

PSC NO: 119 ELECTRICITY
 NEW YORK STATE ELECTRIC & GAS CORPORATION
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GENERAL INFORMATION

9. Distributed Energy Resource (DER) Interconnection Requirements (Cont'd)
 - D. Limited Mandatory Interconnection Upgrade Cost Sharing Mechanism (Cont'd)
 2. Cost Sharing (Cont'd)
 - d. Payment

The mechanism shall function as follows:

 - i. The initial project that triggers the need for the eligible upgrade pays 100% of the upgrade cost in accordance with the NYSIRs deadlines. The cost sharing mechanism is available after the initial project developer pays 100% of the required upgrade costs. The interconnecting company shall disclose the portion of the total upgrade cost that is eligible for this mechanism to the initial project developer in the CESIR, or in the Preliminary Technical Report or Supplemental Review Report if no CESIR is required.

Subsequent project developers are required to pay their prorated share of the eligible upgrade cost.
 - ii. This payment is made to the Company and then passed through to the project developer(s) that have previously paid for the upgrade, minus a Company processing fee. The developer(s) are responsible for any reallocation of received funds to project financiers or owners, per their own business arrangements. For all types of eligible upgrades, the prorated share for projects after the initial triggering project is based on the fraction of each MW project size compared to the total MWs of aggregated projects benefiting from the upgrade to date, including the newest project's MWs. Each project developer's prorated share of the upgrade cost shall be included in the CESIR, or in the Preliminary Technical Report or Supplemental Review Report if no CESIR is required.
 - iii. The Company shall deduct a processing fee from each subsequent developer check issued after the initial developer pays 100% of the upgrade costs. This \$750 administrative fee may be reassessed if it is proven inadequate in practice.
 - e. Cost Sharing Limit

The cost sharing of an upgrade shall end when one of the conditions below is met:

 - i. Maximum Capacity

When the capacity of the upgrade is exhausted by projects, this limited mandatory interconnection cost sharing mechanism ends.
 - ii. Cost Sharing Threshold

When project developers benefitting from the eligible upgrade have expended net costs of \$100,000 or less, because each developer was reimbursed by subsequent developers, cost sharing ends. Project developers that use the eligible upgrade after this point incur no mandatory interconnection upgrade cost sharing.