NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID

Case 22-E-0236 – *Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures of Commercial Electric Vehicle Charging*

IMMEDIATE SOLUTIONS IMPLEMENTATION PLAN

Pursuant to Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures (January 19, 2023)

March 20, 2023

nationalgrid

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1. Introduction

1.0 Background and Summary of Order

Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid" or "the Company") submits this Implementation Plan in compliance with the requirements established in the New York Public Service Commission's ("Commission's") January 19, 2023, order in this proceeding.[1] This Implementation Plan supplements the filing also submitted this date by the Joint Utilities[2] by providing details specific to the Company that address the Immediate Solutions requirements established by the Commission for the Upstate Utilities,[3] including: (1) establishment of a 50 percent Demand Charge Rebate (DCR) Program and associated tariffs; and (2) tariff leaves to effectuate certain exemptions from standby rates for energy storage systems with inverter capabilities greater than 1 MW.[4]

2. Immediate Solutions

2.0 Demand Charge Rebate Implementation

The Company proposes to: (1) make the DCR Program available to all eligible commercial charging customers: (2) compute the DCR and provide it to customers via an off-bill payment (e.g., by check); (3) collect the costs of the DCR through the Electric Vehicle (EV) Make-Ready surcharge; and (4) terminate the DCR Program upon implementation of the EV Phase-in Rate.

2.0.0 Eligibility Criteria

Customers will be eligible for the DCR Program if they meet all the following criteria:

- Commercial customers on a demand rate (SC2D, SC3, SC3A, or SC4).
- Employ EV charging at the site, including Level-2 (L2), Direct Current Fast Charging (DCFC) or a combination of both.
- At least 50% of the customer's load must be from EV charging, if the EV load is not separately metered ("minimum load requirement" determined by the "Charging Ratio").
- May not be enrolled in the Per Plug Incentive (PPI) Program and the DCR Program at the same time.

To determine whether a customer meets the eligibility requirements above, the Company will conduct the following vetting process:

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[1] Case 22-E-0236, *Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging* (EV Solution Proceeding), Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures (issued January 19, 2023) (EV Rate Design Order or Order).

[2] The Joint Utilities are Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

[3] The Upstate Utilities are Central Hudson, NYSEG, National Grid, and RG&E.

[4] Order, Ordering Clauses 1, 4, and 6 (pp. 42-44).

Step 1: Confirm the service classification of the interested customer. The Company will confirm the customer's service classification by reviewing the customer's account details in the Company's billing system. The customer must be served under SC2D, SC3, SC3A, or SC4 to be eligible.

Step 2: Confirm the customer site includes EV charging. The Company will confirm the site includes EV charging via previous Make-Ready applications (if applicable), the load letter, in-person site visits, requiring photos from the site host during the qualification process, reviewing Work Requests on file, and/or utilizing charger finder applications (e.g., PlugShare) and charging station network data as needed.

Step 3: Determine if the customer's account meets the minimum EV load requirement of 50 percent, which is determined by the calculation of a Charging Ratio ("CR"). If a customer's EV usage is not separately metered, the customer's CR must be at least 50 percent. If the customer is separately metered, the customer's CR will be set to 100 percent. The CR is computed as the ratio of a customer's maximum potential simultaneous EV charging load (sum of the nameplate of all EV chargers on the customer meter, or maximum load of any load limiting hardware such as a fused switch or rectifier cabinet, if less than the sum of the EV charger nameplate) to the customer's maximum potential connected load, including EV charging and all non-EV load (sum of the nameplate of all other customer loads behind the meter including EV charging, lighting, HVAC, elevators, etc.). The Company will use the load letter supplied by the customer upon application for service interconnection to the Company's system, to determine the maximum demand. The Company reserves the right to reevaluate the CR and program eligibility and request a new load letter.

Step 4: Ensure customer is not also enrolled in the PPI Program. The Company will validate if the requesting customer site and/or bill account is part of the PPI Program, and if so, will terminate that enrollment. This one-time decision to end PPI Program participation will take place within sixty days after the approval of this Implementation Plan.

