

PSC NO: 15 ELECTRICITY

LEAF: 163.9.10

COMPANY: CENTRAL HUDSON GAS & ELECTRIC CORPORATION

REVISION: 1

INITIAL EFFECTIVE DATE: 03/01/18

SUPERSEDING REVISION: 0

Issued in Compliance with Order in Case 15-E-0751 dated January 18, 2018

48. Value of Distributed Energy Resources (VDER) (Cont'd)**B. Phase One Value Stack** (Cont'd)**Value Stack Components:** (Cont'd)**4. Market Transition Credit (MTC) Component**

Mass market customers, as defined in General Information Section 48.A, opting in to Value Stack Compensation under this Section and qualifying CDG projects with mass market subscribers that have received a Tranche assignment prior to January 18, 2018, will receive a MTC applied to the mass market allocation of their net energy export. Where applicable, the MTC rate per kWh applied will be determined by Tranche assignment and service designation (residential or small commercial, non-demand) at the time the Customer pays at least twenty-five percent of its interconnection costs or executes the interconnection agreement, if no such payment is required, and will be fixed over a project's compensation term.

The MTC rates will be published on the VDER Statement as detailed below.

In the case of an active Tranche wherein the next eligible project exceeds the MW allocation remaining in the Tranche, the project will be eligible to receive the MTC of that Tranche for the eligible capacity of that project. However, the amount of the project's eligible capacity which exceeds the MW capacity remaining in the tranche will serve to reduce the MW allocation of the subsequent tranche.

CDG projects that have paid at least twenty-five percent of interconnection costs, or execute the interconnection agreement, if no such payment is required, on and after January 18, 2018, will be assigned to the final Tranche until it is filled. Once the final tranche is filled, and if no further action has been taken by the Commission, the MTC will no longer be available to new projects.

5. Demand Reduction Value ("DRV") Component

Customer-generators that are not eligible to receive a MTC, including the non-mass market portion of a CDG project, will be eligible to receive a DRV credit in the form of a monthly lump sum based on the customer-generator's average hourly output in the ten peak Central Hudson system send out hours in the previous calendar year multiplied by the DRV rate per kW-month in effect. If the customer-generator is a CDG Host Account, the DRV will be applied to the percentage of hourly output representing non-mass market subscribers. In a project's first year of operation or when the appropriate metering was not in place to measure the customer-generator's net injection during the previous calendar year, DRV compensation will be based on an average generation profile for a project of its technology and rated capacity. The initial DRV rate applicable to a customer-generator will be determined at the time the customer pays at least twenty-five percent of its interconnection costs or executes the interconnection agreement, if no such payment is required, and will be fixed for a period of three year from the customer-generator's in-service date. At the end of the initial three year period, the DRV rate will be reset and fixed for subsequent three year periods based on the then applicable rate published on the VDER Statement.

Issued by: Anthony S. Campagiorni, Vice President, Poughkeepsie, New York