

#### GENERAL INFORMATION

34. Distribution Load Relief Program (Cont'd)

J. Reservation Payment Option (Cont'd)

6. Application of Payments

Reservation Payments shall be calculated on a monthly basis. Payments shall be made by bill credit, check or wire transfer.

K. Cost Recovery

1. The Company shall collect the costs of this program from all customers pursuant to Rule 25.I.B.1, Transition Charge. The collection amount shall be allocated to each service classification based upon the Company's most recent primary distribution demand allocator.
2. The costs shall be collected from non-demand billed customers on a per kWh basis and from demand billed customers on a per kW basis.
3. The costs shall be tracked separately and reconciled with revenues collected for the program on an annual basis, inclusive of interest at the effective New York State Public Service Commission's published customer deposit rate applicable to investor owned utilities.
4. A DLM Statement setting forth the cost values included in the Transition Charge by service classification shall be updated annually and filed on not less than one days' notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).

35. Commercial System Relief Program

A. Applicability

All customers taking service under Service Classification Nos. 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13 and 14, whether receiving electricity supply from the Company or an ESCO, including any NYPA Customer; and to any Aggregator that meets the requirements of this Program.

B. Contracting for Commercial System Relief Program Service

There are two options under this Program through which a Direct Participant or Aggregator may contract to provide Load Relief during Load Relief Periods designated by the Company. The Voluntary Participation Option and the Reservation Payment Option. This Program is applicable to Direct Participants and Aggregators who agree in writing to provide Load Relief either on a Voluntary Participation or Reservation Payment Option, during all Contracted Hours whenever the Company designates Planned Events during the Capability Period. Direct Participants and Aggregators may also agree to voluntarily provide Load Relief if an Unplanned Event is called.

A Direct Participant must contract to provide at least 50 kW of Load Relief. An Aggregator must contract to provide at least 50 kW of Load Relief.

If other requirements for service under this Program are met, Electric Generating Equipment may be used to participate under this Program subject to the provisions set forth in Section D below. The participating Direct Participant or Aggregator is responsible for determining that the operation of the generating equipment under this Program shall be in conformance with any governmental limitations on operation.

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### 35. Commercial System Relief Program (Cont'd)

#### C. Definitions

The following terms are defined for purposes of this Program only:

**Aggregator:** A party other than the Company that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in a Company Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Company.

**Capability Period:** The period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

**CBL:** Customer baseline load as calculated under the Company's Customer Baseline Load methodology, using either the weather-sensitive adjustment option (the "weather adjusted CBL") or the average-day CBL. The Customer Baseline Load methodology shall be described in the Company's baseline operating procedure, which shall be published on the Company's website.

**CBL Verification Methodology:** The methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test.

Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Company may estimate the data pursuant to the Company's operating procedure if data is not available for all intervals. When the weather-adjusted CBL methodology is used and the calculated weather adjustment falls outside of the Company defined ranges (i.e., the Company deems the weather to be atypical on the day of a Load Relief Period or Test when compared to the baseline period), the Company may review and revise a participant's baseline based on the Customer's historical load data. When the weather-adjusted CBL methodology is used, the Company, at its own discretion, may select alternate hours for the adjustment period to calculate the weather adjustment in order to accurately reflect the customer's typical usage.

**Contracted Hours:** The four-hour period within a weekday, Monday through Friday during the Capability Period excluding federal holidays, during which the Direct Participant or Aggregator contracts to provide Load Relief whenever the Company designates a Planned Event.

**Direct Participant:** A Customer who enrolls under this Program directly with the Company for a single account and agrees to provide at least 50 kW of Load Relief.

**Electric Generating Equipment:** (a) electric generating equipment that is served under Service Classification No. 10, Service Classification No. 11, or Wholesale Distribution Service and used to provide Load Relief under this Program; or (b) emergency electric generating equipment that is interconnected and operated in compliance with rules governing Emergency Generating Facilities used for self supply and used to provide Load Relief under this Program.

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### 35. Commercial System Relief Program (Cont'd)

#### C. Definitions (Cont'd)

**Load Relief:** Power (kW) and energy (kWh): (a) ordinarily delivered by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the Customer's premises; or (b) produced by use of Electric Generating Equipment by a customer taking service pursuant to Service Classification No. 10 or Wholesale Distribution Service and delivered by that Customer to the Company's distribution or transmission system during a Load Relief Period.

**Load Relief Period:** The hours for which the Company requests Load Relief when it designates a Planned Event or an Unplanned Event.

**Performance Factor:** When a Planned Event or Test is called, is the quotient of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief.

**Planned Event:** The Company's request, on not less than 21 hours' advanced notice, for Load Relief during the Contracted Hours. Planned Events shall be called when the Company's day-ahead forecasted load level is at least 92% of the forecasted summer system-wide peak. Day-ahead and summer peak forecast information for the system shall be posted to the Company's website. Planned Events shall be scheduled on weekdays and will begin at 2 p.m. and end at 6 p.m. There shall be a Planned Event confirmation or cancellation notification no less than 2 hours before the start of the event.

