

GENERAL INFORMATION

23. Community Distributed Generation

A customer may participate in Community Distributed Generation (“CDG”) as provided herein.

The CDG Host and CDG Satellites must meet all terms and conditions of this Rate Schedule and the requirements of the PSC that are adopted pursuant to its Orders issued in Case 15-E-0082 and Case 15-M-0180, as they may be amended or superseded from time to time.

1. Definitions

Available Credit (Value Stack): The Total Available Credit (Value Stack) shall be determined as the sum of i) the CDG project’s Value Stack Compensation for the applicable billing period multiplied by the CDG Satellite’s Allocation Percentage; and ii) any retained credits that have been banked or re-allocated to the CDG Satellite’s account.

Available Credit (Volumetric): The Total Available Credit (Volumetric) shall be determined as the excess kWh designated to the Satellite Account that is converted to a monetary credit and applied to the per kWh charges on the Satellite Account and if applicable, Company supply charges or Consolidated Bill charges from the ESCO. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account; plus any remaining credit that is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account.

CDG Host: A non-residential customer that owns or operates electric generating equipment eligible for net metering under this Rule and whose net energy produced by its generating equipment is applied to the accounts of other electric customers (“CDG Satellites”) with which it has a contractual arrangement related to the disposition of net metering credits.

CDG Host Anniversary Month: 11 months from the CDG Host’s initial CDG bill period start date. The CDG Host Anniversary month cannot be modified or changed.

CDG Satellites: A customer who is participating in a CDG Program. Each customer shall own or contract for a proportion of the credits accumulated at the meter of the CDG Host.

Excess Generation: The electricity (kWh) supplied by the CDG Host to the Company during the billing period that exceeds the electricity (kWh) supplied by the Company to CDG Host. For customers billed on time-differentiated rates (TOU meter), *e.g.*, On-Peak/Off-Peak, the excess is calculated and maintained for each peak. For hourly billed customers, excess generation is calculated for each hourly period.

Net Member Credits: Credits shall be determined as the CDG Savings Rate multiplied by the Applied Credit, which is defined as the minimum of: the Total Available Credit and (2) the CDG Satellite’s current electric bill for the applicable billing period.

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1. Definitions (Cont'd)

Net-Metered Generation Facility: A generation facility eligible for net metering as a non-residential customer in conformance with PSL 66-j or 66-l, limited in size to 5 MW (Micro-Combined Heat and Power, (“CHP”) is excluded from this Rule), located behind a host meter attached to a load under either a demand or non-demand classification. A CDG Host with an eligible Clean Energy Standard Tier 1 technology as provided in Appendix A of the Commission’s Order Adopting a Clean Energy Standard, issued on August 1, 2016 in Case 15-E-0302, and participating in Rule 26.B. Value Stack may qualify as a generation facility for CDG and be compensated based on Rule 26.B. Stand-alone energy storage systems will be eligible under Rule 23 subject to the requirements described in Rule 26.B.

Operating Agreement: Details the process and contractual agreement between the Company and CDG Host.

Unallocated Credits: For Value Stack CDG Net Crediting project, if the sum of CDG Satellite's allocations are less than 100%, difference becomes Unallocated satellite percentage. The Unallocated Satellite Percentage will be multiplied by the CDG project’s Value Stack Compensation for the applicable billing period, excluding any Market Transition Credits or Community Credits to determine the Unallocated Credits. The Unallocated Credits will be added to the current retained/banked credits on the CDG Host account for future redistribution to the CDG Satellites. For volumetric CDG Net Crediting projects, the Unallocated Satellite Percentage will be multiplied by the CDG project’s total net injections for the applicable billing period to determine the Unallocated Credits (kWh). The Unallocated Credits will be added to the retained credits on the CDG Host account for future distribution to CDG Satellites.

