

PSC NO: 15 ELECTRICITY

LEAF: 163.9.13

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 2

INITIAL EFFECTIVE DATE: 02/01/19

SUPERSEDING REVISION: 1

Issued in Compliance with Order in Case 15-E-0751 dated December 13, 2018

**48. Value of Distributed Energy Resources (VDER) (Cont'd)****B. Phase One Value Stack (Cont'd)****Projects Under Development**

The capacity of a project currently in the interconnection queue may be increased up to a total size of 5 MW. Additionally, existing projects on neighboring sites may be consolidated up to the 5 MW limit. In either case, the resulting project will receive compensation under this section. If the resulting project is a consolidated project that has total capacity equal to or less than the original projects, and if the original projects had received the same Tranche assignment, the consolidated project will retain that Tranche assignment. Otherwise, if the project is an expansion of a consolidation of projects with different or no Tranche assignment, the resulting projects will be placed in the currently available Tranche at the time the project passes the appropriate milestone or at the time of expansion if it had already passed that milestone. The capacity of resulting projects should be adjusted between Tranches as described in the above section. Interconnection applications for new projects sized between 2 MW and 5 MW, proposals to increase the capacity of existing projects, and proposals to increase the capacity of projects currently in the interconnection queue may be submitted to the Company. Projects currently in the interconnection queue may be consolidated pursuant to the requirements of Addendum New York State Standardized Interconnection Requirements.

**Hybrid Energy Storage**

1. For customers taking service under this Section who pair energy storage systems with eligible electric generating equipment ("Hybrid Facility"), the Company will calculate the Capacity Component Credit, the Environmental Component Credit, and the Market Transition Credit ("MTC") pursuant to the rules set forth below. All other Value Stack components, including Energy Component Credit, DRV Component Credit, and LSRV Component Credit, will be calculated as specified in General Information Section 48.B. Value Stack Components above. Consistent with General Information Section 48.B. Value Stack Components, the Environmental Component Credit will only be provided where the electric generating equipment is eligible to receive Tier 1 RECs, MTC will only be provided for eligible customers and consistent with the MTC rate applicable to the customer, and Capacity Component will be calculated based on Alternative 1, Alternative 2, or Alternative 3 based on customer election.
2. Customers operating Hybrid Facilities will have the opportunity to elect one of the four compensation methodologies described below in 2.(a), 2.(b), 2.(c), or 2.(d). Customers will make this election at the same time they select a capacity compensation methodology in accordance with General Information Section 48.B. Value Stack Components above. The default option, if no other election is made by the customer, is compensation methodology 2.(d) below.

Customers operating Hybrid Facilities will have a one-time option to change their initial election of 2.(a) or 2.(b) to election of 2.(c). This one-time election may be made at any time following the initial election but will not become effective until such time that any required metering or telecommunications is installed.

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