**Renewable Generation:** Behind-the-meter electric generating equipment that is not fossil-fueled and has no emissions associated with it.

**Test:** The Company's request under the Reservation Payment Option for Direct Participants and Aggregators to provide one hour of Load Relief on not less than 21 hours advanced notice. There shall be a Test confirmation or cancellation notification no less than 2 hours before the start of the Test.

**Unplanned Event:** The Company's request for Load Relief: (a) on less than 21 hours' advanced notice; or (b) for hours outside of the Contracted Hours.

#### D. Applications and Term of Service

1. Applications for service and the batch enrollment forms under this Program must be made electronically. Direct Participants and Aggregators may participate after the Company's receipt and approval of a completed application and enrollment form. For the Reservation Payment Option, the Company shall accept an application by April 1 for a May 1 commencement date, or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Company does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in Section F are satisfied. For the Voluntary Participation Option, the Company shall accept applications at any time provided all conditions in Section F are satisfied.

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35. Commercial System Relief Program (Cont'd)

D. Applications and Term of Service (Cont'd)

2. The desired commencement month must be specified in the application.

Applications shall not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or holiday, applications shall be accepted until the first business day thereafter.

3. A Direct Participant or Aggregator may apply in writing to change the CBL Verification Methodology, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief, the Direct Participant's or Aggregator's most recent Performance Factor must be no less than 1.00.
4. An Aggregator may increase its kW of pledged Load Relief during a Capability Period only if it enrolls customers whose Aggregator either exited the program or is suspended from enrollment in the program for noncompliance with Aggregator eligibility requirements or the Company's operating procedures. In such case, the Aggregator may increase its kW of pledged Load Relief up to the amount of the transferred Customers' existing kW of pledged Load Relief.
5. Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. The weather-adjusted CBL shall be used as the CBL Verification Methodology for each account number enrolled, unless the application specifies that the average-day CBL is to be used for verification of performance. A single CBL Verification Methodology shall be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
6. Participation by diesel-fired Electric Generating Equipment shall be permitted only if the engine for the equipment is model year 2000 or newer. Participation by these diesel-fired Electric Generating Equipment shall be limited to 20% of the total kW enrolled under this Program for the Capability Period. Enrollment by such generators shall be accepted on a first come, first served basis. Within these geographic areas, no limit or cap shall be placed on the following: natural gas-fired rich burn Electric Generating Equipment that incorporates three-way catalyst emission controls; natural gas lean-burn Electric Generating Equipment with an engine of model year vintage 2000 or newer; or Electric Generating Equipment that has a NOx emissions level of no more than 2.96 lb/MWh.
7. If a Direct Participant or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this Program, the application must state generator information, including the unit's serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and identification as to whether the unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, or whether it has a NOx emission level of no more than 2.96 lb/MWh. If the generating equipment has a NOx emission level of no more than 2.96 lb/MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls, a natural gas lean-burn engine of model year vintage 2000 or newer, or a diesel-fired engine of model year vintage 2000 or newer, written certification by a professional engineer must be attached to the application attesting to the accuracy of all generation-related information contained in the application, including the NOx emission level.

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35. Commercial System Relief Program (Cont'd)

D. Applications and Term of Service (Cont'd)

7. (Cont'd)

Copies of all New York State Department of Environmental Conservation ("DEC") permits must be included with the application. By applying for service under this Program, Direct Participants and Aggregators (on behalf of their customers) agree to permit the Company to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC's agreement to keep this information confidential. Furthermore, participants enrolled in a NYISO market-based program offered by the Company, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Company with their NYISO generator identification number, under a confidentiality agreement, and give the Company the ability to view their market participation activity. This information shall be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

8. Participation under this Program is permitted to participants in other programs that provide payment for capacity, such as the NYISO's Special Case Resources Program and the Company's Distribution Load Relief Program.

9. Direct Participants and Aggregators must meet the metering requirements specified in Section F.

10. Customers who take service pursuant to a Net Metering option are not eligible to participate in this program. However, a customer that is participating in Rule 26.B., Value Stack and qualifies for DRV and/or LSRV of the Value Stack compensation is permitted to participate in this Program in lieu of receiving the DRV and/or LSRV compensation. A customer-generator compensated under Rule 22.D. Value Stack that opts into this Program shall be compensated for their injections using the same load reduction calculation methodology and at the same rate as compensation for load reductions as described in Rules 35.I. and 35.J. This voluntary election is a one-time, irrevocable selection that may be made at any point during the project's Value Stack compensation term, however, shall be made in accordance with Rule 35.D. If such election is made after April 1, the effective date of such election shall be the following year's Capability Period described in Rule 35.D.1.