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2. Initial and Subsequent Applications by CDG Hosts

The CDG Host must be a non-residential customer with a Net-Metered Generation Facility. The CDG Host must certify in writing to the Company, both prior to commencing net metered service under CDG and annually thereafter, that it has met all program criteria set forth in the Commission's Orders, including but not limited to certifying that they can satisfy all obligations assumed with respect to project members and other requirements established by the Commission.

- a. A CDG Host shall comply with the requirements set forth in the UBP-DER Addendum.
- b. Initial Allocation Requests: At least 60 days before commencing net metered service under CDG, the CDG Host shall designate in its initial application for CDG service the CDG Host Account and CDG Satellite Accounts that shall receive net metered service under CDG.
 - i. Accepted Allocation Requests shall be effective with the first full Host Account billing period from the later of 60 days after receipt of such request or effective date of interconnection.
- c. Subsequent Allocation Requests: After commencing net metered service under CDG, the CDG Host may modify its CDG Satellite Accounts and/or the percentage allocated to itself or one or more of its CDG Satellite Accounts once per CDG Host billing cycle by giving notice to the Company no less than 30 days before the CDG Host Account's cycle billing date to which the modifications apply.
 - i. Accepted Allocation Requests shall be effective with the next full Host Account billing period 30 days after receipt of such request.

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3. CDG Host Submission Requirements Applicable to 2a and 2b Above:

- a. A CDG Host that provides a CDG Satellite's name and account number to the Company (and such other information as the Company may require to verify the customer's account based on the information provided), as described in the Company's CDG Operating Agreement, is certifying that it has written authorization from the customer to request and receive that customer's historical usage information and, upon enrolling a CDG Satellite Account, that it has entered into a written contract with such customer. The Company shall not be responsible for any contractual arrangements or other agreements between the CDG Host and CDG Satellite, including contractual terms, pricing, dispute resolution, and contract termination.
- b. The CDG Host must designate no fewer than 10 CDG Satellite Accounts that meet the specifications set forth in Section 3, except when the project:
 - i. is located on the site of a property serving multiple residential or non-residential customers.
 - ii. only serves farm operations ("CDG Farm Project"), as defined in PSL Agricultural and Markets Law, Section 301(11); and residences of individuals who own or are employed by the served farm operations. A CDG Farm Project that seeks to waive the minimum number of Satellite Accounts shall be responsible for certifying to the Company that each Satellite Account is either a farm operation or the owner or employee of one of the farm operation Satellite Accounts.
- c. Satellite allocations of Host Account Excess Generation should be specified in a percentage up to three decimal places of accuracy.
- d. The total allocations must equal 100 % including any portion to be designated to the CDG Host.
- e. Submittals in which allocations do not equal 100.000% shall be rejected, and the CDG Host must submit a new allocation percentage 60 days before net metered service shall commence. Additionally, the CDG Host must allocate the project's generation to its CDG Satellites, according to the following:
 - i. A CDG Host which has paid 25% of interconnection costs, or executed a SIR contract if no such payment is required, on or before February 12, 2021, and has either interconnected to the Company's distribution system on or after February 13, 2021, in accordance with the SIR or interconnected to the Company's distribution system before February 13, 2021, but did not begin taking service as a CDG Host by receiving credits for injections before February 13, 2021, must allocate at least 60% of the project generation to CDG Satellites that are:
 - a) Served under SC1, SC2, SC4; or
 - b) Served under SC3, SC7, SC8, SC9, and where the CDG Satellite has an average billed kW less than or equal to 25 kW based on the most recent 12 monthly billing periods; or
 - c) a multi-unit building with a single meter serving multiple occupants, as described in Rule 23.3.f.i; or
 - d) served under PSC No. 18 if the project receives compensation based on Rule 26.B. Value Stack.
 - e) if an allocation file was accepted by the Company before February 12, 2021, that included more than 40% of the allocations to subscribers served under SC3, SC7, SC8, SC9 where the CDG Satellite has an average billed kW greater than 25 kW based on the most recent 12 monthly billing periods of CDG Satellites with an average billed kW greater than 25 kW, the Company will accept allocation files that have no more than 40% allocated to customers served under demand billed service classes that have allocations of more than 25 kW as measured by the allocation percentage multiplied by the AC nameplate rating of the CDG Host facility for the remainder of the CDG Host's project term.

