

**P.S.C. NO. 3 ELECTRICITY
ORANGE AND ROCKLAND UTILITIES, INC.**

INITIAL EFFECTIVE DATE: April 1, 2018

LEAF: 185.6
REVISION: 1
SUPERSEDING REVISION: 0Issued in compliance with Order in Case 15-E-0751 dated 2/22/2018.

GENERAL INFORMATION**13. SERVICE CLASSIFICATION RIDERS (Continued)****RIDER N (Continued)****NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS****BILLING – VALUE STACK TARIFF (Continued)**

(C) (Continued)

(3) Environmental Component

The Environmental Component credit will be calculated by multiplying the net hourly injections for the billing period by the Environmental Component Rate.

For customers with generation that is eligible to receive Renewable Energy Standard Tier 1 Renewable Energy Credits ("RECs"), customers must choose on or prior to the date of interconnection to either retain all RECs generated by the generator, or to transfer these RECs to the Company and receive compensation under the Environmental Component. For customers who elect to transfer their RECs to the Company and for CDG Satellite Accounts whose CDG Host Account elects to transfer their RECs to the Company, the Environmental Component Rate will be equal to the clearing price of the New York State Energy Research and Development Authority's most recent Tier 1 REC procurement. For all other customers, the Environmental Component Rate is \$0/kWh.

The Environmental Component Rate will be determined at the time the customer pays at least 25 percent of its interconnection costs or executes the interconnection agreement if no such payment is required or, for a customer opting into the Value Stack Tariff that has already met either of these criteria in the interconnection process, at the time the customer opts-in to the Value Stack Tariff, and will be fixed for the term of the customer generator's eligibility of 25 years from the project's in-service date.

The Environmental Component Rate will be set forth on the Value Stack Credits Statement.

(4) Market Transition Credit ("MTC") Component

A CDG project will receive an MTC for Mass Market Customer CDG Satellite accounts. The MTC will be equal to the MTC SC No. 1 Component Rate applicable to the customer-generator's assigned Tranche (as determined in compliance with the PSC's March 9, 2017 Order in Cases 15-E-0751 and 15-E-0082) times the net injection during the billing month times the percentage of SC No. 1 Satellite Account allocations; plus the MTC SC No. 2 – Non-Demand Billed Component Rate times the net injection during the billing month times the percentage of SC No. 2 – Non Demand Billed Satellite Account allocations.

Issued By: Robert Sanchez, President, Pearl River, New York