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New York State Electric and Gas Corporation

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Issued in compliance with Orders in Case Nos. 15-E-0751 and 15-E-0082, dated March 9, 2017 and 17-M-0106 dated April

20, 2017.

GENERAL INFORMATION

26. Solar Residential Electric Service Option

A. Applicable To

Any Residential Customer (as defined by HEFPA), and farm customer as defined in Subdivision 11 of Section 301 of the Agriculture and Markets Law, may install and operate solar generating equipment located and used at his or her residence. Solar generating equipment is defined as a solar system, with a rated capacity of not more than 25 kW that is manufactured, installed and operated in accordance with applicable government and industry standards. Farm customers may install solar generating equipment with a rated capacity of not more than 100 kW, that is manufactured, installed and operated in accordance with applicable government and industry standards. Such system must be connected to the customer's electric system and operated in parallel with the Company's transmission and distribution facilities. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.

B. Eligible Capacity

The Solar Residential Service Option shall be available to eligible customers, on a first come, first served basis. The total rated generating capacity for solar, farm waste, MCHP and fuel cell electric generating equipment owned, leased or operated by customer-generators in the Company's service area shall not exceed 98.16 MW, the total rated generating capacity of interconnected projects served by the Company under PSL §66-j as of the close of business on March 9, 2017, including projects to be served by the Company under PSL §66-j for which either Step 8 (for projects greater than 50kW) or Step 4 (for projects 50kW or less) of the Standard Interconnection Requirements (SIR), as applicable, had been completed by the close of business on March 9, 2017. This MW limit shall automatically decrease as projects served under PSL §66-j are taken out of service, but shall not decrease below 28.26 MW, representing 1% of the Company's electric demand for the year 2005.

C. Term

- 1. The Company shall calculate credits in accordance with Section 26.F. for the life of the solar generating system for a customer that on or prior to March 9, 2017 has:
 - a. completed Step 4 of the SIR Addendum for solar generating equipment less than 50 kW; or
 - b. installed solar generating equipment on or prior to March 9, 2017.

A customer may opt to take service under Rule 40, Value of Distributed Energy Resources (VDER). Such election shall be a one-time election and shall be irrevocable.

D. Interconnection

Customers electing service under this provision must execute a New York State Standardized Contract for Interconnection of New Distributed Generation Units with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems ("SIR Contract"). In addition, customers must operate in compliance with standards and requirements set forth in the New York State Standard Interconnection Requirements and Application Process for New Distributed Generators 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

2. A customer that installs solar generating equipment after March 9, 2017 shall refer to Rule 40, Value of Distributed Energy Resources (VDER), Phase One Net Energy Metering ("NEM").

E. Metering

For a net metered customer, the Company shall install metering appropriate for the customer's service classification that enables the Company to measure the electricity delivered to the customer and measure the electricity supplied by the customer to the Company. Where the Company determines that a second meter should be installed, no additional costs shall be billed to the customer. When a second meter is requested by the customer that is not required by the Company, the customer shall be responsible for the cost of the meter, the installation and any additional costs. For a net metered customer with an installation after March 9, 2017, customer shall refer to Rule 40, Value of Distributed Energy Resources (VDER) for metering requirements.

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