E. Load Relief Period Criteria, Notification by the Company and Required Response

1. The Company shall notify Direct Participants and Aggregators by phone, e-mail, or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test. The Direct Participant or Aggregator shall designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator shall be notified of the Load Relief Period or Test. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.

2. If the Company designates a Planned Event or a Test, the Company shall provide advance notice at least 21 hours in advance of the event. The Company shall again provide advance confirmation or cancellation notice on the day of the event, usually two or more hours in advance.

3. If the Company designates an Unplanned Event, notice shall be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.

4. Participants in the Reservation Payment Option are required to participate during:  
a. all Contracted Hours for all Planned Events called by the Company during the Capability Period, and  
b. Test called by the Company. The Test period shall not exceed one hour. Tests shall occur within the timeframe of Load Relief Periods. Participants in the Voluntary Participation Option shall not be tested.

GENERAL INFORMATION

35. Commercial System Relief Program (Cont'd)

F. Metering

1. Participation under this Program requires that each participant's entire service be measured by interval metering with telecommunications capability used by the Company for monthly billing. If an Aggregator takes service under this Program, all customers of the Aggregator must meet the metering and telecommunications requirements specified herein.
2. If, at the time of application for service under this Program, the Company does not bill the participant monthly using interval metering, the Customer shall arrange for the furnishing and installation of interval metering with telecommunications capability to be used for billing and arrange for telecommunications service, at the participant's expense.
3. If the Company does not bill the participant monthly using interval metering at the time of application, participation in the Reservation Payment Option shall not commence unless both interval metering and meter communications are operational. If the Company receives a completed application by April 1. If the Company receives a completed application by May 1, service can commence June 1 if interval metering is installed by May 1. In situations where interval metering has been installed, but the participant has been unable to obtain communications service to the meter, the customer may participate provisionally until communications are established and functioning. Incentive payments will be withheld until communications service is established and the necessary data is downloaded and verified. In the unusual instance that, prior to establishing communications service, data from the interval meter is unavailable during a time which impacts calculation of Customer Baseline Load or Load Relief during a Planned Event, Unplanned Event, or Test, the participant's performance during such event shall be set to zero. The customer will not receive any credit for performance during the Capability Period if they fail to establish communication prior to the end of the Capability Period. Once communications service is obtained, meter data will be utilized for future calculations in accordance to the established guidelines.
4. The Company shall install interval metering within 21 business days of the later of the Company's receipt of an applicant's payment for an upgrade to interval metering and: (i) evidence that a request has been made to the telephone carrier (e.g., receipt of a job number) to secure a dedicated phone line for a meter with landline telecommunications capability or (ii) the active Internet Protocol ("IP") address that the wireless carrier has assigned to the modem's ESN for a meter with wireless capability. If the Company misses the installation time frame for the Reservation Payment Option, it shall make the otherwise earned Reservation Payment to the Direct Participant or Aggregator, unless the meter delay was caused by a reason outside the Company's control, such as the telephone company's failure to install a landline or, if, at the Company's request, the Commission grants the Company an exception due to a condition such as a major outage or storm. The otherwise earned Reservation Payment shall be calculated by determining the number of months between the earliest month in which the customer could have begun participation had the meter been installed within the required timeframe (assuming the Company's acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.
5. The Company shall visit the premises at the request of the Customer to investigate a disruption of normal communications between the phone line or wireless communication and the meter, or operation of external pulses from the meter to the Customer's energy management equipment. The Company shall charge for its visit based upon the cost to the Company.

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### 35. Commercial System Relief Program (Cont'd)

#### G. Data Review

The Company reserves the right to review records and/or operations of any Direct Participant, Aggregator, customer of an Aggregator, or Meter Data Service Provider ("MDSP") to verify enrollment information and performance associated with any designated Load Relief Period or Test called by the Company. Once the Company initiates a data review, all payments shall be suspended pending the outcome of the review. The Company shall complete its review within 30 days of receipt of all requested data, but no later than December 31 of the calendar year of the Capability Period under review. Any suspended payments shall be reinstated if the Company's review of the data results in a finding that the enrollment and performance information are correct.

If the Company determines that a Direct Participant, Aggregator, customer of an Aggregator or MDSP failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Rider and/or provided inaccurate data, the Direct Participant or the customer of the Aggregator shall be deemed ineligible to participate in the program until the issue is rectified. In addition, the Direct Participant or Aggregator shall be required to make prompt repayment to the Company of any overpayments that were made to such Direct Participant or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

#### H. Aggregation

1. All customers of an Aggregator must meet the metering and telecommunications requirements of this Program.
2. An Aggregator is responsible for the compliance of all customers it enrolls and shall be liable for performance, including, as applicable, repayments to the Company.