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23. Community Distributed Generation (Cont'd)

3. CDG Host Submission Requirements Applicable to 2a and 2b Above: (Cont'd)

- ii. A CDG Host which is interconnected to the Company's distribution system in accordance with the SIR, on or before February 12, 2021 and has begun taking service as a CDG Host by receiving credits for injections before February 12, 2021, must allocate at least 60% of the project generation to CDG Satellites that are:
 - a) Served under SC1, SC2, SC4; or
 - b) Served under SC3, SC7, SC8, SC9, and where the CDG Satellite has an average billed kW less than or equal to 25 kW based on the most recent 12 monthly billing periods; or,
 - c) A multi-unit building with a single meter serving multiple occupants, as described in Rule 23.3.f.i; or
 - d) served under PSC No. 18 if the project receives compensation based on Rule 26.B. Value Stack.
- iii. A CDG Host which satisfies the 25% interconnection cost responsibility set forth in the Addendum-SIR, or executed a SIR contract if no such obligation is required, after February 12, 2021 must allocate at least 60% of the project generation to CDG Satellites that are:
 - a) Served under SC1, SC2, SC4; or
 - b) Served under SC3, SC7, SC8, SC9, and where the CDG Satellite has an average billed kW less than or equal to 25 kW based on the most recent 12 monthly billing periods; or
 - c) A multi-unit building with a single meter serving multiple occupants, as described in Rule 23.3.f.i; or
 - d) served under PSC No. 18 if the project receives compensation based on Rule 26.B. Value Stack
- iv. Once a CDG Host's project has been interconnected to the Company's distribution system in accordance with the SIR, and begun taking service pursuant to this Rule by receiving credits for injections, the project must continue to use the allocation methodology approved by the Company for that project.
- v. Verification of satellites is completed by the Company each time an allocation form is submitted by a CDG Host based on the methodology established during Company's final approval of CDG Host's initial allocation form.
- b. No more than 40% of the Excess Generation of the CDG Host may serve CDG Satellites of 25 kW or greater (for those members collectively); provided, however, that the CDG Host may:
 - ii. include each dwelling unit located within a multi-unit building and served indirectly as though it were a separate participant for determining whether the 10 CDG Satellite Account minimum and 40% output limits are reached; or
 - iii. for a CDG Farm Project, waive the requirement that no single large Satellite Account member or group of Satellite Account members consume more than 40% of the credits generated by the CDG Farm Project.
- c. A CDG Host Account shall not be a Remote Net Metered Host or Satellite Account. If the CDG Host Account was previously established under Remote Net Metering as an energy-only account and its Satellite Accounts receive monetary crediting, the CDG Host must permanently surrender its rights to monetary crediting under a non-demand service classification before participating in CDG.

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23. Community Distributed Generation (Cont'd)

3. CDG Host Submission Requirements Applicable to 2a and 2b Above: (Cont'd)

- d. The CDG Host shall submit a completed application via an electronic transfer to the Company, and shall certify to the Company that its project meets the PSC's eligibility requirements as specified in its Orders in Case 15-E-0082 and as may be revised thereafter.
- e. A CDG Host shall recertify on an annual basis they continue to meet all requirements as set forth in this Rule and in the CDG Operating Agreement.

