

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
New York on December 13, 2018

COMMISSIONERS PRESENT:

John B. Rhodes, Chair  
Gregg C. Sayre  
Diane X. Burman, concurring  
James S. Alesi

CASE 15-E-0751 - In the Matter of Value of Distributed Energy  
Resources.

ORDER IMPLEMENTING HYBRID ENERGY STORAGE SYSTEM TARIFF

(Issued and Effective December 13, 2018)

BY THE COMMISSION:

INTRODUCTION

On April 19, 2018, the Public Service Commission (Commission) issued the Order Modifying the Standardized Interconnection Requirements (SIR Order), which approved amendments to the SIR to facilitate the interconnection of energy storage systems paired with eligible electric generating equipment (Hybrid Facilities).<sup>1</sup> The SIR Order noted that updates to utility tariffs would be required to govern compensation for Hybrid Facilities and directed the Joint Utilities to file a single joint proposed model tariff for the Commission's

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<sup>1</sup> Cases 18-E-0018, et. al., Standardized Interconnection Requirements (SIR) for Small Distributed Generators, Order Modifying Standardized Interconnection Requirements (issued April 19, 2018).

consideration.<sup>2</sup> On June 19, 2018, the Joint Utilities filed the proposed model tariff (proposed Hybrid Tariff) for Value Stack compensation for Hybrid Facilities, which included four metering options.

In this Order, the Commission accepts the proposed Hybrid Tariff with modifications. The Commission directs each of the Joint Utilities to file tariff amendments incorporating the Hybrid Tariff, as modified in accordance with the discussion below and shown in Appendix A. A summary of the Hybrid Tariff is also included as Appendix B. In conjunction with the other actions taken today to support energy storage systems, as well as previous decisions regarding the Value Stack, the Hybrid Tariff, as approved, will ensure that Hybrid Facilities receive meaningful and appropriate compensation for the value they provide to the utility system.

#### BACKGROUND

In the VDER Transition Order, the Commission determined that Hybrid Facilities, which pair energy storage systems with generating equipment eligible for Value Stack compensation such as solar photovoltaic (PV) generation, should

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<sup>2</sup> The Joint Utilities include Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

be eligible for Value Stack compensation.<sup>3</sup> The VDER Transition Order noted that certain elements of the Value Stack, including environmental value (E Value) and the Market Transition Credit (MTC), are intended to apply only to renewable energy and that a Hybrid Facility may in some cases charge its energy storage system using energy from the grid, which does not qualify as renewable energy, and discharge the same energy back into the system for Value Stack compensation. The VDER Transition Order therefore concluded that the Value Stack compensation rules applicable to Hybrid Facilities would need to distinguish, with as much accuracy as practicable, between renewable energy and non-renewable energy injected into the grid from Hybrid Facilities.

The VDER Transition Order noted that Department of Public Service Staff (Staff) had proposed to accomplish this by limiting the E Value and the MTC compensation for a Hybrid Facility each month to the net monthly injections at the utility meter associated with that Facility. This would ensure that E Value and MTC compensation is not provided for any non-renewable energy, as all non-renewable energy used to charge the system would be deducted from total injections for the calculation of these elements. However, the Commission rejected Staff's proposal as too restrictive, as it would also treat all non-renewable energy used at the location of the Hybrid Facility, including non-renewable energy used for other on-site purposes,

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<sup>3</sup> Case 15-E-0751, Value of Distributed Energy Resources, Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017) (VDER Transition Order). For mass market on-site projects, such as rooftop solar paired with an energy storage system at a residence, Hybrid Facilities are eligible for Phase One Net Energy Metering (NEM) under the same terms as generation-only projects.

as if it were used to charge the energy storage system and then re-injected into the grid. The Commission noted that such restrictions may not be reflective of expected storage installation configurations.

As part of the development of the final Value Stack tariff, Staff was directed to work with stakeholders to identify an option for including energy storage in the Value Stack that avoided permitting uneconomic arbitrage while better reflecting actual storage configurations and value.<sup>4</sup> In addition, Staff was directed to work with stakeholders to develop and file recommended updates to the SIR to facilitate the interconnection of Hybrid Facilities.<sup>5</sup>

In the SIR Order, the Commission addressed the proposed updates to the SIR for Hybrid Facilities. The Commission approved rules that included a proposed three-meter configuration, comprised of a utility meter at both the energy storage and the electric generating equipment, as well as at the Point of Common Coupling (PCC) between the customer and the utility system, finding that the proposed configuration would provide the necessary data for compensation purposes.