2.0.1 Incentive Structure

Per the Order, the DCR will be calculated as the product of: (1) the actual kW demand for the billing period, (2) the CR, (3) the 50% rebate level, and (4) the applicable demand rate. The CR is defined in more detail in the Joint Utilities' filing, as well as in section 2.0.0, above.

The DCR will be offered to eligible customers as an off-bill rebate payment, following the existing process in place to issue PPI payments to customers enrolled in the PPI Program. This process includes an off-bill calculation of the rebate amount, and the issuance of a check through the Company's accounts payable process.

Eligible customers will receive the DCR payment semiannually, with the first rebate check issued following the customer's approved enrollment. The DCR Program will enroll customers on a rolling basis. DCR payments will be on a six-month period based on enrollment date after evaluation of the CR for the previous six-month period. If the new EV Phase-In Rate is implemented prior to a subsequent DCR payment, the evaluation period will be pro-rated.

For customers that choose to unenroll from the PPI Program and enroll in the DCR Program, the final PPI payment provided will only be calculated through the end of the last month in which they were actively enrolled in PPI.

2.0.2 Participation Requirements

To participate in the DCR Program, eligible customers will submit an enrollment form indicating interest along with required documentation (i.e., load letter and signed terms and conditions). The Company will review the enrollment form and required documentation to determine eligibility, following the steps in Section 2.0.0, above. Upon review of the required documentation, the Company will notify the customer of their enrollment status.

2.0.3 Program Timeline

After Implementation Plan approval, the Company will post the DCR Program enrollment application on the DCR Program website and customers will have the opportunity to enroll in the offering. Customers with accounts participating in the PPI Program will have 60 days from Implementation Plan approval to decide whether to remain in the PPI Program or enroll in the DCR Program. This is a one-time decision and customers will not be able to move from one program to the other once they finalize their decision. The DCR Program will continue until the forthcoming EV Phase-in Rate goes into effect. Customer accounts enrolling in the DCR Program will be provided rebates from the time they enroll through the duration of the offering. Once the EV Phase-In Rate is approved, customers participating in the DCR Program will be notified and the DCR Program will conclude.

2.1 Program Marketing and Outreach

2.1.0 Marketing, Outreach and Education

To ensure customers are notified of this offering, the Company will inform existing known EV charging customers of the DCR Program details and provide instructions on how to enroll. The Company will also coordinate with the Joint Utilities to ensure outreach to key stakeholders and messaging across the state is implemented.

2.1.1 Evaluation and Reporting

A description of the semi-annual and annual reporting requirements for the Immediate Solutions Program is described in the Joint Utilities' filing. The extent of evaluation and analysis efforts and associated costs needed to comply with the semi-annual and annual reporting requirements have not yet been determined and are not reflected in this Implementation Plan.

2.1.2 Program Cost Estimates

Based on the existing EV sites, the installed capacity, and set of assumptions around those sites, the cost estimate for the total amount of rebates to be paid is projected to be between $0.700M and $3.4M depending on several customer factors and the DCR Program timeframe. The details of this cost estimate are included in Appendix 1: Rebate Cost Estimates. This estimate depends on how quickly customers are enrolled into the DCR Program, and how long it takes to stand-up the EV Phase-in Rate. The low range of the cost estimate assumes only accounts with EV-only load are enrolled, and the high range of the cost estimate assumes that all known, and potentially eligible customers are immediately enrolled in the DCR Program, and all EV customer accounts have a sufficient Charging Ratio to participate in the DCR Program.

The Company estimates that the administrative costs associated with implementing the DCR Program to be approximately $0.082M to $0.200M per year. The lower and upper ranges of this estimate are based on the number of sites that produce the low and high range of the rebate estimates, above. The Company estimates the administrative costs by calculating the expected number of hours to enroll and process rebates for eligible customers, average employee salary, and the low and high range of the DCR Program duration. Per the rebate estimate explanation above, there are several customer factors that will influence this estimate.