4. CDG Satellite Account Requirements

- a. A CDG Satellite Account shall have only one CDG Host Account.
- b. All associated CDG Satellite Accounts must be located within the Company's service territory and within the same NYISO zone as the CDG Host Account, except for a CDG Facility that is being compensated pursuant to Rule 26.B. Value Stack. CDG Satellite Accounts of a CDG Host Account that is compensated pursuant to Rule 26.B. Value Stack, do not need to be located within the same NYISO zone as the CDG Host Account of the Company's service territory.
- c. The CDG Satellite Account shall not be a net metered customer-generator or a Remote Net Metered Host or Satellite Account or take Standby Service under SC14.
- d. Each CDG Satellite Account must take a percentage of the output of the CDG Host's Excess Generation. The percentage must amount to at least 1,000 kWh annually but may not exceed the CDG Satellite Account's historic average annual kWh usage (or forecast usage if historic data is not available).
- e. A non-metered account may qualify as a Satellite Account if the CDG Host is being compensated based on a monetary crediting methodology pursuant to Rule 26, Value of Distributed Energy Resources ("VDER").

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5. Process and Customer Protections

- a. The Company's CDG Operating Agreement details the format and requirements for CDG application submissions.
- b. Additionally, the Company's CDG Operating Agreement sets forth consumer protections required of CDG Hosts, which may be in addition to, or as modified by, the Uniform Business Practices for Distributed Energy Resource Providers, to be issued by the Commission.
- c. A CDG Host may not request termination or suspension of the Company's electric service to a CDG Satellite Account.
- d. Service under this Rule shall terminate if the Company is notified by the Commission that a CDG Host is no longer eligible; if the CDG Host withdraws from CDG participation; or if the Company terminates service to the CDG Host Account. In such cases, the Account Closure provisions set forth in Rule 13. shall apply.

6. Metering Requirement

See Rule 13.C, Distributed Energy Resources, for applicable metering requirements.

7. Calculation and Application of Credits

1. The Company shall calculate credits in accordance with 4.) below for a customer that has completed Step 8 of the SIR Addendum-SIR or has installed Net Metered Generation Facility on or prior to March 9, 2017, for the life of the Net Metered Facility ("Existing").
2. The Company shall calculate credits in accordance with 4.) below for a customer that installs a Net Metered Generation Facility and does not meet the date requirement in 1.) above (i.e., installed after March 9, 2017) for a period of up to 20 years from the project's in-service date ("Phase One NEM") if the customer has:
 - a. made payment for 25% of its interconnection costs, or has its Standard Interconnection Contract executed if no such payment is required as of July 17, 2017, and
 - b. prior to the Company exceeding its 28 MW capacity limit.
3. The Company shall calculate credits in accordance with Rule 26.B, Value of Distributed Energy Resources, Value Stack, for a Net Metered Generation Facility that does not meet the requirements in 1.) and 2.) above.

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23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits (Cont'd)

4. Calculation and Application of:

a. Monetary Credits:

A CDG Host Account that is: demand-billed; or has farm waste electric generating equipment Facility Located and Used at its Premises; or has fuel cell electric generating equipment, shall receive monetary credits in a month where the Host Account has Excess Generation. The monetary credit shall first be applied to any outstanding charges on the Host Account's current electric bill.

- i. Excess Generation shall be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account's service classification for a demand-billed customer that does not have farm waste electric generating equipment at its Non-Farm Location; or does not have fuel cell electric generating equipment.
- ii. Excess Generation shall be converted to the equivalent monetary value at the Company's Buy Back Service Classification No. 5 for a customer with farm waste electric generating equipment at its Non-Farm Location; or fuel cell electric generating equipment.

Any remaining monetary credits shall be allocated to each Satellite Account in accordance with the CDG Host designation pursuant to Section 3 as each Satellite Account is billed.

The monetary credit applied to the CDG Host Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges.

