

PSC NO: 15 ELECTRICITY

LEAF: 163.9.11

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 06/01/19

SUPERSEDING REVISION: 1

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)****5. Demand Reduction Value ("DRV") Component (Cont'd)**

DRV – Phase Two Value Stack: - Customer-generators with projects that qualify after July 26, 2018, that are not eligible to receive a MTC, including the non-mass market portion of a CDG project, will receive a per kWh DRV credit for net hourly injections in the hour beginning 2 p.m. through the hour beginning 6 p.m. on weekdays, excluding Independence Day and Labor Day, between June 24 and September 15, inclusive. If the customer-generator is a CDG Host Account, the DRV credit will be applied to the percentage of hourly output representing non-mass market subscribers. The applicable DRV kW-year value and hours will be determined at the time a project qualifies and will be fixed for the first ten years of operation. For customer-generators qualifying on a date outside the window described above, the applicable DRV kW-year value and hours will be based on the next effective rate. At the end of the ten year period, the project will be transitioned to the then-applicable DRV rate and hours.

As an alternative to DRV and LSRV compensation, projects that qualify after July 26, 2018, will be permitted to make a one-time, irrevocable election to opt-in to participation in the Commercial System Relief Program ("CSR"). A project owner may make this election at any point during a project's Value Stack compensation term by notifying the Company of their intent to opt-in to CSR pursuant to the program participation rules specified in General Information Section 44 of this rate schedule.

6. Locational System Relief Value ("LSRV") Component

LSRV – Value Stack Phase One: - Customer-generators with projects that qualify on or before July 26, 2018, whose eligible generation is sited within specific areas identified by the Company and is within the required number of MW identified by the Company will receive an LSRV credit. The LSRV credit will be in the form of a monthly lump sum based on the customer-generator's average hourly output in the ten peak Central Hudson system send out hours in the previous calendar year multiplied by the LSRV rate per kW-month in effect. In a project's first year of operation or when the appropriate metering was not in place to measure the customer-generator's net injection during the previous calendar year, LSRV compensation will be based on an average generation profile for a project of its technology and rated capacity. The LSRV rate applicable to a customer-generator will be determined at the time the project qualifies and will be fixed for a period of ten years from the customer-generator's in-service date.

The LSRV rate, specific area(s) and MW limits will be published on the VDER Statement as detailed below.

LSRV – Value Stack Phase Two: - A customer with a project that qualifies after July 26, 2018, whose eligible generation is sited within specific areas identified by the Company and is within the required number of MW identified by the Company will receive compensation in the form of an LSRV credit for responding to calls. A LSRV per call window rate will be determined by dividing the existing kW-year value for the LSRV by ten. The LSRV credit will be based on the customer-generator's lowest hourly net kW injection during a call window multiplied by the LSRV per call window rate.

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