

## **Proposal Concerning Modifications to LIPA's Tariff for Electric Service**

### **Requested Action:**

Staff proposes to modify the Long Island Power Authority ("LIPA") Tariff for Electric Service ("Tariff") to add the Recharge New York power program created by Chapter 60 of the Laws of 2011 to repeal and replace the Power for Jobs Program.

### **Background and Proposal:**

Staff recommends changes to LIPA's Tariff to add the new Recharge New York Power Program ("Recharge NY") based on amendments to the Public Authorities Law section 1005, subdivision 13a. and Economic Development Law section 188-a (d). Effective July 1, 2012, the New York Power Authority's ("NYPA") Power-for-Jobs, Economic Development Power and Municipal Distribution Agency programs will expire and be replaced by Recharge NY. Under Recharge NY, NYPA will select individual businesses throughout the State to receive lower cost power from NYPA, and LIPA will deliver that power to participating customers in our Service Area. To the extent that the amount of power allotted to an individual customer is not sufficient to meet the customer's total electrical needs, LIPA would provide the remaining power at its standard Tariff rates.

From LIPA's perspective, Recharge NY differs from Power for Jobs in two ways:

- The sale-for-resale agreement between LIPA and NYPA that provides for the delivery of low cost power to the participants will be eliminated.
- LIPA will not bill the customer for the power supplied by NYPA. Instead, NYPA will bill the customer directly for the low cost power.

The absence of a sale-for-resale arrangement between LIPA and NYPA means that LIPA shall never take title to the power supply intended for the customer and LIPA will have no risk of non-payment of these power supply costs. All of the power supply obligations shall remain with NYPA under Recharge NY.

Staff proposes to exempt participating customers from the Power Supply Charge ("FPPCA") since NYPA will provide the power and bill the customers directly. LIPA will continue to recover its costs of delivery, however, since the Delivery Charges will be billed by LIPA to the customer at our standard Tariff rates.

As a further benefit to the participating customer, and consistent with the tariffs approved by the New York Public Service Commission for the regulated electric utilities, participating customers will also be exempted from the Efficiency & Renewables Charge for that portion of their load served under Recharge NY. But, Recharge NY customers will also not receive rebates or other efficiency and renewable program benefits for the portion of their load covered by Recharge NY. This proposed treatment is proper because the load served under Recharge NY does not impact LIPA's Power Supply

Charge and the customer would not benefit from the reduction in power supply costs from efficiency and renewables programs.

Concurrent with the addition of the Recharge NY into the Tariff, the Power-for-Jobs program will be terminated and the related Tariff provisions repealed. Power for Jobs will expire on June 30, 2012, and LIPA will not accept any power from NYPA for the Power for Jobs program after that date. NYPA's EDP and MDA programs will also expire on June 30, 2012, but no Tariff changes are required because these wholesale power transactions between LIPA and NYPA were not regulated under the LIPA Tariff.

Finally, Staff proposes that the Tariff modifications become effective on July 1, 2012, to coincide with the expiration of the existing NYPA programs and the initiation of Recharge NY.

### **Financial Impacts:**

The proposed incorporation of Recharge NY is expected to have limited financial impacts on LIPA as LIPA will charge its standard delivery rates and the pricing arrangements are designed to allow LIPA to recover its costs.

Staff anticipates an increase in delivery revenues based on the difference between the Recharge NY delivery rates under LIPA and the NYPA wheeling revenues associated with the retiring Power for Jobs, EDP and MDA programs. This net revenue increase to LIPA is estimated to be approximately \$6.3 million per year. These impacts were included in LIPA's approved 2012 budget.

### **Proposed Tariff Changes:**

1. **Replace Power for Jobs Program with Recharge New York Power Program under Section VII.E - Adjustments to Rates to Encourage Business Development:**

**Affected Tariff Leaves:** Leaves 179, 180, 181, and 182.

#### **Reason for Tariff Change**

To repeal the Power for Jobs Program and add the Recharge New York Power Program.

2. **Cancel and Repeal Statement of Energy Cost Adjustment for the Power For Jobs**

**Affected Statement:** Statement of Energy Cost Adjustment for the Power For Jobs program.

**Reason for Tariff Change**

To cancel and repeal the Statement of Energy Cost Adjustment for the Power For Jobs because it is no longer applicable.