The monetary credit applied to each Satellite Account shall not exceed the current electric delivery charges, and if applicable, Company supply charges or Consolidated Bill charges from the ESCO.

b. Volumetric Credits:

All other CDG Hosts and their Satellites shall receive volumetric credits in a month where the Host Account has Excess Generation :

- i. Any Excess Generation from the CDG Host shall be allocated to each Satellite Account in accordance with the Host Account designation pursuant to Section 3.
- ii. As each Satellite Account is billed, excess kWh designated to the Satellite Account is converted to a monetary credit and applied to the per kWh charges on the Satellite Account and if applicable, Consolidated Bill charges from the ESCO. Monetary credits are calculated using the per kWh rate for the Service Classification applicable to the Satellite Account. If a credit remains after applying to the Satellite Account, the credit is converted back to kWh based on the per kWh rate for the Service Classification applicable to the Satellite Account.

- c. If a monetary or volumetric credit remains after applying to the Satellite Account, the remaining credit shall remain on the Satellite Account until used. Satellite credits shall not expire at the end of an annual period.
- d. Any unallocated credits or allocations retained at the CDG Host Account, will be combined with the next month's volumetric or monetary credits to be applied to the CDG Host Account and Satellite Accounts, as applicable.
- e. If the CDG Host Account was previously established as a net metered customer-generator or Remote Net Metered Host, any outstanding credits shall be included in the CDG Host's first bill pursuant to this Rule.
- f. If the Company is unable to obtain an actual meter read for Host Accounts, the Company shall not be required to estimate Excess Generation output for determining credits to be applied to CDG Satellites.
 - i. CDG Host Accounts will be read every month.

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23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits

5. CDG Net Crediting Program

Effective April 1, 2021, a CDG Host that is compensated pursuant to Rule 26.B Value Stack may participate in the CDG Net Crediting Program as specified in this Rule 23.7.5. Effective January 1, 2026, a Volumetric CDG Host, defined as CDG projects that allocate kWh to CDG satellites per Rule 37.7.4.b, may enroll in the CDG Net Crediting Program as specified in this Rule 23.7.5. The CDG Net Crediting Program is an alternative payment and crediting methodology for CDG Hosts and CDG Satellites. Additional terms, conditions, definitions, and processes are set forth in the Community Distributed Generation Value of Distributed Energy Resources ("VDER" or "Value Stack") Procedural Requirements and NEM/Volumetric CDG Procedural Requirements, both, including a Net Crediting Manual (herein after referred to as "CDG Procedural Requirements") and posted on the company's website. The Net Crediting Program allows CDG Satellites to receive one bill from the Company with a Net Member credit in lieu of receiving an additional separate bill from the CDG Host. The Company shall remit payment to the CDG Host as described herein.

a. Enrollment and Subsequent Changes

The CDG Host must enroll by executing a CDG Sponsor Net Crediting Agreement with the Company, at least sixty days prior to commencing participation in the CDG Net Crediting Program, in addition to any other forms and registrations required under Rule 23 and the Company's CDG Value Stack Procedural Requirements. An existing CDG Host may enroll their project on a first-come, first-serve basis at least sixty days prior to requesting participation in the CDG Net Crediting Program. Participation in Net Crediting shall become effective with the first CDG Host bill sixty days after all necessary enrollment forms have been received and approved by the Company.

- i. The CDG Host must be current on their utility account tied to the CDG Host project to be eligible and participate in Net Crediting.
- ii. The CDG Host shall provide the CDG Savings Rate(s) for the project to the Company as part of the enrollment process. Following the initial enrollment in the Net Crediting Program, the CDG Host may submit a request to update the CDG Savings Rate(s) on a monthly basis as set forth in the Company's CDG Procedural Requirements, as applicable.
 - a. The CDG Savings Rate(s) may not be less than 5% for any CDG project and no greater than 100% minus the Utility Administration Fee of 1%. Up to three different CDG Savings Rates (set in increments of percentages with a single decimal place) can be applied to all CDG Satellites of a CDG Project, except for Excluded Anchor Satellites, if applicable, as specified in 23.7.5.d. below.
 - b. The CDG Host may modify its CDG Savings Rate(s) or its associated CDG Satellite accounts and/or the allocation percentages of its CDG Satellites no less than 30 days prior to the CDG Host account's billing date to which the modifications apply.
 - c. Non-Value Stack CDG or RNM projects that opt into the CDG Net Crediting will retain any banked volumetric credits on the existing projects that will become the starting balance of the new CDG Net Crediting project's Host volumetric bank. An existing Volumetric Net Crediting project that subsequently elects to opt-in to Value Stack Net Crediting will forfeit any remaining kWh credits banked on the Host account at the time such project begins Value Stack compensation.