2.1.3 Cost Recovery

The Order allows for cost recovery of the DCR Program through an existing surcharge mechanism. The Company will recover the DCR, as well as incremental administrative costs, from all delivery customers on a one-year lag basis through the Electric Vehicle Make-Ready (EVMR) surcharge mechanism. Costs will be allocated among service classes using the transmission and distribution revenues allocator from the Company's most recent approved rate case. The allocated costs will be recovered on a per-kW basis for demand-billed customers, on a per-kWh basis for non-demand billed customers, and on a contract demand kW basis for SC7 customers, according to the existing EVMR surcharge recovery calculations. The Company has modified Rule 52 of PSC 220 Electricity to include such costs in the EVMR surcharge. The clean and redlined draft tariff language is provided in Appendix 2: Draft Tariff Leaves.

2.1.4 Accounting of Demand Charge Rebates

The DCR payments to customers will have the following accounting assigned:

A. To record a payable for the Demand Charge Rebate due to commercial customers during the Immediate Solution phase:
Debit GL Account C908XXXX – Customer Assistance Expenses
Credit GL Account C232XXXX – Accounts Payable

B. To record the payment of Demand Charge Rebates through the accounts payable system:
Debit GL Account C232XXXX – Accounts Payable
Credit GL Account C131XXXX - Cash

C. To record the deferral of Demand Charge Rebate costs for future recovery from customers:
Debit GL Account U1823XXX – Other Regulatory Assets
Credit GL Account U908XXXX – Customer Assistance Expenses

D. To record the recovery of the Demand Charge Rebate costs through the EVMR Surcharge from all delivery customers on a one-year lag basis:

Debit GL Account C1420000 - Customer Accounts Receivable
Credit GL Account C440-444 – Operating Revenue

E. To amortize the regulatory asset by the recoveries through the EVMR surcharge:
Debit GL Account U908XXXX -Customer Assistance Expenses
Credit GL Account U1823XXX -Other Regulatory Assets

F. To record carrying charges on the Regulatory Asset balance:
Debit GL Account U1823XXX -Other Regulatory Assets
Credit GL Account U419XXXX -Interest and Dividend Income

2.2 Tariff Leaves

2.2.0 Demand Charge Rebate

Ordering Clause No. 4 of the Order directs the Company to file draft tariff leaves detailing how the DCR Program will operate. The Company has added draft tariff language for Commercial EV Charging Programs in Rule No. 48 of PSC 220 Electricity as provided in Appendix 2: Draft Tariff Leaves. Rule 48 will encompass not only the DCR Program for commercial charging customers but will later be modified to include the future Commercial EV Phase-in Time of Use Rate and the Commercial EV Managed Charging Program which are to be implemented through future compliance filings and Orders in Case 22-E-0236.

The draft tariff leaves detail: (1) program eligibility, (2) the CR calculation, and (3) the DCR calculation. Furthermore, the tariff describes opt-in eligibility for those customers currently participating in the PPI Program, as well as a sunset clause closing the DCR Program once the EV Phase-in Rate is made available to customers.

2.2.1 Standby Exemptions

Ordering Clause No. 6 directs the Company to implement standby rate exemptions for customers that install energy storage systems to help manage the demand of their EV charging load. Currently there exists a standby rate exemption for energy storage technologies with inverter capability of up to 1 MW. The Order extends that exemption for customers who install energy storage systems to help manage the demand of EV charging load, with said energy storage systems having inverter capability greater than 1 MW and less than or equal to the sum of nameplate EV charging capability. The Company has added tariff language to PSC 220 Electricity Service Classification No. 7 to include this new standby exemption as detailed in Appendix 2: Draft Tariff Leaves.

3. Glossary: Abbreviations, Acronyms and Definitions

Commission or PSC	New York State Public Service Commission.
Company	Niagara Mohawk Power Corporation d/b/a National Grid
Customer	A person or organization that is billed by the Company for electric service.
DCFC	Direct Current Fast Charger. Electric vehicle chargers characterized by greater charging capability (typically 50kW or higher) vs. Level 2 chargers.
DCR	Demand Charge Rebate
EV	Electric Vehicle. Any zero-emission or plug-in-hybrid electric vehicle, as defined by the New York State Department of Transportation.
EVSE	Electric Vehicle Supply Equipment. Electrical conductors, related equipment, software, and communications protocols that deliver energy efficiently and safely to the vehicle. EVSE includes L1, L2 (208/240V) and DCFC (480V) chargers.
Joint Utilities	Joint Utilities of New York, a consortium of energy service providers who frequently collaborate on state programs.
L2	Level 2 electric vehicle supply equipment, generally defined as offering between 7.5-20kW of charging capability.
PPI	Per Plug Incentive
Service Classification (SC)	Service class. Electric service delivered under one of National Grid's tariffs, as filed with the PSC.