**3. Modify miscellaneous tariff leaves and statements**

**Affected Leaves and Statement:** Leaves 173, 177, 177A, 177B, 178, 182C, 281, Statement of Energy and Peak Demand Losses and Statement of Energy Efficiency Cost Recovery Rate.

**Reason for Tariff Change**

To repeal references to the Power for Jobs program and add references to Recharge NY.

**Summary of Proposed Changes:**

In summary, the proposed changes to LIPA's Tariff for Electric Service are to add the new Recharge NY program to the Adjustments to Rates to Encourage Business Development section, provide discounted delivery rates, repeal the Power for Jobs Statement and modify tariff leaves and statements with Recharge NY. The proposed revised Tariff Leaf Nos. 173, 177, 177A, 177B, 178, 179, 180, 181, 182, 182C, 281 and Statements of Power for Jobs, Energy Efficiency Rate and Energy and Demand Losses are attached.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development:**1. Business Attraction/Expansion Programa) Objective

This program is intended to attract new load in the Authority's Service Area by offering eligible Customers reduced electric rates and the ability to choose modified rating periods when committing to reduce their load beginning 3 p.m. on weekdays in the summer months (June – September). Refer to E.1.f.5 for exact hours. Participation in this program cannot occur concurrently with any other Business Development Program except the ~~Power for Jobs~~ Recharge NY Power Program.

Who is Eligible

## (1) An Applicant who:

- (a) Moves a business into or starts a business in the Authority's Service Area, or
- (b) Takes control of an existing business in the Authority's Service Area. Applicant shall demonstrate and sign an affidavit of independence stating that the new business will be different than the existing business, or
- (c) Takes control of a failed business in the Authority's Service Area and can prove the bankruptcy of the failed business, and
- (d) Qualifies for Service Classification No. 2-MRP and whose load level is expected to exceed 145 kW in any summer month (June through September, inclusive), but not be greater than 1,000 kW, and
- (e) Takes its full load requirements under all accounts for the facility being served from the Authority or participates in the LI Choice Program or the ~~Power for Jobs~~ Recharge NY Power Program.

## (2) An existing Customer who:

- (a) Expands its load by at least 100 kW in the Authority's Service Area up to at least 145 kW in any summer month (June through September, inclusive), but to no greater than 1.5 MW after expansion, or
- (b) Increases employment by at least the equivalent of 20 percent of full-time employees over a base complement of at least fifty (50) existing full-time employees, and
- (c) Takes its full load requirements under all accounts for the facility being served from the Authority or participates in the LI Choice Program or the ~~Power for Jobs~~ Recharge NY Power Program.

(3) Exception

Applicants or Customers engaged in Retail Enterprises are not eligible for this program.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****Manufacturing Competitiveness Program (continued):**e) Incentives

- (1) Discounts apply to charges for the entire electric use of the Customer, but only for electric accounts included in the Industrial Effectiveness Program Assessment. These discounts are limited to amounts specified in d)(2) above.
- (2) Discounts will be available to each qualifying Customer for a 5-year period. During the first year, the Customer will receive the entire discount as specified in the applicable Service Classification. After that, the discount will be decreased by one-fifth until the Customer is billed at the regular rate levels at the end of the fifth year.
- (3) Long Island Choice Program Customers will receive both the discount and the Long Island Choice Program credits. The credits will not reduce the magnitude of the discount.
- (4) For Customers participating in the ~~Power for Jobs~~ Recharge NY Power Program, the discount will be limited to the portion of load ~~provided~~ supplied by the Authority.
- (5) Modified rate periods will be available to each qualifying Customer that makes a commitment to reduce its load beginning 3 p.m. on weekdays in the summer months (June – September). For Qualifying Customers taking service under Service Classification 2L-VMRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m. For Qualifying Customers taking service under Service Classification 2-MRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m., for Rate M284 and June – September, Monday – Friday, from 3 p.m. to 10 p.m., for Rate M285. The hours excluded from the standard rate peak Period 2 will be added to the Intermediate period.

