



Net Crediting Manual for Community Distributed Generation (Value Stack)

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1. Introduction

In July 2015, The Public Service Commission (“PSC” or “Commission”) issued its Order Establishing a Community Distributed Generation Program and Making Other Findings in Case 15-E-0082 (“Community Distributed Generation Order” or “CDG Order”) under which the policies, requirements and conditions for implementing Community Distributed Generation (“CDG”) were established. In March 2017, the Commission issued its Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters in Cases 15-E-0751 et al (“VDER Order”) in which the conditions for CDG were updated to reflect the transition towards compensation via the Value Stack. Finally, in September 2018, the Commission issued its Order on Value Stack Eligibility Expansion and Other Matters (“VDER Expansion Order”) which again modified eligibility for CDG Hosts. The terms and conditions for CDG and Value Stack compensation are set forth in the Company’s Schedule for Electricity, P.S.C. No. 15 – Electricity (“Tariff”) in General Information Sections 46 and 48.B, respectively.

In December 2019, the Commission issued its Order Regarding Consolidated Billing for Community Distributed Generation in Case 19-M-0463 (“Net Crediting Order”) and adopted the Net Crediting model of consolidated billing as an option for CDG projects. Under the Net Crediting model, CDG Hosts will collect subscription fees through the subscriber’s Central Hudson bill in lieu of a separate bill sent from the CDG Host to each subscriber. With Net Crediting, a CDG Host will designate a CDG Savings Rate, or specified percentage benefit, for each project enrolled in Net Crediting. The CDG Savings Rate represents the percent of a project’s generation credits subscribers will receive after subtracting the subscription charge which Central Hudson will send to the CDG Host. To compensate Central Hudson for performing the billing function for the CDG Host, Central Hudson will retain an Administrative Fee assessed on the total value of the generation credits applied to subscribers’ bills.

This document sets forth Central Hudson’s procedures for CDG Hosts compensated via Value Stack to participate in Net Crediting. These procedures may be changed from time to time based on program experience or changes in PSC Orders. In the event of any inconsistency between the Tariff or any PSC Order and this Manual, first the Tariff

and/or PSC Orders and then the Net Crediting Agreement will govern before this Manual. Unless otherwise specified herein, the rules and requirements of Central Hudson's Tariff with respect to CDG and Value Stack continue to apply to Net Crediting.

2. Definitions

Allocated Credit – is the amount of the CDG Host Value Stack credit allocated to a CDG Satellite in any period based on the allocation percentage provided by the CDG Host.

Anchor Customer - is a demand-billed, non-mass market Utility electric customer greater than or equal to 25kW that enters into a contract to participate as an enrolled Satellite in the CDG Project that the CDG Sponsor identifies as being excluded from the Net Crediting Program.

Applied Credit – is the amount of Value Stack credit used to offset the electric charges of a CDG Satellite's bill. This amount is equal to the allocated credit and the CDG Satellite's banked Value Stack credits, including any banked credits allocated from the CDG Host. A CDG Satellite's applied credit cannot exceed the amount of a CDG Satellite's electric bill during any billing period.

CDG Host or CDG Sponsor - is the entity that organizes, owns, and/or operates a CDG project. Central Hudson's Tariff and this procedural guide use the term CDG Host.

CDG Host Payment – is the payment from Central Hudson to the CDG Host representing the sum of the CDG Subscription Fees from the CDG Project, less the sum of the Utility Administrative Fees retained by Central Hudson.

CDG Satellite - is a Central Hudson electric customer who is participating in the CDG Project.

CDG Savings Rate – is the rate used to calculate the value of the CDG Project’s monthly Value Stack Credits that will be provided by Central Hudson on CDG Satellites’ electric accounts, allocated as directed by the CDG Host.

CDG Subscription Fee – is the amount of the Applied Credit withheld from the CDG Satellite’s monthly bill, representing the amount owed to the Host by the Satellite.

Net Member Credit – is the resulting credit on the CDG Satellite’s electric bill.

Utility Administrative Fee - is the amount of the monthly value of the CDG Project’s Value Stack Credits that the Utility will retain, as approved by the Commission.

3. Eligibility

The CDG Host must comply with all of the requirements established in the CDG Order, the VDER Order, the VDER Expansion Order, the Net Crediting Order, subsequent Orders, Central Hudson’s Tariff and the UBP-DERS. Central Hudson’s Tariff details the requirements that must be met for a generator to qualify as a CDG Host.

