STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission as to      :
the Rates, Charges, Rules and Regulations of      :   Cases 20-E-0380 and 20-G-0381
Niagara Mohawk Power Corporation d/b/a            :
National Grid for Electric and Gas Service        :
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Petition of
Niagara Mohawk Power Corporation d/b/a National Grid
To Establish Calendar Year 2024 Earnings Adjustment Mechanism Targets

I.   INTRODUCTION

In its "Order Adopting Terms of Joint Proposal, Establishing Rate Plans and Reporting Requirements," issued and effective January 20, 2022 in these proceedings, the New York State Public Service Commission ("Commission") authorized three-year electric and gas rate plans for Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or "the Company").[1] The terms of the rate plans run from July 1, 2021 through June 30, 2024.[2] In addition to the base three-year period, the rate plans include a "stayout" period beginning July 1, 2024, and ending the earlier of the effective date of revised rates for the Company or March 31, 2025.[3]

The Joint Proposal also established several electric and gas Earnings Adjustment Mechanisms ("EAMs") to apply for the terms of the rate plans.[4] The EAMs established in the Joint Proposal are measured on a calendar year ("CY") basis for each rate year: *i.e.*, for rate year 1 ("RY1"), running July 1, 2021 – June 30, 2022, the corresponding EAMs are based on CY2021 performance; for RY2 (July 1, 2022 – June 30, 2023), EAMs are based on CY2022 performance;

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[1] Cases 20-E-0380 and 20-G-0381, *Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric and Gas Service*, Order Adopting Terms of Joint Proposal, Establishing Rate Plans and Reporting Requirements (issued and effective January 20, 2022) ("Order Adopting JP").
[2] Order Adopting JP, p. 18.
[3] *Id.*, pp. 18-19.
[4] Joint Proposal, Appendix 7, p. 1.

and for RY3 (July 1, 2023 – June 30, 2024), EAMs are based on CY2023 performance.[5] The Joint Proposal provides that "[f]or periods beyond RY3, the Company may annually file a petition for Commission consideration proposing EAMs for the upcoming year until it files to establish new base delivery rates."[6]

By this petition, the Company proposes to extend implementation of four EAMs that were included in the Joint Proposal for the period beyond RY3 to be based on CY2024 performance and to establish updated performance metrics for those EAMs. As described below, the Company proposes to implement the following EAMs for the period beyond RY3 (to be measured based on CY2024 performance):

> Electric Peak Reduction;
> Locational System Relief Value Load Factor;
> Distributed Energy Resource Utilization; and
> Transportation Electrification.

The EAMs proposed in this petition maintain the metrics as defined in the Joint Proposal, and would maintain the Company's focus on achieving superior performance, benefitting customers, and advancing the State's energy policy objectives; and, therefore, the Company requests that the Commission expeditiously approve the proposed EAMs as in the public interest.

II.   BACKGROUND

A. Existing EAMs and Considerations for Proposed EAMs

i.   Existing EAMs

For the three years of the rate plans adopted in these proceedings, the Company is implementing the following EAMs:

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[5] Joint Proposal, Appendix 7, p. 1. The exception to the CY EAM metric is the Gas Peak Reduction EAM, which instead is measured on a heating season basis. *Id.*
[6] *Id.*

Electric EAMS
(1) Electric Peak Reduction
(2) Locational System Relief Value ("LSRV") Load Factor
(3) Distributed Energy Resources ("DER") Utilization
(4) Electric Energy Efficiency ("EE") Share the Savings
(5) Low and Moderate-Income ("LMI") Customer EE Savings
(6) Building Electrification ("BE")
(7) Transportation Electrification
(8) Electric Vehicle Charging Infrastructure Make Ready Program Share the Savings

Gas EAMS
(1) Gas Peak Reduction
(2) Gas EE Share the Savings
(3) LMI Customer EE Savings

The Company reports to the Commission quarterly on its EAM performance, with the most recent report filed November 29, 2023, for the third quarter of CY2023. The Company will be filing its CY2023 annual report in April 2024.