3. Business Incubation Programa) Objective

This program is intended to attract new load in the Authority's service area by offering graduates of New York State sponsored Incubators reduced electric rates and the ability to choose modified rating periods when committing to reduce their load beginning 3 p.m. on weekdays in the summer months (June – September). Refer to E.3.f.4 for exact hours. Participation in this program cannot occur concurrently with any other Business Development Program except for the ~~Power for Jobs~~ Recharge NY Power Program.

b) Who is EligibleAn Applicant who:

- (1) Starts a business in the Authority's service area, and
- (2) Takes its full load requirements under all accounts for the facility being served from the Authority or participates in the Long Island Choice Program or the ~~Power for Jobs~~ Recharge NY Power Program, and
- (3) Takes service under either Service Classification Nos. 2-L, 2L-VMRP, 2-H, or 2-MRP, and
- (4) Whose load does not exceed 1,000 kW.
- (5) Applicants engaged in Retail Enterprises are not eligible for this program.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****Business Incubation Program (continued):**(c) Application RequirementsQualifying Customers shall:

- (1) Have graduated from a New York State sponsored Incubator, and
- (2) Request ~~LIPA's~~the Business Incubation Program prior to locating in the service area.
- (3) Provide information requested by the Authority that is needed to evaluate the Applicant's eligibility at the time of application.
- (4) The Authority will maintain the confidentiality of this information to the full extent permitted by law.

d) Participation RequirementsQualifying Customers shall:

- (1) Participate in appropriate conservation programs offered by the Authority, and
- (2) Maintain their accounts in good standing. An account in good standing will not have arrears in excess of thirty (30) days.

e) The Authority's Rights and Obligations

- (1) The Authority may require reimbursement from the Applicant, before providing an electric service, for any system reinforcement and other facility costs needed to provide that service.
- (2) The Authority may deny participation in this Program to an Applicant if, in the Authority's judgement, admitting the Applicant to the Program would not advance the goals of expanding business activity, encouraging load retention, or minimizing the subsidization of the program by non-participants. The Authority will notify the Applicant of such denial.

f) Incentives

- (1) Discounts will be available to each qualifying Customer for a 5-year period. During the first year, the Customer will receive the entire discount as specified in the applicable Service Classification. After that, the discount will be decreased by one-fifth each succeeding year until the Customer is billed at the regular rate levels at the end of the fifth year.
- (2) Long Island Choice Program Customers will receive both the discount and the Long Island Choice Program credits. The credits will not reduce the magnitude of the discount.
- (3) For Customers participating in the ~~Power for Jobs~~Recharge NY Power Program, the discount will be limited to the portion of load ~~provided~~supplied by the Authority.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****Business Incubation Program (continued):**

- (4) Modified rate periods will be available to each qualifying Customer that makes a commitment to reduce its load beginning 3 p.m. on weekdays in the summer months (June – September). For Qualifying Customers taking service under Service Classification 2L-VMRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m. For Qualifying Customers taking service under Service Classification 2-MRP that request this option, the modified peak Period 2 hours are June – September, Monday – Friday, from 3 p.m. to 8 p.m., for Rate M284 and June – September, Monday – Friday, from 3 p.m. to 10 p.m., for Rate M285. The hours excluded from the standard peak Period 2 will be added to the Intermediate period.

**4. Empire Zone Program****a) Objective**

Empire Zones are established by municipalities for purposes of attracting businesses to contribute to the overall development of those economically-challenged areas. All New York State approved Empire Zones expire July 31, 2004, but can be renewed. Qualifying Customers are eligible to receive rates equal to the Authority's cost to provide additional units of service (i.e., incremental cost). These rates will not be adjusted more than once every 12 months. Participation in this program cannot occur concurrently with any other Business Development Program except the ~~Power for Jobs~~ Recharge NY Power Program.

**b) Who is Eligible****(1) A Customer who:**

- (a) Takes service under Service Classification Nos. 2-L, 2L-VMRP, 2-H, and 2-MRP, and
- (b) Locates in or moves to an area designated by New York State as an Empire Zone, and
- (c) Is certified by the local Economic Development Administrator established under General Municipal Law, Section 963.