CDG Hosts must also operate in compliance with the standards and requirements set forth in the New York State Standardized Interconnection Requirements (“SIR”) appended to the Tariff and may not commence service under the Net Crediting Program until all requirements are met.

4. Program Requirements

CDG Hosts wishing to participate in the Net Crediting Program must execute the Net Crediting Agreement for each CDG Project operating within Central Hudson's service territory. The Net Crediting Agreement located <https://www.cenhud.com/my-energy/distributed-generation/programs-and-incentives/> may be returned to Central Hudson at PVmetering@cenhud.com.

A. Allocation Form

The CDG Host shall submit an allocation form indicating the enrollment of the CDG Project in Net Crediting. The allocation form must designate a CDG Savings Rate and may designate an Anchor Customer. Existing CDG Hosts applying for Net Crediting shall also submit an allocation form with the beforementioned details. Initial allocation requests must be received by the Company at least 60 days prior to commencing service as a CDG project. The allocation form may be found on the Company's website at the following location: <https://www.cenhud.com/my-energy/distributed-generation/dg-forms/>

B. Certification

The CDG Host must certify to the Company, both prior to commencing service under the Net Crediting Program and annually thereafter, that it has met the requirements established by the Commission and maintain such certifications and attestations in full force and effect throughout the term of self-certification. The certification form can be found on Central Hudson's website at the following link:

https://www.cenhud.com/globalassets/pdf/my-energy/dg_cdgselfcertificationform.pdf

The CDG Host also certifies that any change in the CDG Savings Rate applied to a project has received affirmative consent from each affected subscriber.

5. Program Process

A. CDG Savings Rate

The CDG Savings Rate will be initially set when enrolling in Net Crediting on either the initial or subsequent allocation form. The savings rate can be set in increments of a whole percentage, with a minimum of 5%. The same CDG Savings Rate must be used for all CDG Satellites subscribed to the CDG Project, except for the excluded Anchor Customer, if applicable.

B. Rules of Anchor Customer

A CDG Host may choose to designate an Anchor Customer. An Anchor Customer is a demand billed, non-mass market customer with demand greater than or equal to 25kW. The percentage allocated to the Anchor Customer counts towards the 40% allocation limit to large customers (i.e. multi-dwelling buildings included as part of 60% are ineligible to be an Anchor Customer).

An Anchor Customer can be set either when initially enrolling or on subsequent allocation forms. An Anchor Customer can be updated monthly, no less than 30 days prior to the CDG Host account's billing date to which the modifications apply.

C. Utility Administrative Fee

Central Hudson will retain an Administrative Fee for performing the billing function for the CDG Host. The Administrative Fee will be determined monthly as the product of 1) the Net Crediting Discount Rate, as set forth in the Tariff, and 2) the total value of the Applied Credits on CDG subscribers' current bill, prior to the application of the CDG Subscription Charge. The Net Crediting Discount Rate is subject to change pursuant to Commission Order and any such changes to the Discount Rate will be applicable to all Net Crediting billing on and after the effective date of the change.

An example of the calculation of the Administrative Fee, using a CDG Project generating \$600 in Value Stack credits with an Anchor Customer, a 5% CDG Savings Rate and a 1% Net Crediting Discount Rate can be seen below. In this example Central Hudson retains \$4.00:

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Satellites	CDG Savings Rate	Satellite Allocation Percentages	Allocated Credit	Existing Banked Credits	Total Available Credit	CDG Satellite Electric Bill	Applied Credits	Net Member Credit	CDG Subscription Fee	Utility Administrative Fee
	A	B	C	D	E = C + D	F	G = -min(-E, F)	H = G * A	I = G - H	J = G * Net Crediting Discount Rate
Unallocated (Banked to CDG Host)	N/A	10.000%	\$ (60)	\$ (100)	\$ (160)					
CDG Satellite 1	5%	25.000%	\$ (150)	\$ -	\$ (150)	\$ 100	\$ (100)	-\$5.00	\$ (95.00)	
CDG Satellite 2	5%	25.000%	\$ (150)	\$ (100)	\$ (250)	\$ 400	\$ (250)	-\$12.50	\$ (237.50)	
CDG Satellite 3	5%	30.000%	\$ (180)	\$ -	\$ (180)	\$ 50	\$ (50)	-\$2.50	\$ (47.50)	
Excluded Anchor Satellite	N/A	10.000%	\$ (60)	\$ (400)	\$ (460)	\$ 1,000	\$ (460)		\$ -	
Subtotal		100.000%	\$ (600)	\$ (600)	\$ (1,200)			-\$20.00	\$ (380.00)	\$ (4.00)

D. Bill Presentment

The Net Member Credit will be initially presented as a single line item in the Payments and Adjustments section on the last page of the CDG Subscriber's bill as shown below.

