

PSC No: 19 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: June 1, 2003

Leaf No. 179  
Revision: 0  
Superseding Revision:

## **SERVICE CLASSIFICATION NO. 5**

### **BUY-BACK SERVICE**

#### **APPLICABLE TO USE OF SERVICE FOR:**

Purchase of energy and capacity by the Company from a customer operating a qualifying generating facility of any size, subject to the Special Provisions of this Service Classification.

Written application upon the Company's prescribed forms is required.

A customer, electing to engage in simultaneous purchase and sales of energy with the Company, may sell some, a portion, or all of its energy output to the Company under this Service Classification or under a Special Contract and may contract for its additional electrical requirements under the appropriate service classification.

A customer operating a qualifying generating facility capable of electric generation in excess of 100 kilowatts (1) who agrees to provide firm service or (2) who has, in the opinion of the Company, an installation which requires special facilities; or (3) who desires a long-term contract, may negotiate a Special Contract with the Company.

#### **CHARACTER OF SERVICE:**

Continuous, alternating current - 60 cycle; voltage and phase at the Company's option, as available and appropriate for the customer's requirements.

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**SERVICE CLASSIFICATION NO. 5 (Cont'd)**  
**BUY-BACK SERVICE**

RATE TO BE PAID BY THE CORPORATION: (Per Month)

Energy Payment

$$\sum_{h=1}^n ((\text{Day Ahead LBMP}_h * S_h) + (\text{Real Time LBMP}_h * (Q_h - S_h)) - \text{Incurred Cost}_h)$$

**Whereby:**

- 1) If the customer's generator is PTID Eligible but has not obtained a PTID  
**Day Ahead Locational Based Marginal Price ("Day Ahead LBMP<sub>h</sub>")** is the NYISO hourly Day Ahead LBMP applicable to the lowest priced generator bus in the same zone as the customer's generator:

**Hourly Real Time Locational Based Marginal Price ("Real Time LBMP<sub>h</sub>")** is the NYISO hourly Real Time LBMP applicable to the lowest priced generator bus in the same zone as the customer's generator;;

**Incurred Cost** is any charges assessed by the NYISO applicable to the customer;

**S<sub>h</sub>** is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

**Q<sub>h</sub>** is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

**h** is the respective hour in each month; and

**n** is the number of hours in each month.

- 2) If the customer's generator has a PTID  
**Day Ahead Locational Based Marginal Price ("Day Ahead LBMP<sub>h</sub>")** is the NYISO hourly Day Ahead LBMP applicable to the customer's generator bus;;

**Hourly Real Time Locational Based Marginal Price ("Real Time LBMP<sub>h</sub>")** is the NYISO hourly Real Time LBMP applicable to the customer's generator bus;

**Incurred Cost** is any charges assessed by the NYISO applicable to the customer;

**S<sub>h</sub>** is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

**Q<sub>h</sub>** is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

**h** is the respective hour in each month; and

**n** is the number of hours in each month.

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**SERVICE CLASSIFICATION NO. 5 (Cont'd)**  
**BUY-BACK SERVICE**

**RATE:** (Per Month) (Cont'd)

3) If the customer's generator is not PTID Eligible:

**Day Ahead Locational Based Marginal Price ("Day Ahead LBMP<sub>h</sub>")** is the NYISO hourly Day Ahead LBMP applicable to the NYISO Zone in which the customer's generator is located

**Hourly Real Time Locational Based Marginal Price ("Real Time LBMP<sub>h</sub>")** is the NYISO hourly Real Time LBMP applicable to the NYISO Zone in which the customer's generator is located;

**Incurred Cost** is any charges assessed by the NYISO applicable to the customer;

**S<sub>h</sub>** is the Cogenerated Energy quantity scheduled, in MWh, by NYSEG upon the written request of cogenerator, for each specific hour, in the NYISO in the Day Ahead market, whereas the cogenerator shall provide a written schedule by noon two business days prior to the day for which the schedule applies;

**Q<sub>h</sub>** is the Cogenerated Energy quantity delivered, in MWh, to the Delivery Point for a specific hour;

**h** is the respective hour in each month; and

**n** is the number of hours in each month.

Capacity Payment, if applicable: (UCAP<sub>m</sub> \* Capacity<sub>m</sub>)

**Unforced Capacity ("UCAP<sub>m</sub>")** is the Market-Clearing Price of capacity in \$/kW-month as determined from the NYISO's monthly UCAP Auction.