        ii.   NE:NY Interim Review Order and EV Make Ready Program Midpoint Review Order

On July 20, 2023, the Commission issued its "Order Directing Energy Efficiency and Building Electrification Proposals" in Case 18-M-0084.[7] The NE:NY Interim Review Order establishes a strategic framework for statewide EE and BE programs for 2026-2030. In the NE:NY Interim Review Order, the Commission determined that "it will not consider EE or BE EAMs proposed or included as part of any new rate case filing or joint proposal submitted after the effective date of this Order [July 20, 2023] and until such time as the Commission determines an appropriate path forward."[8] Based on the Commission's directive, the Company is not proposing to continue any of the existing EE or BE measures beyond RY3, and is not proposing any new EE or BE EAMs. Specifically, the Company is not proposing to continue the following EAMs beyond

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[7] Case 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative*, Order Directing Energy Efficiency and Building Electrification Proposals (issued and effective July 20, 2023) ("NE:NY Interim Review Order").
[8] *Id.*, pp. 85-86.

CY2023: Electric EE Share the Savings; LMI Customer EE Savings; Building Electrification; Gas EE Share the Savings; and LMI Customer EE Savings.

On November 16, 2023, the Commission issued its "Order Approving Midpoint Review Whitepaper's Recommendations with Modifications" in Case 18-E-0138.[9] In the EV MRP Midpoint Review Order, the Commission approved the continuation of the two-component Make-Ready EAMs, with modifications.[10] The Commission adjusted the baseline per-plug costs for L2 installations and the per-kW cost for DCFC installations, modified the plug count threshold to trigger potential incentives as well as the relative sharing levels available under the Share the Savings ("STS") measures, and clarified that the STS EAM is a "term" measure based on cumulative multi-year performance, with the measurement period ending December 31, 2025. The EV-related EAMs proposed by the Company for CY2024 in this petition align with the modifications in the EV MRP Midpoint Review Order.[11]

iii. Gas Peak Reduction EAM

The Company is not proposing to continue the Gas Peak Reduction EAM in CY2024. The Company recognizes Staff's concerns regarding with the current Gas Peak Reduction metric as a measure of utility performance. The Company will consider whether to propose a new metric and EAM in its upcoming rate case filing.

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[9] Case 18-E-0138, *Proceeding on Motion of the Commission Regarding Electric Vehicle Supply Equipment Infrastructure*, Order Approving Midpoint Review Whitepaper's Recommendations with Modifications (issued and effective Nov. 16, 2023) ("EV MRP Midpoint Review Order"). On February 15, 2024, the Secretary issued an *Errata Notice* with some corrections to the EV MRP Midpoint Review Order.
[10] *Id.*, pp. 84-85.
[11] Based on the Commission's clarification in the MRP Midpoint Review Order that the EV STS EAM is to be assessed based on multi-year performance, the EV STS EAM is not included in this petition; however, the Company's CY2024 performance will be factored into the STS EAM assessment, with the measurement period ending December 31, 2025.

III.   Proposed EAMs

Based on the foregoing, the Company proposes to implement the following EAMs for the period beyond RY3 (to be measured based on CY2024 performance):

Electric Peak Reduction
LSRV Load Factor
DER Utilization
Transportation Electrification

Following is a description of the EAMs. The applicable minimum, midpoint, and maximum performance targets and associated incentive amounts, are presented in Attachment 1.

Electric Peak Reduction

The Electric Peak Reduction ("EPR") EAM incentivizes the Company to deliver New York Control Area ("NYCA") coincident electric system peak reductions that provide additional system benefits and lower supply costs to customers. To the extent there is a decline in the actual weather normalized NYCA-coincident electric system peak below the rate year minimum level established for the EPR EAM, the Company receives an incentive under the EPR EAM.

Locational System Relief Value ("LSRV") Load Factor

The LSRV Load Factor ("LLF") EAM is designed to improve the load factor of constrained portions of the Company's distribution system that are not current or likely Non-Wires Alternative areas. The LLF EAM is based on load factor improvements in LSRV substations identified in the Company's Value of Distributed Energy Resources ("VDER") Value Stack Credits Statement.

Distributed Energy Resources ("DER") Utilization

The DER Utilization EAM incentivizes the Company to increase efficiency during the interconnection process and work with third parties to expand the use of DER in the Company's service territory. This metric measures the sum of the annualized megawatt hours ("MWh") from incremental DER, including solar and energy storage resources.

Transportation Electrification

The Transportation Electrification ("TE") EAM encourages Company efforts that will result in increased adoption of light-duty electric vehicles which lead to a decrease in lifetime CO_2e (carbon dioxide or carbon dioxide equivalent) emissions on a marginal emissions basis.