Payments and Adjustments

PAYMENT RECEIVED BY PAYMENT AGENT	MAY 19	\$-200.00
COMMUNITY DISTRIB GENERATION CREDIT	MAY 29	\$-12.36
PAYMENT RECEIVED BY PAYMENT AGENT	JUN 2	\$-100.00

E. Subsequent Updates to Forms

1. No more than one allocation form per billing period will be accepted.
2. The CDG Host may modify its CDG Savings Rate twice per year during the months of March and September by submitting an allocation form with an updated CDG Savings Rate no less than 45 days before the CDG Host account's billing cycle date to which the modifications apply.
3. The CDG Host may modify the Anchor Customer by submitting an allocation listing the modified Anchor Customer. Any updates to allocation forms may be

submitted once per CDG Host billing cycle no less than 45 days before the CDG Host account's billing cycle date to which the modifications apply.

4. To un-enroll a Project from the Net Crediting Program, the CDG Host shall submit an allocation form indicating the unenrollment from the Net Crediting Program no less than 45 days before the CDG Host Account's billing cycle date to which the modifications apply.
5. To re-enroll a Project from the Net Crediting Program, the CDG Host shall submit an allocation form indicating the re-enrollment in the Net Crediting Program and CDG Savings Rate no less than 45 days before the CDG Host Account's billing cycle date to which the modifications apply. A Project may not re-enroll in the Net Crediting Program within twelve months from the most recent un-enrollment.

F. Application of Subscriber Credits

1. Timing

CDG credits are applied to CDG Subscriber accounts on a month lag. Using the following example, a CDG Host's generation from June 30 – July 30 will be allocated to subscriber bills issued during the period of July 31 – August 29. These credits are then posted as a batch on the next read date for the CDG Host on August 30. Beginning on August 31 subscribers begin to see the Net Member Credit appear on their bills.

Date	Event
6/30	Project Final Interconnects
7/30	First meter read as CDG - Host will receive bill
7/30-8/29	Subscribers billed and the credits to be applied are calculated
8/30	Second meter read as CDG Host - Host will receive bill, credits are allocated to CDG Subscribers based on prior month's generation.
8/31	Subscribers begin to see CDG Net Member Credits on their bills

2. Banking

For active accounts, former CDG Satellites will continue to receive credits resulting from any prior allocations that were banked on the CDG Satellite account. A customer cannot enroll with a new CDG Host until banked credits are used.

G. CDG Host Payment

1. Payments will be made monthly according to the CDG Host's account billing cycle. Payment will be in the form of a check made payable to the name and mailing address on the Host's account.
2. The Host Payment will be the sum of the CDG Subscription Fees from each CDG Satellite, less the Utility Administrative Fee. (e.g. In the example show in in 5.C above: a CDG Project generates \$600 worth of credits; \$400 is applied to subscribers; using a saving rate of 5%, the CDG Subscription Fee would be \$380; using a Net Crediting Discount Rate of 1% the Utility Administrative Fee would be \$4; and the Host Payment would be \$376, or \$380 - \$4).
3. The Host will generally receive payment within 14 days after the Host's bill cycle. Using the example shown in 5.F above, the CDG Host would see their payment by 9/14.
4. The Host Summary report that is provided monthly will included the additional fields listed below once the project is enrolled in Net Crediting:
 - i. Sponsor Payment
 - ii. Savings Rate
 - iii. Utility Administrative Fee

H. Subsequent Net Crediting Program Changes

Subsequent changes to Net Crediting Program details which may include: displaying the total credit value and subscription fee separately on the bill; allowing for bill messaging by the CDG Host and displaying the CDG Project name on the bill; and expansion of Net Crediting to CDG Projects compensated volumetrically will be reflected in this Manual at such time these changes are implemented.

6. Additional Items

Central Hudson shall be responsible for resolving utility billing-related customer inquiries and complaints. In the case of customer inquiries to Central Hudson related to the CDG Sponsor, the Company will promptly provide customers the CDG Sponsor's contact information.

7. Track Changes

This section will be used to track changes to this document.

Version Number	Description of Changes	Date
v1	Initial version	8/31/2020