**Monthly Capacity ("Capacity<sub>m</sub>")** is the Unforced Capacity ("UCAP") recognized by the NYISO as applicable to capability requirements for the respective calendar month, as set forth in the NYISO Tariff, in kW.

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**SERVICE CLASSIFICATION NO. 5 (Cont'd)**  
**BUY-BACK SERVICE**

**RATE:** (Per Month) (Cont'd)

A customer taking service solely under this Service Classification shall pay the appropriate customer charges and demand charges listed in SC No. 14 Standby Service.

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**SERVICE CLASSIFICATION NO. 5 (Cont'd)**

**BUY-BACK SERVICE**

**TERMS OF PAYMENT:**

All bills by Company and customer are rendered at the above rate. A late payment charge of one and one-half percent (1-1/2%) per month shall become due and payable if payment is not made on or before the "last day to pay" date specified on the bill in accordance with the provisions of Rule 4.C.2.

**TERM:**

One year and thereafter until terminated by 30 days' written notice. However, when the amount of investment required or other conditions of service are such as to warrant, the Company, with the permission of the Public Service Commission, may agree with the customer to render service at rates from time to time effective for a longer term.

**INCREASE IN RATES AND CHARGES:**

The charges to be paid by customer under this service classification are increased by the applicable effective aggregate percentage shown in Rule 4.J for service supplied within the municipality where the customer is taking service.

**DETERMINATION OF DEMAND:**

The demand determination initially shall be the load specified in the customer's application for service hereunder and shall be automatically increased to the highest 30-minute demand measured during the month.

**DEFINITION OF HOURLY PERIODS:**

**Peak Hours:** Peak hours are defined as the hours between 7:00 am and 11:00 pm, Monday through Friday.

All remaining hours are defined as "off-peak" hours.

**DEFINITION OF SEASONS:**

Summer: June 1 – September 30, inclusive  
Winter: December 1 – February 28/29, inclusive.  
Base: All other months

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**SERVICE CLASSIFICATION NO. 5 (Cont'd)**

**BUY-BACK SERVICE**

Reserved for Future Use

**SERVICE CLASSIFICATION NO. 5 (Cont'd)**

**BUY-BACK SERVICE**

**SPECIAL PROVISIONS:**

1. The customer's generating facility and the Company's system shall be operated in parallel as required by and subject to customer's compliance with the Company's design requirements and operating rules and procedures.

The customer and the Company shall agree as to the manner of payments for interconnection costs which exceed the costs ordinarily incurred in rendering the same service under the applicable firm service classification. Upon the mutual agreement, the customer may select from the following options:

- (a) The Company will furnish, own, operate and maintain all special equipment, in return for which the customer, or its successors on the site, will pay a monthly charge of 1.5 percent of the total investment costs for the duration of its/their operations on the site, whether or not the equipment is in use.
- (b) The customer will furnish, own and operate all special equipment and the Company will maintain such equipment, in return for which the customer, or its successors on the site, will pay a 9 percent annual operating charge based upon the customer's total investment in such interconnection equipment.
- (c) The customer will furnish, own, operate and maintain all special equipment, provided that the equipment and maintenance are compatible for interconnected operations. Such equipment shall be made available for Company inspections as may reasonably be required.

If a customer objects to the Company's calculations of the charge for interconnection costs, he may petition the Public Service Commission for a determination with regard thereto.

2. The Company will be relieved of its obligation to purchase energy during any period in which the Company suffers a system emergency. In such circumstances, the Company will notify the customer to cease supplying energy to the Company. For purposes of this provision, a system emergency is defined as a condition which is imminently likely to endanger life or property or result in significant disruption of service to any customer.

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