

PSC NO: 15 ELECTRICITY

LEAF: 163.7.1

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 6

INITIAL EFFECTIVE DATE: 08/31/17

SUPERSEDING REVISION: 5

Issued in Compliance with Order in C.16-E-0604 dated August 2, 2017

46. COMMUNITY DISTRIBUTED GENERATION (Cont'd)**Requirements of CDG Satellites:**

A CDG Satellite Account shall have only one CDG Host Account. A CDG Satellite Account may be a non-metered subscriber account if the CDG Host Account is compensated based on a monetary crediting methodology under the applicable sections in General Information Section 48. The CDG Satellite Account shall not be a net metered customer-generator or Remote Net Metered Satellite Account or take service under Service Classification Nos. 10 or 14.

Allocation of CDG Host's Excess On-Site Production:

At least sixty days before commencing net metered service under CDG, the CDG Host must submit to the Company its designation of the CDG Host and CDG Satellite Accounts that will receive net metered service under CDG. Such designation shall be made on a properly executed CDG Allocation Request Form and shall provide the percentage (at up to three decimal places of accuracy) of the CDG Host's net energy output to be allocated to each, as well as the percentage to be retained by the CDG Host. If less than 100.000% of the CDG Host net energy output is allocated by the CDG Host, the balance will be retained on the CDG Host Account, so that the full output of the CDG Host generation is allocated. Allocations that total more than 100.000% shall be rejected.

The CDG Host must designate no fewer than ten active CDG Satellite Accounts with the exception of projects that are located on the site of a property serving multiple residential or non-residential CDG Satellite Accounts. No more than 40 percent of the output of the CDG Host may serve CDG Satellites of 25 kW or greater; provided, however, that the CDG Host may treat each dwelling unit served indirectly through sub-metering as though it were a separate participant for determining whether the ten-CDG Satellite Account minimum, if applicable and 40-percent output limit are reached.

Each Satellite Account must take a percentage of the output of the CDG Host's excess on-site production. The percentage must amount to at least 1,000 kWh annually but may not exceed the CDG Satellite Account's historic average annual kWh usage (or forecast usage if historic data is not available). The CDG Host, by submitting a completed CDG Allocation Request Form to the Company, is certifying that its project meets the PSC's eligibility requirements specified in its Order issued July 17, 2015, in Case 15-E-0082 and as may be revised thereafter.

After commencing net metered service under CDG, the CDG Host may modify its CDG Satellite Accounts and/or the percentage allocated to one or more of its CDG Satellite Accounts once per CDG Host billing cycle by providing the Company with a properly executed CDG Allocation Request Form no less than 30 days before the CDG Host Account's cycle billing date to which the modifications apply.

The CDG Host must furnish to the Company, once a year, no less than 30 days before the CDG Host's 12-month anniversary of commencing CDG net metered service, written instructions for allocating any remaining credit, as applicable, that remains on the CDG Host Account at the end of the annual period ("Annual Credit") to one or more of its CDG Satellite Accounts. The CDG Host Account will be given a two year grace period beyond the end of the annual period to distribute any credits that they retain at the end of the annual period. If the CDG Host has any Annual Credits left in its account at the end of the two-year grace period, it will forfeit a number of credits equal to the smallest amount of credits in its account at any point during the grace period. CDG Hosts will only be permitted to retain credits for distribution during the two-year grace period if those credits remain after the CDG Host has distributed as many credits as practicable to CDG Satellite Accounts, such that each Satellite Account's consumption in the final month of the annual period has been fully offset. The CDG Host cannot allocate any portion of the Annual Credit to its own CDG Host Account. Such instructions shall be made on a properly executed CDG Allocation Request Form. No distribution will be made if instructions are not received by the required date.

Net Metering Credits:

After application of excess credits to the CDG Host, as described in the applicable provisions of General Information Sections 38 and 48, remaining credits will be applied to the CDG Satellite Accounts in accordance with the percentage allocations that were designated by the CDG Host.

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