

PSC NO: 15 ELECTRICITY

LEAF: 163.9.9

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 3

INITIAL EFFECTIVE DATE: 06/01/19

SUPERSEDING REVISION: 2

Issued in Compliance with Order in Case 15-E-0751 dated April 18, 2019

48. Value of Distributed Energy Resources (VDER) (Cont'd)**B. Value Stack (Cont'd)****Value Stack Components: (Cont'd)****2. Capacity Component (Cont'd)**

Alternative 1 – Phase Two Value Stack: Capacity compensation for projects that qualify after July 26, 2018, will be determined by multiplying the customer generator's net hourly exports in a billing period by the Alternative 1 credit rate which will be determined as follows. The monthly auction price for the prior calendar month, adjusted for reserve margin and excess ICAP requirement all as set forth by the NYISO, will determine the per kW-month rate. The per kW-month rate will be multiplied by a proxy capacity factor and divided by the solar production values using the correlated solar PV load curves for the Lower Hudson Valley, as set forth in Appendix E of the Commission's April 18, 2019 Order in Case 15-E-0751.

Such capacity rates will be published on the Statement of Value of Distributed Energy Resources – Credits ("VDER Statement") as detailed below.

Alternative 2 – Phase One Value Stack: The capacity compensation rate for projects that qualify on or before July 26, 2018, will be determined by concentrating the most recent twelve months of capacity costs utilized to determine the rate in Alternative 1 into the 460 summer hours beginning 2 pm through the end of the hour beginning 6 pm on all days in the months of June, July and August. The rate so determined, which will remain effective for each of the three months of June, July and August, will be multiplied by the customer-generator's net hourly exports during these same hours to yield the total capacity compensation. The capacity compensation rate will be zero (0) for all months and hours outside those listed above.

Alternative 2 – Phase Two Value Stack: The capacity compensation rate for projects that qualify after July 26, 2018, will be determined by dividing the total kW-year value, as described below, by 240 or 245 hours depending on the number of hours available in the year in which the rate will be effective. The rate so determined will be multiplied by the customer generator's net hourly exports during the 240 or 245 hours on non-holiday weekdays from June 24 through August 31, from the hour beginning 2:00 p.m. through the end of the hour beginning 6:00 p.m. to yield the total capacity compensation. The total kW-year value will be determined annually based on the sum of the per kW-month rate described in Alternative 1 – Phase Two Value Stack for the twelve months ending April 30 each year. The capacity compensation rate will be zero (0) for all months and hours outside those listed above.

Such capacity rates will be published on the VDER Statement as detailed below. Only the non-storage generation will qualify for Alternative 2 compensation for customers with energy storage paired with electric generating equipment.

Issued by: Anthony S. Campagiorni, Vice President, Poughkeepsie, New York