The Commission directed the Joint Utilities to file a single joint model tariff for the compensation of Hybrid Facilities through the Value Stack within 30 days of the issuance of the SIR Order. The Commission directed that the model tariff include one or more compensation mechanisms that employed the approved three-meter configuration but stated that the Joint Utilities could include proposals for alternate Hybrid

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<sup>4</sup> Case 15-E-0751, supra, Order on Phase One Value of Distributed Energy Resources Implementation Proposals, Cost Mitigation Issues, and Related Matters (issued September 14, 2017) (VDER Implementation Order).

<sup>5</sup> Id.

Facility technical configurations, as well as draft tariff language incorporating any such alternate metering configurations. The Commission required that the Joint Utilities' proposed Hybrid Tariff be consistent with the Commission's Value Stack determinations in the VDER Transition Order and VDER Implementation Order.

On June 19, 2018, the Joint Utilities filed a single joint model tariff for Value Stack compensation of a Hybrid Facility, which includes four metering and compensation options. The four distinct options were previously described in the Joint Utilities' July 24, 2017 filing prior to the VDER Implementation Order.<sup>6</sup> In that Order, the Commission indicated that "[i]n principal, the utility proposals meet the needs and goals expressed in the VDER [Transition] Order."<sup>7</sup> Each of the four options presents a different method of ensuring that the E Value and MTC, as well as the Capacity Value, where one of the capacity options exclusive to renewable generators is selected,<sup>8</sup> are only offered for injections of electricity into the utility distribution system that can be clearly identified as

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<sup>6</sup> Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, Joint Utilities' Response to Commission Notice Soliciting Comments Regarding Value of Distributed Energy Resources Implementation Proposals and Cost Mitigation Issues (filed July 24, 2017) at 4-5.

<sup>7</sup> VDER Implementation Order at 40.

<sup>8</sup> Pursuant to the VDER Transition Order, the Value Stack tariff includes three alternatives for the calculation of Capacity Value. Alternatives 1 and 2 are only available to intermittent, renewable resources and offer a per kWh Capacity Value based on retail rates, with Alternative 2 focusing that value on summer afternoon hours. Alternative 3 provides compensation based on performance during the peak hour of the year statewide, as determined by the New York Independent System Operator (NYISO) following the end of the summer capability period.

originating from the renewable electric generating equipment. The options reflect different ways of meeting that goal that are designed to be consistent with different designs and use cases for Hybrid Facilities.

The proposed Hybrid Tariff's first two options, Options A and Option B, offer E Value, MTC, and Capacity Value for all injections by ensuring that only renewable energy is injected into the utility system. Option A does so by requiring that the energy storage system charge exclusively from the renewable generator, while Option B does so by ensuring that only the renewable generator, and not the energy storage system, injects electricity into the utility system. Option C uses multiple utility meters to determine whether injections are originating from the renewable generator or from the energy storage system and offers E Value, MTC, and Capacity Value only for injections from the renewable generator. Option D uses the monthly netting method originally proposed by Staff, described above, which is a simpler alternative to Option C and may be preferable for Hybrid Facilities not collocated with any other electric usage.

#### NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) was published in the State Register on August 8, 2018 [SAPA No. 15-E-0751SP16]. The time for submission of comments pursuant to the Notice expired on October 9, 2018. The comments received are addressed below.

#### SUMMARY OF COMMENTS

Comments were filed by the Joint Utilities, Borrego Solar (Borrego), Advanced Energy Economy Institute (AEEI), NY-

BEST, and the Clean Energy Collaborative. All comments were generally supportive of the proposed Hybrid Tariff, though some suggested specific modifications or clarifications.

Joint Utilities

The Joint Utilities reiterate their support for the proposed Hybrid Tariff. They also state that timely approval is important to ensure availability of the federal Investment Tax Credit (ITC) to Hybrid Facilities and to fill a potential gap between generation-only and storage-only facilities.