IV. CONCLUSION

For the reasons set forth herein, National Grid respectfully requests that the Commission authorize the Company to implement the following EAMs for the period following RY3 of the Company's current rate plan (and based on CY2024 performance):

Electric Peak Reduction;
LSRV Load Factor;
DER Utilization; and
Transportation Electrification.

National Grid further requests any other relief as may be necessary for the Company to implement the proposed EAMs.

Respectfully submitted,

  /s Carlos Gavilondo

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EARNINGS ADJUSTMENT MECHANISMS FOR CY2024

INCENTIVE SUMMARY

Beginning January 1, 2024, the Company will adopt four Earnings Adjustment Mechanisms ("EAMs") associated electric business performance. The EAMs will be measured on a calendar year ("CY") basis for the period January 1, 2024 through December 31, 2024. If any of the performance levels detailed below are achieved, the Company can earn an annual pre-tax positive revenue adjustment.

EAMs shall be awarded at minimum, midpoint, and maximum target levels, or on a prorated basis between minimum and midpoint target levels and between midpoint and maximum target levels, in dollars only, as specified below. Basis point amounts associated with each metric and achievement level are provided for illustrative purposes only.

The EAMs, targets, and positive revenue adjustments are described in the sections that follow, with targets and associated incentives outlined in the tables below.

Table 1: NMPC Electric EAM Target Summary (CY2021 – CY2024)

Metric	Units		Targets			
			CY2021	CY2022	CY 2023	CY 2024
SYSTEM EFFICIENCY EAMS						
Electric Peak Reduction	NYISO Reported Peak (MW)	Minimum	6,187.6	6,194.2	6108.0	5956.0
		Midpoint	6,114.9	6,142.9	6058.7	5886.6
		Maximum	6,042.1	6,091.6	6009.3	5817.3
LSRV Load Factor	# of sites	Minimum	4	4	4	4
		Midpoint	5	5	5	5
		Maximum	7	7	7	7
DER Utilization	Total Annual MWh	Minimum	174,235	209,978	202,583	202,583
		Midpoint	199,125	239,975	231,523	231,523
		Maximum	232,313	279,971	270,111	270,111
BENEFICIAL ELECTRIFICATION EAMS						
Transportation Electrification	Metric tons of CO2 avoided	Minimum	136,038	272,077	544,180	544,180
		Midpoint	238,528	448,115	843,153	843,153
		Maximum	341,018	624,105	1,142,174	1,142,174

Table 2: NMPC Electric EAM Incentive Summary

Metric	Target	Basis Points				$(Millions)			
		CY 2021	CY 2022	CY 2023	CY 2024	CY 2021	CY 2022	CY 2023	CY 2024
SYSTEM EFFICIENCY EAMS									
Electric Peak Reduction	Minimum	2.5	2.5	2.5	2.5	$1.06	$1.13	$1.22	$1.22
	Midpoint	5.0	5.0	5.0	5.0	$2.13	$2.27	$2.45	$2.45
	Maximum	10.0	10.0	10.0	10.0	$4.25	$4.53	$4.89	$4.89
LSRV Load Factor	Minimum	1.0	1.0	1.0	1.0	$0.43	$0.45	$0.49	$0.49
	Midpoint	2.0	2.0	2.0	2.0	$0.85	$0.91	$0.98	$0.98
	Maximum	5.0	5.0	5.0	5.0	$2.13	$2.27	$2.45	$2.45
DER Utilization	Minimum	3.0	3.0	3.0	3.0	$1.28	$1.36	$1.47	$1.47
	Midpoint	6.0	6.0	6.0	6.0	$2.55	$2.72	$2.93	$2.93
	Maximum	12.0	12.0	12.0	12.0	$5.10	$5.44	$5.87	$5.87
BENEFICIAL ELECTRIFICATION EAMS									
Transportation Electrification	Minimum	2.5	2.5	2.5	2.5	$1.06	$1.13	$1.22	$1.22
	Midpoint	5.0	5.0	5.0	5.0	$2.13	$2.27	$2.45	$2.45
	Maximum	10.0	10.0	10.0	10.0	$4.25	$4.53	$4.89	$4.89

EAM CALCULATIONS

1.0 Electric EAMs

1.1 Electric Peak Reduction

Description

The Electric Peak Reduction ("EPR") EAM incentivizes the Company to deliver New York Control Area ("NYCA") coincident electric system peak reductions that provide additional system benefits and lower supply costs to customers. To the extent there is a decline in the actual weather normalized NYCA-coincident electric system peak below the rate year minimum level established for the EPR EAM, the Company will receive an incentive under the EPR EAM.