4. Appendices

Appendix 1: Rebate Cost Estimates

Appendix 1: Rebate Cost Estimates

Project Data	**Estimated Number of Sites** [1]	**kW of sites**
L2 - EV Load	103	4,686.7
L2 - Co-mingled Load	273	10,113.4
DCFC - EV Load	29	17,239.5
DCFC - Co-mingled Load	6	3,500.0
Total	411	35,539.6

Cost Estimate Calculation	**Low Scenario**	**High Scenario**
% of installed capacity as billed demand [2]	40%	60%
Total Billed Demand [3]	8,770.5	21,323.76
SC-3 Demand Charge [4]	$ 11.38	$ 11.38
Program Total First Month Rebate Paid [5]	$ 49,904.03	$ 121,332.19
% average monthly growth in number of EV sites [6]	3%	5%
Number of months for rebate program [7]	12	18
Total Estimated Rebates Paid for duration of program [8]	$ 708,239.49	$ 3,413,363.97

[1]From known project data as of 3/6/23, but does not include non-MRP chargers that could enroll.

[2]Potential Range of Actual Billed Demand relative to Installed Capacity.

[3]Low does not include intermingled load sites. High includes all EV Load.

[4]Assume SC-3.

[5]50% Demand Charge Rebate on Billed Demand.

[6]Estimated monthly growth rate of new EV Sites.

[7]Estimate for time until EV Phase-In Rate approval.

[8]Formula for future value of a growing annuity with monthly payment in place of annuity and growth rate included of new sites enrolling.

Appendix 2: Draft Tariff Leaves

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48.1 Commercial Electric Vehicle Demand Charge Rebate

48.1.1 Commercial customers in SC2D, SC3, SC3A, and SC4 with electric vehicle charging stations will be eligible for the Commercial Electric Vehicle (“EV”) Demand Charge Rebate (“DCR”).

48.1.2 To be eligible for the DCR, a customer is required to have a Charging Ratio of 50 percent or greater. The Company will calculate a Charging Ratio to determine eligibility as follows:

48.1.2.1 For customers that separately meter the EV charging load, the Charging Ratio will be equal to 100 percent.

48.1.2.2 For customers that do not separately meter the EV charging load from other non-EV charging load on the premise, the Charging Ratio will be calculated as the ratio of i) the sum of the EV charger(s) capacity (in kW) to ii) the sum of the maximum demands (in kW) that could occur simultaneously as metered on the customer’s account. The sum of maximum demands as described herein will be established as provided by the customer’s load letter submitted at the time of customer’s application for service, or as further updated as specified in 48.1.2.3 or 48.1.2.4.

48.1.2.2.1 The EV charger(s) capacity (in kW) used in the Charging Ratio calculation will be the lesser of the sum of the nameplate charging capacity of each charger and the maximum simultaneous charging capacity, to the extent that there is a difference between the two.

48.1.2.3 The Charging Ratio shall be determined at the time of application and shall remain the Charging Ratio until such time that the customer provides a new load letter with additional electrification requirements, including if a customer adds EV chargers to an existing commercial account. If the Company does not have a load letter for the customer’s premise at the time of application for this program, the customer shall provide a load letter upon request.

48.1.2.4 The Company reserves the right to re-evaluate the Charging Ratio and program eligibility and request a new load letter subsequent to application for service.

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48. COMMERCIAL ELECTRIC VEHICLE CHARGING PROGRAMS (CONTINUED)

48.1 Commercial Electric Vehicle Demand Charge Rebate (Continued)

48.1.3 For eligible customers, the DCR will be determined for each billing period as the product of i) the distribution delivery rate specific to the customer's service classification and voltage delivery level, as billed to the customer in the billing period, ii) the customer's billed kW, iii) the Charging Ratio, and iv) 50 percent. The distribution delivery rate included in the calculation does not include delivery surcharges, supply charges, supply surcharges, or any other demand-measured charges included in the customer bill.