**(2) An existing Customer in an area designated by New York State as an Empire Zone who:**

- (a) Increases its load by 25 percent or 100 KW, whichever is less, or
- (b) Increases its load by 25 percent to a minimum of 7 KW if served under Service Classification Nos. 2 and 2-VMRP.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****Empire Zone Program (continued):**c) Participation Requirements

- (1) All qualifying customers shall participate in appropriate conservation programs offered by the Authority.
- (2) All qualifying customers shall maintain their accounts in good standing. An account in good standing will not have arrears in excess of thirty (30) days.

d) Incentives

- (1) Discounts, specified under the applicable Service Classification, will be available to each qualifying Customer for no less than five (5) years and no longer than 10 years, even if the life of the zone is extended.
- (2) Discounts will be adjusted periodically due to changes in the Authority's incremental costs and/or rates, and
- (3) Discounts will apply to the charges for additional energy and non-peak period demands over the previous 12-months' actual or estimated base levels at the time of participation.
  - (a) For Applicants relocating from outside New York State, the base levels are zero (0).
  - (b) For Applicants relocating from within New York State but outside LIPA's service area, the base levels are zero (0).
- (4) Long Island Choice Program Customers will receive both the discount and the Long Island Choice Program credits. The credits will not reduce the magnitude of the discount.
- (5) For Customers participating in the ~~Power for Jobs~~ Recharge NY Power Program, the discount will be limited to the portion of load ~~provided~~ supplied by the Authority.



**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):**5. Power for Jobs Program ~~Recharge New York Power Program~~a) Description and Availability

~~This program is created by Section 189 of the New York State Economic Development Law. It is intended to foster statewide economic development and job retention by providing eligible customers with low cost power provided by the New York Power Authority (NYPA). The program expires December 31, 2005. The rates under this Tariff will only be available to the extent and for as long as Section 189, as presently constituted, applies, and the Authority is allowed full revenue recovery through a combination of this rate and a reduction in the Authority's Payment in Lieu of Gross Receipts Tax liability. The methodology used in setting these rates is prescribed by Section 189 and is not appropriate for rate setting outside of the context of this Tariff.~~

The Recharge New York Power Program is created by Chapter 60 (Part CC) of the Laws of 2011. This program expires July 1, 2015.

b) Who is Eligible

~~Customers currently taking service under Service Classification Nos. 2-L, 2-H, 2L-VMRP, and 2-MRP and certified by the Economic Development Power Allocation Board to NYPA as qualified Customers who receive an allocation of power from NYPA under the Recharge NY Power Program based on the following criteria which shall be considered in the aggregate and no one of which shall be presumptively determinative: for a share of the low cost power available under this program.~~

- ~~(1) the significance of the cost of electricity to the applicant's overall cost of doing business, and the impact that a Recharge New York power allocation will have on the applicant's operating costs;~~
- ~~(2) the extent to which a Recharge New York power allocation will result in new capital investment in the state by the applicant;~~
- ~~(3) the extent to which a recharge New York power allocation is consistent with any regional economic development council strategies and priorities;~~
- ~~(4) the type and cost of buildings, equipment and facilities to be constructed, enlarged or installed if the applicant were to receive an allocation;~~
- ~~(5) the applicant's payroll, salaries, benefits and number of jobs at the facility for which a recharge New York power allocation is requested;~~
- ~~(6) the number of jobs that will be created or retained within the state in relation to the requested Recharge New York power allocation, and the extent to which the applicant will agree to commit to creating or retaining such jobs as a condition to receiving a Recharge New York power allocation;~~
- ~~(7) whether the applicant, due to the cost of electricity, is at risk of closing or curtailing facilities or operations in the state, relocating facilities or operations out of the state, or losing a significant number of jobs in the state, in the absence of a Recharge New York power allocation;~~
- ~~(8) the significance of the applicant's facility that would receive the Recharge New York power allocation to the economy of the area in which such facility is located;~~
- ~~(9) the extent to which the applicant has invested in energy efficiency measures, will agree to participate in or perform energy audits of its facilities, will agree to participate in energy efficiency programs of NYPA, or will commit to implement or otherwise make tangible investments in energy efficiency measures as a condition to receiving a Recharge New York power allocation;~~
- ~~(10) whether the applicant receives a hydroelectric power allocation or benefits supported by the sale of hydroelectric power under another program administered in whole or in~~

part by NYPA;

(11) the extent to which a Recharge New York power allocation will result in an advantage for an applicant in relation to the applicant's competitors within the state; and