Metric

The minimum, mid-point and maximum levels of achievement are set below the adjusted NYISO Installed Capacity ("ICAP") requirement developed by the Load

Forecasting Task Force ("LFTF") issued in December prior to each calendar year, based on the last five years of historical data. The minimum, mid-point and maximum targets will be 0.25, 1.0, and 1.75 Standard Deviations below a downward revision of 1.0% Improvement Factor.

Target
The EAM minimum, midpoint, and maximum annual targets will be:

EPR Target (MW) = NYISO ICAP Forecast $*$ (100%- Improvement Factor) – Standard Deviation

Where,
NYISO ICAP Forecast =NYISO ICAP load forecast for the Company's system coincident peak per the preceding year's LFTF "Final ICAP Forecast". The adjusted forecast will apply a regional growth factor to determine a pre loss weather normalized load forecast. Most commonly referred to as "Adj. W/N Load Less Losses" by the LFTF.

Improvement Factor = 1%

Standard Deviation = 0.25, 1.0, 1.75 for minimum, midpoint, and maximum targets respectively.

The targets for achievement will be as follows:

EAM	Level	CY 2024 Sendout
Electric Peak Reduction (MWs)	ICAP Forecast	5979.1
	Minimum	5956.0
	Midpoint	5886.6
	Maximum	5817.3

Achievement and Basis Points

The EPR EAM performance will use the NYISO reported weather-adjusted coincident peak for the Company's service territory.

CY_x Normalized Peak = NYISO reported peak in MW for the Company's service territory for Calendar Year x.

Where:
x = 1, 2, 3, etc. for Calendar Year 1 (2021), Calendar Year 2 (2022), Calendar Year 3 (2023), etc.

CY_x Normalized Peak = in MW, generally published in the table "CY_x New York Control Area Peak Load Forecast" from the "CY_{x+1} Final ICAP Forecast" presentation in December of the Calendar Year x, for Calendar Year x. Any amounts actually curtailed from contracted resources enrolled in the NYISO Installed Capacity- Special Case Resource program during the NYCA Peak Hour will be included.

All data used will come from the NYISO. Peak load forecasts and actuals will be reported by the NYISO and then used to determine EAM achievement. Achievement will be determined as the current Calendar Year's coincident NYISO peak contribution relative to expected target levels.

Achievement will be based on the Company reducing its electric peak below the targeted thresholds described above. The Company's achievement will result in eligible basis points if the metric meets or exceeds target thresholds, with linear scaling between minimum and midpoint, and between midpoint and maximum basis points as further discussed below in Section 3.0.

1.2 LSRV Load Factor

Description

The LSRV Load Factor ("LLF") EAM is designed to improve the load factor of constrained portions of the distribution system that are not current or likely Non-wires Alternatives ("NWA") areas. The LLF EAM will be based on load factor improvements in LSRV ("Locational System Relief Value") substations identified in the Company's Value of Distributed Energy Resources ("VDER") Value Stack Credits Statement.

The substations ("LLF Sites") that will constitute the LLF EAM are:
LLF site$_1$: 21 Main Buffalo Substation, transformer BFL02114.2TR1_R103
LLF site$_2$: 74 Military, transformer MILTRD115TB1
LLF site$_3$: 74 Military, transformer MILTRD115TB2
LLF site$_4$: Southwood Substation, transformer SOWOOD113.8TB1L.S
LLF site$_5$: Pinebush, transformer PINEBU1115TB1
LLF site$_6$: Duguid Substation, transformer DUGUID113.8TR.1
LLF site$_7$: Salisbury ES Substation, transformer SALISB113.8TB11

Metric
For each LLF Site, the load factor ("LF") will be calculated each year using the following formula, rounded to the nearest tenth of one percent:

$$CY_x \ LLF \ Site \ LF = \frac{\sum CY_x \ MW_{Measured}}{(CY_x \ MW_{Peak} * CY \ n \ hourly \ readings) * (CY_x \ Peak \ Load \ \% \ of \ Normal \ SummerBank \ Rating)}$$