48.1.4 SC7 and SC12 customers, as well as customers participating in the Empire Zone Rider and Excelsior Jobs Program shall be ineligible for the DCR.

48.1.5 Customers participating in the Company's Direct Current Fast Charging Per-Plug Incentive ("PPI") Program will have a one-time option to either continue participating in the PPI Program for the remainder of the customer's eligibility period or to begin receiving the DCR. Remaining PPI payments may require proration prior to receiving the DCR.

48.1.6 The DCR will remain available to eligible customers until such time as the Commercial Electric Vehicle Phase-In Time of Use Rate Solution as described in the Commission's Orders in Case 22-E-0236 is made available to customers.

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52. ELECTRIC VEHICLE MAKE-READY SURCHARGE

The Electric Vehicle Make-Ready ("EVMR") Surcharge recovers investments made by the Company and incentive costs paid to customers to support the infrastructure and equipment necessary to accommodate increased electricity demands associated with the deployment of electric vehicles, until such time these costs are reflected in base rates.

52.1 The costs to be recovered, collectively referred to as "EV Make-Ready Costs" are as follows:

52.1.1 Company-Owned Make-Ready Costs: The depreciation expense related to Company-owned make-ready costs, including work related to future-proofing Company infrastructure, and the return on the average unrecovered portion of such investment, net of deferred income taxes, will be collected and amortized over the subsequent one-year period, including carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.2 Customer-Owned Mark-Ready Work: Incentives paid for customer-owned make-ready work will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges based on the Company's pre-tax weighted average cost of capital.

52.1.3 Other Program Costs: Other Program Costs include costs associated with the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, Fleet Assessment Service, Medium- and Heavy- Duty Make-Ready Pilot Program, and Transit Authority Make-Ready Program. Other Program Costs will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.4 Make-Ready Implementation Costs: Implementation costs, including work related to Fleet Assessment Service, will be collected and amortized over a period of five (5) years, with the net-of-tax balances accruing carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.5 Commercial Electric Vehicle Demand Charge Rebate Program: Costs related to the implementation of the Commercial Electric Vehicle Demand Charge Rebate described in Rule 48, including the rebates paid to participants.

52.1.6 Residential EV Charge Smart Plan Costs: Program enrollment, including customer enrollment incentives, and implementation costs associated with the Residential EV Charge Smart Plan, as specified in SC1 Special Provision N, and any costs associated with the customer's turnkey installation incurred by the Company, if applicable, that are incurred annually and which exceed amounts included in base delivery rates, will be recovered in the EVMR Surcharge in the subsequent program year. The costs to be recovered will be net of the annual administrative fees collected from customers as a component of the program's EV Monthly Charge. The net costs to be recovered will be inclusive of carrying charges at the Company's pre-tax weighted average cost of capital. Any cost recovery balances not recovered through the EVMR Surcharge will be recovered through base delivery rates in the Company's next rate case.

52. ELECTRIC VEHICLE MAKE-READY SURCHARGE

52.2 Recovery of Costs

52.2.1 EV Make-Ready Costs will be recovered from customers annually on a two-month lag basis following the annual period when the program costs are incurred by the Company. The annual EV Make Ready Costs in 52.1.1 through 52.1.5 will be allocated by service classification in proportion to each service classification's transmission and distribution revenue. The EV Make-Ready Costs in 52.1.6 will be recovered solely from SC1 service classification customers.

52.2.2 The EVMR Surcharge will be applicable to all delivery customers in SC1, SC1C, SC2ND, SC2D, SC3, SC3A, SC4, SC7 and SC12 (in accordance with their individual contracts), all NYPA deliveries (including ReCharge NY Load), and to all service classifications of P.S.C. No. 214 – Electricity. The EVMR Surcharge is not applicable to Empire Zone and Excelsior Jobs Program qualifying load.