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GENERAL INFORMATION

23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits (Cont'd)

5. CDG Net Crediting Program (Cont'd)

a. Enrollment and Subsequent Changes (Cont'd)

iii. CDG Hosts may remove the CDG project from the CDG Net Crediting Program with 30 days' notice prior to the CDG Host Account's cycle billing date to which the modifications apply. A CDG project that has been previously removed from the CDG Net Crediting Program may re-enroll following at least one year from when they were removed from the CDG Net Crediting Program and shall be subject to the required sixty days' notice to re-enroll a CDG project as specified in a.i. above.

a. CDG projects that have been removed from the CDG Net Crediting Program shall have the option to switch to Remote Crediting (Rule 35), if compensated under Rule 26.B Value Stack.

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23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits (Cont'd)

5. CDG Net Crediting Program (Cont'd)

- iv. If a CDG Host transfers ownership of a CDG project participating in the Net Crediting Program, and the new CDG Host requests to continue the Net Crediting, the CDG Host shall re-enroll the CDG project on sixty days' notice as described above.

b. Excluded Anchor Satellites

- i. The CDG Host may choose to designate multiple CDG Satellites to be an Excluded Anchor Satellite, limited in aggregate up to 40 percent of the total CDG Project's monthly allocation.
- ii. The Excluded Anchor Satellite(s) shall be a demand-billed, non-mass market Company electricity customer with demand greater than or equal to 25kW in the last twelve months.
- iii. The Excluded Anchor Satellite(s) may be identified on the CDG Net Credit Form when enrolling in Net Crediting at least 60 days prior to net crediting as an Excluded Anchor Satellite.
- iv. The CDG Host may change the designation of Excluded Anchor Satellite(s) as set forth in the CDG Procedural Requirements, as applicable.
- v. The CDG Savings Rate(s) shall not apply to the Applied Credits calculated for Excluded Anchor Satellite(s).
- vi. The CDG Subscription Fee shall not apply to Excluded Anchor Satellite(s).

c. Determination of CDG Satellite's Net Member Credits and CDG Subscription Fee

- i. The Company shall calculate and apply a Net Member Credit to the participating CDG Satellite's bill.
- ii. The Net Member Credit shall be determined as follows for Value Stack projects:
 - a. For each billing period, the total credit allocated to the CDG Satellite shall be calculated pursuant to Rule 26.B.7.c, Value Stack Billing for net export injections. Banked Monetary Credit plus allocated Monetary Credits applied to electric charges ("Applied Credit") cannot exceed the CDG Satellite's electric bill.
 - b. If there is remaining Monetary Credits, the credit shall be banked on the CDG Satellite's account for the subsequent billing period.
 - c. The CDG's Satellite's Net Member Credit is equal to the Applied Credit times the CDG Savings Rate applicable to the CDG Satellite.
- iii. The Net Member Credit shall be determined as follows for Volumetric Projects:
 - a. For each billing period, the total credit allocated to the CDG Satellite shall be calculated pursuant to Rule 37.7.4.b.ii, Calculation and Application of Volumetric Credits. The monetary credit applied to a Satellite bill is referred to as the "Applied Credit".
 - b. The CDG's Satellite's Net Member Credit is equal to the Applied Credit times the CDG Savings Rate.
- iv. A CDG Subscription Fee will be calculated for all CDG Satellites, except the Excluded Anchor Customer(s), based on the Applied Credit each billing period. The CDG Subscription Fee is equal to the Applied Credit multiplied by a percentage of one minus the CDG Savings Rate.
- v. For Value Stack, a CDG Satellite, except the Excluded Anchor Customer(s), will receive a credit on their bill in the amount equal to the net credit.
- vi. For Volumetric, a CDG Satellite, except an Excluded Anchor Customer, shall receive a CDG Applied Credit on their bill as well as a debit for the CDG Subscription Fee, totaling the Satellite's net credit.