Where,

x = 1, 2, 3, etc. for Calendar Year 1 (2021), Calendar Year 2 (2022), Calendar Year 3 (2023), etc.

y = Ranges from 1 to 9 for each of LLF sites

$CY_x\ MW_{measured}$ = MW readings measured every hour at a given LLF sites in Calendar Year x

$CY_x\ MW_{peak}$ = The peak MW measurement for a given LLF site in Rate Year x

$CY_x n\ hourly\ readings$ = Number of hourly readings taken in Calendar Year x

$CY_x Peak\ Load\ \%\ of\ Normal\ Summer\ Bank\ Rating$ = be the summer normal thermal rating of the transformer bank, a power limit that the transformer cannot exceed for extended periods during the summer.

Target

Each year, the percent change of the substation LF will be calculated based on a baseline of the previous year's LF. A LLF site will be counted towards achievement if the site shows no decline or an improvement in its LF as further shown formulaically below.

$$CY_x\ LLF\ Site_y = 1\ if\ \frac{LF_{CY\ x} - LF_{cy\ x-1}}{LF_{cy\ x-1}} \geq 0;\ Else\ 0$$

Where:

x = 1, 2, 3, etc. for Calendar Year 1 (2021), Calendar Year 2 (2022), Calendar Year 3 (2023), etc.

y = Ranges from 1 to 9 for each of LLF sites

The targets for achievement will be as follows:

EAM	Level	# of sites
LSRV Load Factor (# of Areas)	Minimum	4
	Midpoint	5
	Maximum	7

Achievement and Basis Points

Achievement will be based on the number of LSRV areas that maintain or improve its LF each year. The Company's achievement will result in eligible basis points if the metric meets or exceeds target thresholds, with linear scaling between minimum and midpoint, and between midpoint and maximum basis points as further discussed below in Section 3.0.

1.3 Distributed Energy Resource Utilization ("DER") EAM

Description

The DER Utilization EAM incentivizes the Company to increase efficiency during the interconnection process and work with third parties to expand the use of DER resources in the Company's service territory. This metric will measure the sum of the annualized megawatt hours ("MWh") from incremental DER, including solar and energy storage resources.

Metric

Performance will be calculated by determining the MWs of solar and energy storage successfully interconnected by the Company in a given calendar year. The amount of MWs of solar and storage will then be multiplied by the expected annual output to be measured against target levels set on an annual MWh basis.

The DER Utilization metric is the sum of the MWh produced, or discharged and calculated as follows:

DER Utilization (MWh) =
+ Solar PV MWh annualized production
+ Battery storage MWh annualized discharge

Where:
   Solar PV MWh annualized production = MW installed * 13.4% capacity factor * 8765 hours/year

   Battery storage MWh annualized discharge = MW installed * 4 hour discharge * 365 days per year

Target

The baseline will be set using Company MW share of the CLCPA goals. The targets for achievement will be as follows:

   DER Min=DER Baseline*105%
   DER Mid=DER Baseline*120%
   DER Max=DER Baseline*140%

EAM	Level	CY 2021	CY2022	CY2023	CY 2024
DER Utilization (MW)	Baseline (CLCPA)	136	165	159	159
	Minimum	143	173	167	167
	Midpoint	163	198	191	191
	Maximum	190	231	233	233

EAM	Level	CY 2021	CY2022	CY2023	CY 2024
DER Utilization (MWhs)	Baseline (CLCPA)	165, 938	199,979	192,963	192,963
	Minimum	174, 235	209,978	202,583	202,583
	Midpoint	199,125	239,975	231,523	231,523
	Maximum	232,313	279,971	270,111	270,111

Achievement and Basis Points

The Company's achievement will result in eligible basis points if the metric meets or exceeds target thresholds, with linear scaling between minimum and midpoint, and between midpoint and maximum basis points as further discussed below in Section 3.0. The Company proposes to continue to use the 2023 targets in 2024.

1.4 Transportation Electrification

Description

The Transportation Electrification ("TE") EAM encourages Company efforts that will result in increased adoption of light-duty electric vehicles which lead to a decrease in lifetime CO_2e (carbon dioxide or carbon dioxide equivalent) emissions on a marginal emissions basis.