~~Such entities include corporations, partnerships, limited liability companies, sole proprietorships, or a group of customers, each with a peak electric demand of 400 kilowatts or more, or Not for Profit Corporations as defined in Subdivision 5 of Section 102 of the Not for Profit Corporation Law.~~

~~(1) The purpose of the Power for Jobs/RNY Power program is for job growth and retention. To qualify, business Customers are required to demonstrate to the Allocation Board's satisfaction, that:~~

- ~~(a) They are at risk of relocating their facilities or operations out of New York, or closing or curtailing facilities or operations in the State, and the unit cost of electricity in New York is greater than the unit cost of electricity at the relocation sites that they are considering outside of New York, or their competitors pay less per unit of electricity at their out-of-state locations, or~~
- ~~(b) They have begun to make a major investment in electric generating facilities or equipment that could affect the Authority's rates and/or revenues, or~~
- ~~(c) They are considering creating new jobs and would need more electricity to do so, provided they meet the Allocation Board's criteria for new jobs.~~

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****~~Power for Jobs~~ Recharge New York Power Program (continued):**

~~(12)~~ in addition to the foregoing criteria, in the case of a not-for-profit corporation, whether the applicant provides critical services or substantial benefits to the local community in which the facility for which the allocation is requested is located.

~~(2) To qualify, Not for Profit Corporations are required to demonstrate to the Allocation Board's satisfaction, that:~~

~~(a) They provide critical services or important benefits to the local community, and~~

~~(b)(a) They are at significant risk of having to close or curtail their facilities or operations.~~

**c) Participation Requirements**

Customers shall:

- (1) Make application to the Economic Development Power Allocation Board based on the eligibility criteria described above and the criteria contained in Section 184 of the Economic Development Law, and
- (2) Provide to the Authority a written certification by NYPA stating the amount of power allocated and any conditions associated with the award. The Authority will commence service on the first day of a month within sixty (60) days of receipt of the written certification.
- (3) Maintain their accounts in good standing to continue participation in this program. An account in good standing will not have payment arrears in excess of thirty (30) days.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**

**E. Adjustments to Rates to Encourage Business Development (continued):**

**Power for Jobs Recharge New York Power Program (continued):**

d) Rates and Charges

(1) The billing period for customers served under Recharge NY Power program shall be the calendar month. When a customer's eligibility for Recharge NY service expires, that customer shall revert back to the billing period of the applicable service classification as specified by LIPA.

(2) In the event that NYPA is unable to deliver in any billing period any portion or all of the Recharge NY power to LIPA as contracted for, each customer shall have his contract lowered by the amount of reduced deliveries, allocated on a pro rata basis across all current Recharge NY contract demands. All such load not delivered and subsequently replaced with load supplied by LIPA shall be billed according to the rates and provisions of the Service Classification applicable to the customer's load served by LIPA during the periods of the reduced deliveries.

(3) Customers served under Recharge NY Power program are subject to the following:

(a) Customers served under Recharge NY Power program will be subject to the rates, charges, terms and conditions specified in their applicable service classification: and

(b) Recharge NY allocations under this program will not be charged for the Authority's Fuel and Purchase Power Cost Adjustment or Energy Efficiency Cost Recovery Rate; and

(c) The increase in Rates and Charges to Recover PILOT Payments, the New York State Assessment and all other Adjustments to Rates and Charges not specifically excluded above will be applied to the total billing amount.

— Capacity and energy, up to the amount allocated by the Economic Development Power Allocation Board and delivered by NYPA to the Authority, will be priced at the cost of capacity and energy from NYPA delivered to the Authority's distribution system, plus the Authority's transmission and distribution wheeling charges. Capacity and energy delivered to the Customer will be adjusted for line losses to the voltage level at which power to the Customer is metered as indicated in the "Statement Of Energy and Peak Demand Losses". The Authority's charges at the various delivery voltage levels are:

