CHP facility or for the portion of an existing facility that is newly expanding; and
  - (v) if application is made to expand an existing CHP facility, only the facility's new portion that has an aggregated capacity of 1 MW or over is eligible under this provision, and it must be separately metered and billed.

Each eligible Customer will be exempt from Standby Service rates for the specified number of years from the date the CHP commences operation, as shown below. Such Customer will also receive shadow billing, for informational purposes, at rates under Rider Q - Option B during the term of such rates, and at the then-effective Standby Service rates thereafter, unless the Customer makes a one-time election to be switched to billing under either Rider Q or the then-effective Standby Service rates.

<u>Number of Years Exempt</u>	<u>Average Annual Efficiency</u>
4	60% or greater but less than 63%
7	63% or greater but less than 65%
10	63% or greater and peak efficiency of 65% or greater

For purposes of measuring the above, the annual overall efficiency and peak efficiency will be determined using the Higher Heating Value of the fuel input. For peak efficiency, power island system efficiency will be measured at the prime mover connections for fuel and electricity, and at the heat recovery device connections for steam and/or hot water. Peak efficiency calculations assume full utilization of electrical and thermal energy.

Applications made under General Rule 20.3.3(a) shall not exceed 50 MW of new or expanded Efficient CHP, of which at least 25 MW of aggregated CHP capacity shall be reserved for Customers who take both standby service and service under SC 11, where the SC 11 Customer has the ability to operate in grid export mode (i.e., the Customer's generation capacity is greater than its Contract Demand billed under Standby Service rates). If Customers served under this General Rule 20.3.3(a) switch to the Standby Rate Pilot under Rider Q or Standby Service rates, the MW withdrawn by such Customers will not be available to those Customers or any other Customers under this General Rule 20.3.3 (a).

Issued by: Robert Hoglund, Senior Vice President & Chief Financial Officer, New York, NY