Borrego

Borrego largely agrees with the structure proposed in the Joint Utilities' Hybrid Tariff but recommends several clarifications and improvements to Option C that would, they argue, ensure Hybrid Facilities are able to operationalize and receive appropriate compensation for a wide range of use cases. Borrego requests clarification that Hybrid Facilities are eligible for all capacity alternatives under the VDER Value Stack. Borrego also recommends that the Commission direct the utilities to implement an "electron tagging" accounting approach for Hybrid Facilities using Option C, which would allow determination of the source of each kWh of electricity injected or, in the alternative, allow Hybrid Facilities to be treated as injecting only renewable energy, even if energy storage system is used for injections and is sometimes charged with non-renewable energy, as long as renewable energy accounts for at least 75% of charging.

AEEI

AEEI supports the "electron tagging" approach recommended by Borrego as an alternative to Option C. In the alternative, AEEI argues, Hybrid Facilities should receive E Value for all injections. AEEI argues that not providing E Value for any injections from the energy storage system, as

Option C proposes, would undervalue the renewable energy generated, since the energy storage system is likely to be charged with at least 75% renewable energy to ensure ITC eligibility. AEEI also argues that all injections of Hybrid Facilities should be eligible for capacity compensation under any of the alternatives.

NY-BEST

NY-BEST expresses concern with the limitation of Option C to AC-coupled systems and argues that the proposed Hybrid Tariff should be modified to ensure that both AC-coupled and DC-coupled systems are permitted and receive appropriate compensation. In addition, NY-BEST agrees with Borrego that Option C undervalues energy discharged from the energy storage system and supports a modification, such as the "electron tagging" method, to more appropriately value that energy.

Clean Energy Collaborative (CEC)

CEC requests clarification that Hybrid Facilities electing Option A or Option B are eligible for full Value Stack compensation, under any Capacity Alternative chosen, for all injections into the utility system. CEC also states that Hybrid Facilities which elect Option A should only require one meter.

DISCUSSION

Hybrid Facilities will offer the most benefit to their owners, the utility system, and society when the regulatory structure accounts for and provides appropriate price signals for all of the actions they take, while imposing few or no direct constraints on those action. At the same time, it is important not to create cost shifts, perverse incentives, or the opportunity for uneconomic arbitrage by allowing Hybrid Facilities to receive compensation that does not match the values created, such as by offering E Value compensation for



injections of non-renewable energy. The proposed Hybrid Tariff generally meets the Commission's goals by recognizing the variety of potential operational modes for Hybrid Facilities and attempting to calculate and offer appropriate compensation for each mode.

Option D, the monthly netting approach, as previously recognized in the VDER Transition Order, offers a straightforward option for Hybrid Facilities not collocated with other load. Similarly, Option A offers a simple method for Hybrid Facilities where the energy storage system is charged only with the renewable generator and therefore all energy injected is renewable. Option B similarly ensures that all energy injected is renewable where the Hybrid Facility intends to use the energy storage system only for on-site usage, not for injections. As requested by Borrego, AEEI, NY-BEST, and CEC, the Commission clarifies that all injections of renewable energy should receive compensation for E Value, MTC, and Capacity Value Alternatives 1 and 2.<sup>9</sup> The proposed Hybrid Tariff is modified to include that clarification.

Option C should deal with the most complicated and flexible Hybrid Facilities, those that may use the energy storage system for both injections and on-site load, and those that may charge that system from the renewable generator or the utility system. The proposed Option C, as Borrego, AEEI, NY-BEST, and CEC argue, fails to properly compensate Hybrid Facilities that do so, by stripping energy generated by the renewable generator of its renewable characteristic when it is used to charge the energy storage system. In addition, as noted

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<sup>9</sup> As Hybrid Facilities that select Option A or Option B will inject only renewable energy, those projects will receive E Value, MTC, and Capacity Value Alternative 1 or 2, if elected, for all injections.