52.2.3 An annual reconciliation will be performed for the EVMR Surcharge at the end of each program year. Any over/under collections as a result of this reconciliation will be reflected in the following EVMR Surcharge on a two-month lag basis after the annual reconciliation.

52.2.4 The EVMR Surcharge will be determined by dividing the applicable EV Make-Ready Costs by the forecasted billed kWh or kW demand, as applicable, over the collection period. The EVMR Surcharge will be included in the delivery line item on customers' bills on a per kWh basis for non-demand billed customers, on a per kW basis for demand billed customers, and on a Contract Demand per kW basis for SC7 customers, where applicable.

52.2.5 The EVMR Surcharge will be filed with the Commission in a rate statement not less than fifteen (15) days prior to the effective date.

SERVICE CLASSIFICATION NO. 7 (Continued)

4. Exemptions From SC-7 (Continued)

(7) Effective June 1, 2015, a customer who installs and places in service a new CHP facility before May 31, 2021, greater than 1 MW and up to 15 MW, exclusive, may exercise a one-time option to be exempt from standby rates and pay standard delivery rates for a period of four years.
i. The exemption, once obtained, would be applicable for a period of four years commencing from the in-service date of the CHP facility. After the four-year period, the customer will be subject to the then-applicable standby rates or to any such tariff which replaces standby rates, if applicable.
ii. Once exempt, the customer may exercise the option to exit the exemption one time prior to the end of the customer's one- time exemption period.
iii. Customers exercising this option will also be required to install, at their expense, revenue grade, interval meters that will measure generation output, and attach telemetry equipment sufficient to transmit operational information to the Company.
iii. Customers under this Section 7 are also subject to the requirements of Section 6, Sub Sections i-v.

(8) Energy Storage technologies with inverter capability of up to 1 MW. However, customers who install energy storage systems to help manage the demand of EV charging load, with said energy storage systems having inverter capability greater than 1 MW and less than or equal to the sum of nameplate EV charging capability, are also exempt provided that such installations meet all other applicable interconnection and standby service requirements.

Customers qualifying for the EAT Exemption shall comply with all the following requirements:

a) The OSG is placed in service between July 1, 2002 and May 31, 2023, except that for CHP facilities, in accordance with Section 7 above, the OSG is placed in service between June 1, 2015 and May 31, 2021.
b) The OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Company consistent with Electric System Bulletin 750 as it may be amended from time to time.
c) The customer executes, and the Company accepts, a Form G as required under the special provisions of the applicable Service Classification for all generators on the premises. The customer shall state its intended use of the OSG facilities on the Form G in the blank spaces provided for special conditions.

In the event the customer fails to comply with provisions (a) through (c) above, the Company shall have the following rights:

(a) to bill the customer standby service rates for those amounts of total Electric Service which the Company reasonably estimated were received by the customer during times when Electric Service from the Company was available to the customer; and
(b) to require the customer to install OSG meter(s) on all its generators on the premises within a mutually acceptable schedule and upon receipt of written notice from the Company.

PSC NO: 220 ELECTRICITY LEAF: 3
NIAGARA MOHAWK POWER CORPORATION REVISION: ~~25~~

INITIAL EFFECTIVE DATE: ~~JULY 1, 2022~~ SUPERSEDING REVISION: ~~23~~
STAMPS: ~~Issued in Compliance with Order in Cases 17-E-0238, et al., issued June 17, 2022.~~

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48.1.2.2.1 The EV charger(s) capacity (in kW) used in the Charging Ratio calculation will be the lesser of the sum of the nameplate charging capacity of each charger and the maximum simultaneous charging capacity, to the extent that there is a difference between the two.

48.1.2.3 The Charging Ratio shall be determined at the time of application and shall remain the Charging Ratio until such time that the customer provides a new load letter with additional electrification requirements, including if a customer adds EV chargers to an existing commercial account. If the Company does not have a load letter for the customer's premise at the time of application for this program, the customer shall provide a load letter upon request.

48.1.2.4 The Company reserves the right to re-evaluate the Charging Ratio and program eligibility and request a new load letter subsequent to application for service.

