

PSC No: 120 - Electricity
New York State Electric & Gas Corporation
Initial Effective Date: November 1, 2017
Issued in compliance with Order in Case Nos. 15-E-0751 and 15-E-0082, dated September 14, 2017.

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GENERAL INFORMATION

40. Value of Distributed Energy Resources ("VDER"): (Cont'd)

B. Value Stack:

6. Compensation: (Cont'd)

iii. Environmental Component:

1. The compensation for the Environmental Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and calculated by multiplying the total net export generation for the billing period by the customer-generator onto the Company's system by the Environmental Component. The Environmental Component rate shall be the Tier 1 Renewable Energy Credit ("REC") price per kwh generated as published by NYSERDA.
2. The Environmental Component shall be fixed for the term of compensation for the Facility. The Environmental Component shall be provided on the VDER-Cred Statement.

iv. Demand Reduction Value ("DRV") Component:

- a. A credit per kW shall be provided for the Facility's potential contribution to the distribution system.
- b. DRV Component compensation shall not be provided for the portion of the project that receives a Market Transition Credit ("MTC") as described in Rule 40.B.4.vi.
- c. The DRV Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and then fixed for a period of three years from a project's date of interconnection. The DRV may be adjusted every three years from a project's date if interconnection for the rest of the project's term of compensation pursuant to this Rule. The DRV Component shall be set forth on the VDER-Cred Statement.

v. Locational System Relief Value ("LSRV") Component: A customer that interconnects their Facility in pre-identified locations shall receive a LSRV credit.

- a. A credit per kW shall be provided for the Facility's potential contribution to the distribution system if the Facility is interconnected on a circuit designated for LSRV compensation.
- b. Compensation for the LSRV Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and then fixed for a period of ten years from the time the project's date of interconnection.
- c. The LSRV may be adjusted every three years.
- d. The pre-identified locations and LSRV Component shall be set forth on the VDER-Cred Statement.

vi. Market Transition Credit ("MTC"):

- a. The MTC shall be applicable to the Mass Market customers opting in to Value Stack and to projects participating in Community DG pursuant to Rule 37 with Mass Market subscribers. The MTC shall be applied to the mass market allocation of their net energy export as determined by the project's Tranche assignment and the customer's Service Classification.
- b. Once the final Tranche is filled, the MTC shall no longer be available to new projects.
- c. The MTC shall be fixed for the term of compensation for a project.
- d. A project shall not receive the MTC on the same portion of the project that receives a credit for the DRV Component.
- e. The MTC shall be set forth on the VDER-Cred Statement.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York