by NY-BEST, it unreasonably excludes DC-coupled systems. The multi-meter approach allows more granular evaluation, though the "electron tagging" approach proposed by Borrego is impractical. Instead, for Hybrid Facilities that elect Option C, the energy storage system, along with the renewable generator, should be separately metered from other on-site load, behind the PCC. Any consumption of energy registered by that meter will be presumed to reflect charging by the energy storage system. To determine what portion of injections into the utility system should be compensated as renewable or non-renewable, the total net hourly injections for a month, as measured at the utility's meter located at the customer's PCC with the utility system, will be reduced by the monthly consumption of energy recorded on the utility's separate meter attached to the energy storage system, along with the generator. The remaining injections, after that subtraction, will be treated as renewable. This will permit Hybrid Facilities to use Option C regardless of whether the energy storage system and renewable generator are AC-coupled or DC-coupled. Furthermore, it will allow injections from the energy storage system to be properly compensated as renewable energy where the energy storage system injects more energy than it consumes from the utility system over the course of the month.

The proposed Hybrid Tariff suggests that a Hybrid Facility receiving compensation under Option C could receive both Capacity Alternatives 1 or 2 for its renewable injections and Capacity Alternative 3 for its non-renewable injections. This is not appropriate and would provide excessive compensation under Option C, as modified. For example, if a project that combined 5 MW of solar PV with a 5 MW energy storage system behind a 5 MW interconnection were allowed to receive both Capacity Alternative 1 and Capacity Alternative 3, that facility

could maximize its injections, to 5 MW, during the single capacity hour used to calculate Alternative 3 compensation while also receiving Alternative 1 compensation for all hours of the year during which the solar PV is injecting. However, because a Facility behind a 5 MW interconnection which injects 5 MW during the single capacity hour receives, under Alternative 3, compensation equal to the maximum potential value of that Facility's capacity to the utility, all of the compensation received under Alternative 1 would represent overcompensation. Therefore, the proposed Hybrid Tariff is modified to clarify that a Hybrid Facility can receive compensation based on only one capacity alternative. Therefore, for a project that elects Capacity Alternative 1 or 2, non-renewable injections will not be considered for the purpose of calculating Capacity Value compensation.

As CEC notes in its comments, three meters will not be necessary in all cases for a Hybrid Facility based on the option elected. In particular, some Hybrid Facilities electing Option A or B may be able to use utility-approved controls in place of one or both additional meters, Option C may require only two meters in some circumstances, and Option D is likely to require only a single meter at the PCC. The Commission notes that the SIR includes the necessary flexibility to allow a case-by-case determination of what metering and controls are necessary for a particular Hybrid Facility. Neither the SIR Order nor the Hybrid Tariff approved in this Order require the use of three meters when one or two meters, with controls if necessary, would be sufficient for calculating the compensation option elected and would meet the other requirements of the SIR.

The proposed Hybrid Tariff would make the choice of Option A, B, C, or D irrevocable. It is appropriate to limit the ability of a Hybrid Facility to switch between options, both

due to the potential for increased cost and confusion created by those switches and to avoid the potential for uneconomic arbitrage. However, a Hybrid Facility may reasonably desire to change from Option A or B to Option C, either because the ITC requirement that an energy storage system be charged primarily with renewable generation has expired or because greater operational flexibility is desired. For that reason, the proposed Hybrid Tariff is modified to allow a Hybrid Facility that elects Option A or B a one-time option, usable at any time after the Facility enters operation, to switch to Option C. The cost of utility modifications to the Hybrid Facility's interconnection or additional meters or other equipment necessary to accommodate the switch shall be paid for by the Hybrid Facility.

The Hybrid Tariff, as modified from the Joint Utility proposal to reflect the above determinations, is attached to this Order as Appendix A. Each utility shall file tariff amendments, incorporating the language in Appendix A, on not less than 5 days' notice to become effective January 1, 2019. Each utility must insert the appropriate cross-references and may make such minor edits to wording and formatting as are necessary to ensure consistency with other sections of its tariff, so long as such edits do not change the compensation that will be received by Hybrid Facilities. As these tariff amendments have been the subject of substantial public process and will impact only the owners of Hybrid Facilities, newspaper publication is unnecessary and is therefore waived.