These technologies are considered based on their associated annualized lifetime CO_2e emission reductions as further discussed below. To the extent the amount of lifetime CO_2e emissions due to incremental adoption of such technologies in a given calendar year are reduced by an amount exceeding the minimum levels for the calendar year as described below, the Company will receive an incentive under the TE EAM.

Metric

For the purposes of this EAM, the beneficial electrification technologies are:

Technologies
Light-duty Battery Electric Vehicle ("BEV")
Light-duty Plug-in Hybrid Electric Vehicle ("PHEV")
Light-duty Commercial Electric Vehicles ("Fleet")

The TE EAM metric will be the total lifetime CO2 emissions reductions provided by annual incremental beneficial electrification technologies in any given calendar year.

CYx Lifetime CO2e Reduction (tons) =
+ CYx BEV lifetime CO2e emissions reductions
+ CYx PHEV lifetime CO2e emissions reductions
+ CYx Fleet lifetime CO2e emissions reductions

Where,
   x = 1, 2, 3, 4, etc. for Calendar Year 1 (2021), Calendar Year 2 (2022), Calendar Year 3 (2023), Calendar Year 4 (2024), etc.

Technologies	Carbon Factor (lifetime tons CO2)
Light-duty Battery Electric Vehicle ("BEV")	48.5 tons
Light-duty Plug-in Hybrid Electric Vehicle ("PHEV")	26.5 tons
Light-duty Commercial Electric Vehicles ("Fleet")	100.2 tons

Target
The performance targets will be set such that the level of CO2e emission reductions will align maximum achievement with the trajectory necessary to meet the ZEV MOU vehicle targets. The minimum target assumes a 100 percent annual growth. The Company proposes to continue to use the 2023 targets in 2024.

The targets for achievement will be as follows:

EAM	Level	CY 2021	CY2022	CY2023	CY2024
Transportation Electrification (tons CO2)	Minimum	136,038	272,077	544,180	544,180
	Midpoint	238,528	448,115	843,153	843,153
	Maximum	341,018	624,105	1,142,174	1,142,174

Achievement and Basis Points
Achievement of the TE EAM will be based upon lifetime CO2e emissions reductions provided by the incremental beneficial electrification technologies added in each Calendar Year. The lifetime tons of avoided carbon dioxide from incremental electric vehicles registered in the Company's service territory. Data will be obtained from the R.L. Polk Vehicles in Operation data source.

2.0 Scaling

For EAMs that include minimum, midpoint, and maximum targets, the Company's incentive will be calculated if the metrics meet or exceed target thresholds, with linear scaling between (a) minimum and midpoint and (b) midpoint and maximum earnings.

Linear scaling will be calculated as follows:

a) If $EAM\ Achievement < Target_{Min}$:

$$BP_{awarded} = 0$$

b) If $Target_{Min} \leq EAM\ Achievement \leq Target_{Mid}$:

$$BP_{awarded} =$$
$$BP_{Min} + (Min/Mid\ Slope) * (EAM\ Achievement - Target_{Min})$$

where
$$Min/Mid\ Slope = \frac{BP_{Mid} - BP_{Min}}{ABS(EAM_{Mid} - EAM_{Min})}$$

c) If $Target_{Mid} < EAM\ Achievement \leq Target_{Max}$:

$$BP_{awarded} =$$
$$BP_{Mid} + (Mid/Max\ Slope) * (EAM\ Achievement - Target_{Mid})$$

where

$$Mid/Max\ Slope = \frac{BP_{Max} - BP_{Mid}}{ABS(EAM_{Max} - EAM_{Mid})}$$

d) If $EAM\ Achievement > Target_{Max}$:

$$BP_{awarded} = BP_{Max}$$

3.0 Reporting

The Company will file annual EAM reports with the Secretary no later than April 15 of each year setting forth the Company's performance relative to each EAM metric target, the actions taken by the Company to achieve target performance savings and benefits achieved, and calculations for incentives earned, including scaling of any incentives related to metric achievement between the minimum, midpoint, and the maximum target levels, and explanations for any targets not achieved. The Company will also file with the Secretary

quarterly reports no later than 60 days after the end of each calendar quarter to describe the Company's progress toward each EAM's metric target, and a forecast of whether the Company expects to meet its annual EAM targets.

4.0 Allocation

The Company will be permitted to recover earned EAM positive revenue adjustments for all EAMs through surcharges beginning May 1, 2022, as set forth in Sections 3.4.1and 4.5.2 of the Joint Proposal.