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48. ~~Canceled~~COMMERCIAL ELECTRIC VEHICLE CHARGING PROGRAMS (CONTINUED)

48.1 Commercial Electric Vehicle Demand Charge Rebate (Continued)

48.1.3 For eligible customers, the DCR will be determined for each billing period as the product of i) the distribution delivery rate specific to the customer's service classification and voltage delivery level, as billed to the customer in the billing period, ii) the customer's billed kW, iii) the Charging Ratio, and iv) 50 percent. The distribution delivery rate included in the calculation does not include delivery surcharges, supply charges, supply surcharges, or any other demand-measured charges included in the customer bill.

48.1.4 SC7 and SC12 customers, as well as customers participating in the Empire Zone Rider and Excelsior Jobs Program shall be ineligible for the DCR.

48.1.5 Customers participating in the Company's Direct Current Fast Charging Per-Plug Incentive ("PPI") Program will have a one-time option to either continue participating in the PPI Program for the remainder of the customer's eligibility period or to begin receiving the DCR. Remaining PPI payments may require proration prior to receiving the DCR.

48.1.6 The DCR will remain available to eligible customers until such time as the Commercial Electric Vehicle Phase-In Time of Use Rate Solution as described in the Commission's Orders in Case 22-E-0236 is made available to customers.

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The Electric Vehicle Make-Ready ("EVMR") Surcharge recovers investments made by the Company and incentive costs paid to customers to support the infrastructure and equipment necessary to accommodate increased electricity demands associated with the deployment of electric vehicles, until such time these costs are reflected in base rates.

52.1 The costs to be recovered, collectively referred to as "EV Make-Ready Costs" are as follows:

52.1.1 Company-Owned Make-Ready Costs: The depreciation expense related to Company-owned make-ready costs, including work related to future-proofing Company infrastructure, and the return on the average unrecovered portion of such investment, net of deferred income taxes, will be collected and amortized over the subsequent one-year period, including carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.2 Customer-Owned Mark-Ready Work: Incentives paid for customer-owned make-ready work will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges based on the Company's pre-tax weighted average cost of capital.

52.1.3 Other Program Costs: Other Program Costs include costs associated with the Environmental Justice Community Clean Vehicles Transformation Prize, Clean Personal Mobility Prize, Clean Medium- and Heavy- Duty Innovation Prize, Fleet Assessment Service, Medium- and Heavy- Duty Make-Ready Pilot Program, and Transit Authority Make-Ready Program. Other Program Costs will be collected and amortized over a period of fifteen (15) years, with the net-of-tax balances accruing carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.4 Make-Ready Implementation Costs: Implementation costs, including work related to Fleet Assessment Service, will be collected and amortized over a period of five (5) years, with the net-of-tax balances accruing carrying charges at the Company's pre-tax weighted average cost of capital.

52.1.5 Commercial Electric Vehicle Demand Charge Rebate Program: Costs related to the implementation of the Commercial Electric Vehicle Demand Charge Rebate described in Rule 48, including the rebates paid to participants.

52.1.~~5~~6 Residential EV Charge Smart Plan Costs: Program enrollment, including customer enrollment incentives, and implementation costs associated with the Residential EV Charge Smart Plan, as specified in SC1 Special Provision N, and any costs associated with the customer's turnkey installation incurred by the Company, if applicable, that are incurred annually and which exceed amounts included in base delivery rates, will be recovered in the EVMR Surcharge in the subsequent program year. The costs to be recovered will be net of the annual administrative fees collected from customers as a component of the program's EV Monthly Charge. The net costs to be recovered will be inclusive of carrying charges at the Company's pre-tax weighted average cost of capital. Any cost recovery balances not recovered through the EVMR Surcharge will be recovered through base delivery rates in the Company's next rate case.