#### CONCLUSION

The Hybrid Tariff, as modified, will encourage the development of Hybrid Facilities in New York State and will ensure that those Facilities receive appropriate compensation

for the values that they provide to the utility system and to society. Robust deployment of Hybrid Facilities, along with other distributed energy resources, will support the State's goals of creating an increasingly green, distributed, reliable, and cost-effective energy system.

The Commission orders:

1. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation are directed to file tariff amendments, incorporating the Value Stack compensation for a Hybrid Facility as discussed in Appendix A and in conformance with the body of this Order, on no less than 5 days' notice to become effective January 1, 2019.

2. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1 concerning newspaper publication of the tariff amendments described in Ordering Clause No. 1 are waived, as discussed in the body of the Order.

3. In the Secretary's sole discretion, the deadlines set forth in this order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one day prior to the affected deadline.

4. This proceeding is continued.

By the Commission,

(SIGNED)

KATHLEEN H. BURGESS  
Secretary

## [Rule/Section #] – Hybrid Energy Storage Tariff

1. For customers taking service under this Section who pair energy storage systems with eligible electric generating equipment (“Hybrid Facility”), the Company will calculate the Capacity Component Credit, the Environmental Component Credit, and the Market Transition Credit (“MTC”) pursuant to the rules set forth below. All other Value Stack components, including Energy Component Credit, DRV Component Credit, and LSRV Component Credit, will be calculated as specified in [Rule/Section #]. Consistent with [Rule/Section #], Environmental Component Credit will only be provided where the electric generating equipment is eligible to receive Tier 1 RECs, MTC will only be provided for eligible customers and consistent with the MTC rate applicable to the customer, and Capacity Component will be calculated based on Alternative 1, Alternative 2, or Alternative 3 based on customer election.
2. Customers operating Hybrid Facilities will have the opportunity to elect one of the four compensation methodologies described below in 2.a., 2.b., 2.c., or 2.d. Customers will make this election at the same time they select a capacity compensation methodology in accordance with [Rule/Section #]. The default option, if no other election is made by the customer, is compensation methodology 2.d below.

Customers operating Hybrid Facilities will have a one-time option to change their initial election of 2.a or 2.b to election of 2.c. This one-time election may be made at any time following the initial election but will not become effective until such time that any required metering or telecommunications is installed.

- a. Storage Exclusively Charged from Eligible Generator – For customers operating Hybrid Facilities who are able to demonstrate the energy storage system charges exclusively from the qualified electric generating equipment, the Value Stack Capacity Alternative 1 or Alternative 2 Component Credit (if elected), Environmental Component Credit, and MTC will be based on net hourly injections to the Company’s electric system as measured at the Company’s meter located at the point of common coupling (“PCC”) and calculated as described in [Rule/Section #]. Value Stack Capacity Component Alternative 3 Credit (if elected) will be calculated as specified in [Rule/Section #]. Customers will be responsible for any work required to accommodate the appropriate controls and/or multiple meter configuration. The utility may require two (2) Company time-synchronized revenue-grade meters if the energy storage system and electric generating equipment share a common inverter or three (3) Company time-synchronized revenue-grade meters if the energy storage system and electric generating equipment each have a separate inverter.