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23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits (Cont'd)

5. CDG Net Crediting Program (Cont'd)

d. Determination of CDG Host Payment

The CDG Host Payment will be the sum of the CDG Subscription Fees calculated for each of the project's CDG Satellites in the applicable billing period less the Utility Administrative Fee.

- i. A Utility Administrative Fee is retained by the Company and is calculated using a discount rate of 1% of the total Applied Credit.

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23. Community Distributed Generation (Cont'd)

7. Calculation and Application of Credits (Cont'd)

5. CDG Net Crediting Program (Cont'd)

d. Determination of CDG Host Payment (Cont'd)

- ii. The Company will calculate the CDG Host Payment and remit to the CDG Host a separate payment via ACH or check payment.
- iii. If the CDG Host fails to pay any tariff charges on the CDG Host account for which a written bill has been rendered:
 - a. and arrears exceeds 30 days, then the Company shall withhold the CDG Host payment until the CDG Host has provided payment of the full amount in arrears.
 - b. and arrears exceeds 90 days, the Company shall remove the CDG Host from the CDG Net Crediting Program.

e. Account Closures /CDG Satellite Discontinuance of Participation

- i. Refer to Section 9, Account Closures, or Section 10, Discontinuance of Participation in CDG Project of this Rule, as applicable. However, the final cash out at avoided cost applicable to Farm Waste and Farm Wind generating equipment pursuant to Section 9 does not apply.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York

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8. Annual Allocation Requests

- a. The CDG Host may choose to submit a one-time annual allocation request to fully distribute 100% of the excess Credits to its members.
- i. The CDG Host may furnish to the Company an Annual Allocation request no less than 15 days prior to the Host's bill period starting in the Anniversary Month. An allocation is effective for a one-time allocation only and supersedes any other allocation requests for the anniversary month bill period.
- a. The most recent Allocation Request in effect prior to the Annual Allocation Request shall continue to be applied to all on-going allocations unless a new Subsequent Allocation request is submitted.

If an Annual Allocation Request is not received, allocations shall be made in accordance to the allocation request in effect.

CDG Host Account shall have up to a two-year grace period following the CDG Host's Anniversary month to distribute any excess credits they retain at the end of the annual period.

If the CDG Host Account has any annual credits remaining at the end of the two-year grace period, it shall forfeit a number of credits equal to the smallest number of credits that were in the CDG Host's account at any point during the grace period.

A CDG Hosts shall only be permitted to retain credits for distribution during the two-year grace period if those credits remain after the Host has distributed as many credits as practicable to Satellite Accounts, such that each Satellite Account's consumption in the final month of the annual period has been fully offset.

9. Account Closures

a. CDG Host Account

If a CDG Host closes their account:

- i. The Company shall require an actual meter reading to close an account pursuant to this Rule.
- ii. The Company shall close an account on the earlier of:
 - (a) the first cycle date on which a reading is taken following the requested turn off date, or
 - (b) the date of a special reading, which a Customer may request at the charge specified in Charges for Special Services Statement.
- iii. After a CDG Host account's final bill is rendered, any remaining banked credit shall not be transferred. However, a CDG Host with Farm Wind or Farm Waste electric generating equipment shall receive a final cash out at avoided cost.
- iv. A CDG Host with remaining banked credit at the end of the project term (i.e., 20 years for unused Phase One NEM volumetric credits or 25 years for unused Value Stack monetary credits) shall forfeit such credit.
- v. Assignment of Ownership within the same CDG compensation mechanism, does not constitute a CDG Host Account Closure. The assignor's banked credits shall not be forfeited and the Company shall transfer CDG Host banked credits to the new account under the assignee. CDG Satellite banked credits shall be transferred to new CDG Host Account for future allocation to CDG Satellites by assignee. Any CDG project that completed a Consent to Assignment within the CDG program shall retain the original compensation term and the start date of such term shall be based on the project's original interconnection date.