PSC NO: 220 ELECTRICITY LEAF: 237
NIAGARA MOHAWK POWER CORPORATION REVISION: ~~7~~
INITIAL EFFECTIVE DATE: ~~MARCH 1, 2023~~ SUPERSEDING REVISION: ~~6~~
STAMP: ~~Issued in Compliance with Order in Case 18-E-0138, issued July 14, 2022.~~

GENERAL INFORMATION

52. ELECTRIC VEHICLE MAKE-READY SURCHARGE

52.2 Recovery of Costs

52.2.1 EV Make-Ready Costs will be recovered from customers annually on a two-month lag basis following the annual period when the program costs are incurred by the Company. The annual EV Make Ready Costs in 52.1.1 through 52.1.~~4~~ 5 will be allocated by service classification in proportion to each service classification's transmission and distribution revenue. The EV Make-Ready Costs in 52.1.~~5~~ 6 will be recovered solely from SC1 service classification customers.

52.2.2 The EVMR Surcharge will be applicable to all delivery customers in SC1, SC1C, SC2ND, SC2D, SC3, SC3A, SC4, SC7 and SC12 (in accordance with their individual contracts), all NYPA deliveries (including ReCharge NY Load), and to all service classifications of P.S.C. No. 214 – Electricity. The EVMR Surcharge is not applicable to Empire Zone and Excelsior Jobs Program qualifying load.

52.2.3 An annual reconciliation will be performed for the EVMR Surcharge at the end of each program year. Any over/under collections as a result of this reconciliation will be reflected in the following EVMR Surcharge on a two-month lag basis after the annual reconciliation.

52.2.4 The EVMR Surcharge will be determined by dividing the applicable EV Make-Ready Costs by the forecasted billed kWh or kW demand, as applicable, over the collection period. The EVMR Surcharge will be included in the delivery line item on customers' bills on a per kWh basis for non-demand billed customers, on a per kW basis for demand billed customers, and on a Contract Demand per kW basis for SC7 customers, where applicable.

52.2.5 The EVMR Surcharge will be filed with the Commission in a rate statement not less than fifteen (15) days prior to the effective date.

SERVICE CLASSIFICATION NO. 7 (Continued)

4. Exemptions From SC-7 (Continued)

(7) Effective June 1, 2015, a customer who installs and places in service a new CHP facility before May 31, 2021, greater than 1 MW and up to 15 MW, exclusive, may exercise a one-time option to be exempt from standby rates and pay standard delivery rates for a period of four years.
i. The exemption, once obtained, would be applicable for a period of four years commencing from the in-service date of the CHP facility. After the four-year period, the customer will be subject to the then-applicable standby rates or to any such tariff which replaces standby rates, if applicable.
ii. Once exempt, the customer may exercise the option to exit the exemption one time prior to the end of the customer's one- time exemption period.
iii. Customers exercising this option will also be required to install, at their expense, revenue grade, interval meters that will measure generation output, and attach telemetry equipment sufficient to transmit operational information to the Company.
iii. Customers under this Section 7 are also subject to the requirements of Section 6, Sub Sections i-v.

(8) Energy Storage technologies with inverter capability of up to 1 MW. However, customers who install energy storage systems to help manage the demand of EV charging load, with said energy storage systems having inverter capability greater than 1 MW and less than or equal to the sum of nameplate EV charging capability, are also exempt provided that such installations meet all other applicable interconnection and standby service requirements.

Customers qualifying for the EAT Exemption shall comply with all the following requirements:

a) The OSG is placed in service between July 1, 2002 and May 31, 2023, except that for CHP facilities, in accordance with Section 7 above, the OSG is placed in service between June 1, 2015 and May 31, 2021.
b) The OSG is connected to the customer's electric system using an automated or manual transfer switch or the electrical equivalent of such a switch approved by the Company consistent with Electric System Bulletin 750 as it may be amended from time to time.
c) The customer executes, and the Company accepts, a Form G as required under the special provisions of the applicable Service Classification for all generators on the premises. The customer shall state its intended use of the OSG facilities on the Form G in the blank spaces provided for special conditions.

In the event the customer fails to comply with provisions (a) through (c) above, the Company shall have the following rights:

(a) to bill the customer standby service rates for those amounts of total Electric Service which the Company reasonably estimated were received by the customer during times when Electric Service from the Company was available to the customer; and
(b) to require the customer to install OSG meter(s) on all its generators on the premises within a mutually acceptable schedule and upon receipt of written notice from the Company.