- b. Storage Controls Configuration – For customers operating Hybrid Facilities who install appropriate controls to ensure that net hourly injections are only made with the energy storage not in a charging or discharging mode from the electric grid, the Value Stack Capacity Component Alternative 1 or Alternative 2 Credit (if elected), Environmental Component Credit, and MTC will be based on net hourly injections to the Company’s system and calculated as described in [Rule/Section #]. Value Stack Capacity Component Alternative 3 Credit (if elected) will be calculated as specified in [Rule/Section #]. Customers will be responsible for any work required to accommodate the appropriate controls and/or multiple meter configuration. This controls demonstration may require separate Company revenue grade interval meter(s) and appropriate telemetry on the AC side of the applicable inverter(s) and explicit Company acceptance.
- c. Storage Export Netting Configuration - For customers operating Hybrid Facilities with a separate Company revenue grade interval meter and appropriate telemetry on the AC side of the inverter of the Hybrid Facility and whose storage configuration does not meet the requirements of 2.a or 2.b above, the Value Stack Capacity Component Alternative 1 Credit (if elected), Environmental Component Credit, and MTC will be determined by reducing the net hourly injections, as measured at the Company’s meter located at the Customer’s PCC with the Company’s system, by the monthly consumption of energy recorded on the Company’s separate Hybrid Facility meter. Value Stack Capacity Component Alternative 2 Credit (if elected) will be determined by reducing the net hourly injections during applicable hours, as measured at the Company’s meter located at the Customer’s PCC with the Company’s system, by the monthly consumption of energy recorded on the Company’s separate Hybrid Facility meter. Value Stack Capacity Component Alternative 3 Credit (if elected) will be calculated as specified in [Rule/Section #].
- d. Storage Default Configuration - For all other Customers with energy storage paired with electric generating equipment, the Value Stack Capacity Component Alternative 1 or Alternative 2 Credit (if elected), Environmental Component Credit, and MTC will be based on netting of all metered consumption and injections at the PCC over the applicable billing period. Value Stack Capacity Component Alternative 3 Credit (if elected) will be calculated as specified in [Rule/Section #].
- e. The Customer is responsible for any costs associated with additional metering requirements and telemetry as described in [Rule/Section #].

SUMMARY OF HYBRID TARIFF

The Hybrid Tariff is intended to ensure that energy storage systems paired with eligible electric generating equipment (Hybrid Facilities) receive appropriate Value Stack compensation when injecting energy into the utility system. Specifically, it is intended to allow the utility to distinguish between renewable and non-renewable energy injected into the grid, as non-renewable energy is only eligible for compensation for Energy Value, Demand Reduction Value, Locational System Relief Value, and Alternative 3 Capacity Value, if elected, while renewable energy is also eligible for compensation for Environmental Value, a Market Transition Credit if applicable to the project, and Alternative 1 or Alternative 2 Capacity Value, if elected.

The Hybrid Tariff contains four options, based on four different potential usage models. The owner of a Hybrid Facility must choose an option before the Facility enters operation and the option cannot be changed except that the owner may make a one-time, irrevocable decision to switch from Option A or Option B to Option C. In all four cases, the Hybrid Facility developer or owner will be responsible for paying for necessary metering and controls, consistent with the Standardized Interconnection Requirements.

Option A is designed for projects where the owner intends to charge the Hybrid Facility exclusively from the renewable generator and not from the utility system. A project may follow this usage model where the storage resource received the federal Investment Tax Credit based on the qualification rules for the tax credit. In this case, the utility will work with the developer to ensure that the Hybrid Facility contains appropriate metering and/or controls to ensure that the project



follows this usage model and would then treat all injections from the Hybrid Facility as renewable.

Option B is designed for projects where the owner intends to use the storage resource only to serve on-site load and not to inject energy into the utility system and therefore will only inject energy into the utility system directly from the renewable generator. This usage model may be used where the Hybrid Facility is built for the purpose of ensuring reliability at a hospital or another customer with high reliability needs. As with Option A, the utility will work with the developer to ensure that the Hybrid Facility contains appropriate metering and/or controls to ensure that the project follows this usage model and would then treat all injections from the Hybrid Facility as renewable.

Options C and D are designed for projects with more complex usage models, where the storage resource may be charged from both the renewable generator and the utility system and where both the renewable generator and the storage resources may be used to inject energy into the utility system for compensation. They are different in that Option C applies to Hybrid Facilities that are collocated with an energy consumer whereas Option D applies to Hybrid Facilities that are separately sited.

Under these Options, the utility measures how much energy is consumed by the Hybrid Facility; that energy is assumed to be used for charging the storage resource. The utility also measures, as it does for all Value Stack projects, injections into the utility grid. For the generally applicable elements of the Value Stack, including energy and distribution system values, the utility will provide compensation for all net hourly injections. However, for the renewable-exclusive elements, the utility will only provide compensation for the net

monthly total that results when energy consumed by the storage resource over the course of the month is subtracted from energy injected into the utility system over the course of the month; this net total represents on-site generation of renewable energy. For Option C, calculating this will likely require multiple meters to separate on-site building consumption from Hybrid Facility consumption; for Option D, one meter may be sufficient to make this calculation as all consumption will be Hybrid Facility consumption.