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23. Community Distributed Generation (Cont'd)

9. Account Closures

b. CDG Satellite Account

If a CDG Satellite closes their account:

- i. The Company shall require an actual meter reading to close an account pursuant to this Rule.
- ii. The Company shall close an account on the earlier of:
 - (a) the first cycle date on which a reading is taken following the requested turn off date, or
 - (b) the date of a special reading, which a Customer may request at the charge specified in the Charges for Special Services Statement.
- c. Once the CDG Satellite has closed their account and the final bill rendered, the banked credits that were remaining on the CDG Satellite's account shall be transferred to the CDG Host Account.
- d. Credits transferred to the CDG Host Account shall be transferred with no adjustments to the Market Transition Charge ("MTC") or Community Credit ("CC"), if applicable.
- e. Once remaining credits have been transferred to the CDG Host of a project, the Company shall not be responsible for any additional refunds or credits owed to the CDG Satellite Account for that CDG project.

GENERAL INFORMATION

23. Community Distributed Generation (Cont'd)

10. Discontinuance of Participation in CDG Project

If a CDG Satellite discontinues participation in a CDG project:

- a. The Company shall rely on the CDG Host's monthly allocation form to verify the CDG Satellite Account's participation in the CDG Host's project. When the Company processes the CDG allocation form that no longer includes the CDG Satellite Account, the Company shall transfer any banked credits of the CDG Satellite Account to the CDG Host Account.
- b. Credits transferred to the CDG Host Account shall be transferred with no adjustments to the Market Transition Charge ("MTC") or Community Credit ("CC"), if applicable.
- c. Once remaining credits have been transferred to the CDG Host of a project, the Company shall not be responsible for any additional refunds or credits owed to the CDG Satellite Account for that CDG project.
- d. A CDG Satellite Account that has been removed from a CDG Host project, but continues to maintain an active utility account, may not subscribe to a new CDG Host or CDG Net Crediting project until the billing period after which all banked credits are returned to the original CDG Host's Account.

11. Liability

Notwithstanding any other provision of this tariff, in case the supply of service shall be interrupted or irregular or defective or fail from causes beyond the Company's control (including without limiting the generality of the foregoing executive or administrative rules or orders issued from time to time by State or Federal officers, commissions, boards or bodies having jurisdiction), or because of the ordinary negligence of the Company, its employees, servants or agents, the Company shall not be liable therefore.

12. One-Time Voluntary Switch:

A customer shall have the option to make a one-time voluntary switch from CDG to Remote Crediting (Rule 35). The procedure to switch is detailed in the CDG VDER Procedural Requirements manual posted on the Company's website.

- a. A customer shall provide the Company with notice of their intent to switch and submit a switching certification and a CDG/Remote Crediting allocation form within 60 days of the new project's first account billing date or within 45 days of the existing project's last host account billing date.
 - (i) The project shall remain under the Value Stack compensation mechanism as described in Rule 26.B.10.
 - (ii) This switch shall be irrevocable.
- b. If a customer chooses to make a one-time voluntary switch, the component rates that were established on the customers eligibility date shall not change and all project elections shall carry forward.
- c. The compensation term shall be that of the program that a customer is switching into and begins on the project's original interconnection date.
- d. The customer shall retain any monetary credits banked on the host account; this shall be the starting balance of the new host bank.
- e. For projects switching to Remote Crediting and choose to receive compensation under the Environmental Component, the project owner shall contact the NYGATS administrator to initiate a transfer of the generator in NYGATS to the Company. Projects not already authorized in NYGATS must authorize the Company to register and report data through NYGATS.