

PSC No: 120 - Electricity  
New York State Electric and Gas Corporation  
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#### GENERAL INFORMATION

#### 29. Micro-combined Heat and Power (MCHP) Service Option

##### A. Applicable To

Any Residential Customer (as defined by HEFPA) who owns, leases or operates MCHP generating equipment. MCHP generating equipment is defined as an integrated, cogenerating building heating and electrical power generation system, operating on any fuel and of any applicable engine, fuel cell, or other technology, with a rated capacity of at least one kW and not more than 10 kW electric and any thermal output that at full load has a design total fuel use efficiency in the production of heat and electricity of not less than 80%, and annually produces at least 2,000 kWh of useful energy in the form of electricity that may work in combination with supplemental or parallel conventional heating systems, that is manufactured, installed and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric company's transmission and distribution facilities. 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 MCHP 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 29.F. for the life of the MCHP generating system for a customer that on or prior to March 9, 2017 has:
  - a. completed Step 4 of the SIR Addendum for MCHP generating equipment less than 50 kW; or
  - b. installed MCHP 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.

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

##### 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 and Energy Storage System 5 MW or Less Connected in Parallel with Utility Distribution Systems, as set forth within Addendum-SIR of P.S.C. No. 119.

##### 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.