#### I. Voluntary Participation Option

##### 1. Performance Payments for Load Relief

Except as specified in Section I.3, the Company shall make Performance Payments to a Direct Participant or Aggregator participating in the Voluntary Participation Option for Load Relief provided during a designated Load Relief Period.

The Performance Payment rate is \$0.50 per kWh.

The Performance Payment amount paid per event is equal to the applicable Payment Rate multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.

##### 2. Application of Payments

The Company shall make payment to a Direct Participant or Aggregator, after the end of the program year, for the sum of the payments due for all Load Relief Periods in the Capability Period. Payments shall be made by bill credit, check, or wire transfer.

3. Performance Payments shall not be made under this Program if the Direct Participants or Aggregator (on behalf of its customer) receives payment for energy under any other demand response program (e.g., NYISO's Day-ahead Demand Reduction Program or NYISO's Special Case Resources Program) during concurrent Load Relief hours. If a Direct Customer or Aggregator (on behalf of its customer) is enrolled in the Company's Distribution Load Relief Program for concurrent Load Relief hours, Performance Payment will be made only through the Commercial System Relief Program.

#### GENERAL INFORMATION

35. Commercial System Relief Program (Cont'd)

J. Reservation Payment Option

1. Applicability

Direct Participants and Aggregators shall receive a Reservation Payment for each Capability Period month in which they are enrolled. The Reservation Payment rate per kW is based on the number of cumulative Planned Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period.

2. Reservation Payments per month are equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor for the month. Reservation Payments shall be made under this Program based on the number of Events called during the month.

The Reservation Payment rate is \$4.10 per kW per month for up to four Events per month.

The Reservation Payment rate is \$4.35 per kW per month if five or more Events are called in the month.

Reservation Payments shall be paid when the minimum performance factor per month is equal to or greater than 0.25 as provided for in section 5. of this Rule.

3. Performance Payments for Load Relief

The Company shall make a Performance Payment per kWh for the first four hours of Load Relief provided during the Load Relief Period.

The Performance Payment is \$0.50 per kWh.



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35. Commercial System Relief Program (Cont'd)

J. Reservation Payment Option (Cont'd)

4. Bonus Payment

The Company shall make a Bonus Payment per kWh for the fifth and subsequent hours of Load Relief provided during the Load Relief Period.

The Bonus Payment is \$0.60 per kWh.

5. Performance Factor

a) When a Planned Event is called, the Performance Factor is:

- i. The quotient of average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the first four hours of the Load Relief Period and up to the kW of contracted Load Relief.

b) When a Test is called, the Performance Factor is:

- i. The quotient of the kW of Load Relief provided during the Test Hour by the Direct Participant or Aggregator up to the kW of contracted Load Relief.

c) When more than one Planned Event and/or Test is called during the month, the Performance Factor is the average of the Performance Factors for the Direct Participant or the average of the Performance Factors for the Aggregator during that month. Where service is taken under this Program by an Aggregator, the kW of contracted Load Relief is measured on a portfolio basis by CBL Verification Methodology.

- i. The Performance Factor for the month is used to calculate Reservation Payments for that month and each month thereafter until the month in which the next Test or Load Relief Period is called by the Company during the current or subsequent year's Capability Period.
- ii. If the Direct Participant or Aggregator did not participate in the program during the prior Capability Period, and no Load Relief Periods or Tests have been designated since the Direct Participant or Aggregator enrolled in the program, payment for the current month shall be made based on an assumed Performance Factor of 0.50. A subsequent true-up shall be made once an actual Performance Factor is established either via a Test or Load Relief Event. The true-up may result in a credit or a charge to the participant.

d) The Performance Factor is truncated to two decimal places and has an upper limit of 1.00 and a lower limit of 0.00. If the calculated Performance Factor is less than or equal to 0.25, the Performance Factor will be set to 0.00.

6. Application of Payments

Reservation Payments shall be calculated on a monthly basis. Payments shall be made by bill credit, check or wire transfer.

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New York State Electric & Gas Corporation  
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#### GENERAL INFORMATION

35. Commercial System Relief Program (Cont'd)

K. Cost Recovery

1. The Company shall collect the costs of this program from all customers pursuant to Rule 25.I.B.1, Transition Charge. The collection amount shall be allocated to each service classification based upon the Company's most recent transmission plant allocator.
2. The costs shall be collected from non-demand billed customers on a per kWh basis and from demand billed customers on a per kW.
3. The costs shall be tracked separately and reconciled with revenues collected for the program on an annual basis, inclusive of interest at the effective New York State Public Service Commission's published customer deposit rate applicable to investor owned utilities.
4. A DLM Statement setting forth the cost values included in the Transition Charge by service classification shall be updated annually and filed on not less than one days' notice. Such statement can be found at the end of this Schedule (P.S.C. No. 120 – Electricity).