May 15, 2018

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Cases 15-E-0751 et al., In the Matter of the Value of Distributed Energy Resources

Dear Secretary Burgess:

The Generating Capacity Rates for Consolidated Edison Company of New York, Inc. (“Con Edison”) and Orange and Rockland Utilities, Inc. (“O&R”) under Generating Capacity Rates for Alternative 2 are provided below. This filing is made in accordance with the Public Service Commission’s Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues, and Related Matters¹ and Order on Net Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters² in the above proceeding.

Generating Capacity Alternative 2 shows the capacity credits that will be applicable to projects receiving Value Stack compensation during the current capacity year (May 2018 through April 2019) based on the capacity costs for the designated service classification (i.e., SC 9 Rate I for Con Edison and SC 3 for O&R) over the past capability year (May 2017 through April 2018) divided by the expected kilowatthour sales for that class during the 460 peak summer hours that occur starting with hour beginning 14:00 and going through hour beginning 18:00 for each day in June, July, and August.

The Generating Capacity Alternative 2 rates will be shown on the ’s respective Statement of Value of Distributed Energy Resources Value Stack Credits of Con Edison and O&R, effective June 1, 2018.

Proposed Generating Capacity Rates Applicable to Value Stack Projects

<table>
<thead>
<tr>
<th>$/kWh export</th>
<th>O&amp;R</th>
<th>Con Edison New York City</th>
<th>Con Edison Westchester</th>
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<tbody>
<tr>
<td><strong>Alternative 2:</strong></td>
<td></td>
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<tr>
<td>Effective for hour beginning 14 through hour beginning 18:</td>
<td>$0.25976</td>
<td>$0.35824</td>
<td>$0.29883</td>
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<td>6/1/18 through 8/31/18</td>
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Please contact Cheryl Ruggiero at 212-460-3189 if you have any questions.

Respectfully submitted,

Susan Vercheak