

PSC NO. 220 ELECTRICITY  
NIAGARA MOHAWK POWER CORPORATION  
INITIAL EFFECTIVE DATE: NOVEMBER 1, 2017  
STAMPS: Issued in Compliance with Order Issued September 14, 2017 in Case 15-E-0751 and 15-E-0082

LEAF NO. 220.7  
REVISION: 1  
SUPERSEDING REVISION: 0

#### GENERAL INFORMATION

#### 40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER) (Continued)

- vi. Market Transition Credit ("MTC") Component – The MTC Component will apply only to a CDG project's mass market satellites and those mass market customers who opt into the VDER Value Stack compensation per 40.2.1.8. The MTC Component will be calculated by multiplying: i) the sum of the project's total net injections for the billing period (kWh), and ii) the MTC component rate applicable to the project's assigned tranche and applicable service class.

For CDG projects, the MTC Component will be calculated for each individual mass market satellite customer by multiplying: i) the sum of the project's total net injections for the billing period (kWh), ii) the MTC Component rate applicable to the project's assigned tranche and satellite's service class, and iii) the satellite's allocation percentage in effect for the Billing Period as provided by the CDG project sponsor. The CDG project sponsor will not be allowed to bank any MTC components related to Unallocated Satellite Percentages.

The MTC Component will be fixed for the VDER Value Stack's 25-year compensation term and will be shown in a statement filed with the PSC.

##### 40.2.4. Project's Tranche Determination

CDG project eligibility for placement in a tranche will be based on the time stamp of the Eligibility Date as specified in 40.2.1.3. If an established tranche allocation has not yet been exhausted but the next eligible CDG project exceeds the MW allocation remaining in that tranche, then one of the following will occur as applicable:

- i) if the project's size exceeds the remaining capacity in the current Tranche by less than or equal to 1 MW, the CDG project will be eligible to receive the MTC Component in that tranche for the full capacity of that CDG project. However, the amount of the CDG project's capacity that exceeds the MW capacity remaining in that tranche will count towards fulfillment of the subsequent tranche; or
- ii) the project's size exceeds the remaining capacity in the current Tranche by more than 1 MW then the entire project will be placed in the next Tranche. At that time the original Tranche should be closed and the total size of the next Tranche should be increased by the unused size in the original Tranche.

Mass market projects that opt in to the VDER Value Stack compensation per 40.2.1.8 will be placed into the tranche available at the time the project elects to opt into the VDER Value Stack compensation.