(1) SC 2-L and 2-H

	<u>Delivery Voltage Level</u>			
	<u>Secondary</u>	<u>Primary</u>	<u>Subtransmis</u>	<u>Transmis</u>
	<u>V</u>	<u>≥2.4Kv</u>	<u>sion</u>	<u>sion</u>
	<u>≥110V</u>	<u>&lt;23Kv</u>	<u>≥23Kv</u>	<u>≥ 69Kv</u>
	<u>&lt; 2.4Kv</u>		<u>&lt;69Kv</u>	
<u>Service Charge; \$/Day</u>	<u>0.7220</u>	<u>0.7220</u>	<u>0.7220</u>	<u>0.7220</u>
<u>Demand Charges</u>				
<u>\$(/Kw*Month)</u>	<u>2.29</u>	<u>2.29</u>	<u>2.29</u>	<u>2.29</u>
<u>Transmission</u>	<u>7.18</u>	<u>4.28</u>	<u>N/A</u>	<u>N/A</u>
<u>Component</u>	<u>9.47</u>	<u>6.57</u>	<u>2.29</u>	<u>2.29</u>
<u>Distribution Component</u>				
<u>Total:</u>				

~~(2) SC2L-VMRP and SC2-MRP~~

~~(3) — The SC 2 L and SC 2 H Power for Jobs rates apply to the eligible time-of-use customers. Demand charges are based on the higher of the recorded demands in either period 2 or period 3, unadjusted for the number of days in the period each month.~~

~~(3) Adjustments to Rates and Charges for NYPA Capacity and Energy~~

~~(a) Each Power for Jobs customer's bill will be adjusted for the actual cost of Capacity and Energy provided by NYPA for this program.~~

~~(6)(2) \_\_\_\_\_ (b) A statement, available at the Authority's Economic Development office, will indicate the actual cost for Capacity and Energy provided by NYPA that is applicable to each billing period.~~

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****E. Adjustments to Rates to Encourage Business Development (continued):****Power for Jobs Recharge New York Power Program (continued):**

— ~~(c) The Authority's Fuel and Purchased Power Cost Adjustment Rate does not apply to energy provided through the Power for Jobs program.~~

e) Allocation of Billing Determinants between Power for Jobs Recharge NY Power and Authority-provided/supplied Service Requirements

Where a Power for Jobs Recharge NY Power allocation is not sufficient to meet the full requirements of a Customer in any billing period, the billing demand and billing energy for that Customer will be determined as follows:

- (1) For a Customer not currently subject to an existing load sharing arrangement, the billing demand and the billing energy for the Power for Jobs Recharge NY Power program shall be determined by multiplying the Customer's metered demand and energy for the current billing period by the ratio of the Customer's Power for Jobs Recharge NY Power allocation to the Customer's highest metered demand for the current billing period. Such ratio shall not be greater than unity (1.0). The remaining amounts of demand and energy, if any, shall be billed by the Authority to the Customer under its Tariff at the non-Power for Jobs Recharge NY Power rates otherwise applicable to the Customer.
- (2) For a Customer subject to an existing load sharing agreement, the provisions of that arrangement shall govern the computation of Power for Jobs Recharge NY Power service billing determinants for the affected Customer.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE (continued):****F. Energy Efficiency Cost Recovery Rate (continued):****4. Calculation of the Energy Efficiency Cost Recovery Rate**

The Energy Efficiency Cost Recovery Rate will be calculated separately for Small Customers and Large Customers. For Small Customers and Large Customers separately, the Energy Efficiency Cost Recovery Rate will be calculated as the sum of the eligible costs and lost revenues for that group of customers divided by the forecasted energy sales to that group of customers.

- a) The Authority will prepare and retain on file a "Statement of Energy Efficiency Cost Recovery Rate". The Statement will be available at the Authority's Business Offices.
- b) The Statement will show the authorized amounts to be recovered from Small Customers and Large Customers separately, and the expected energy sales over which the authorized amounts will be recovered.
- c) The Energy Efficiency Cost Recovery Rate will be set annually, effective January 1<sup>st</sup> of each year.
- d) The Energy Efficiency Cost Recovery Rate may be reset during the year, based on updated values that have been approved by the LIPA Board of Trustees.
- e) The Energy Efficiency Cost Recovery Rate will be rounded to the nearest 0.0001 cents per kWh.

**5. Definition of Small and Large Customers**

For purposes of the Energy Efficiency Cost Recovery Rate, the following definitions of Small Customers and Large Customers will apply.

- a) The Small Customer Energy Efficiency Cost Recovery Rate applies to:
  - 1) Service Classification No. 1 (Rate Codes: 180, 183, 186, 380, 480, 481, 580, 581, 880, 881, 882, 883)
  - 2) Service Classification No. 1-VMRP (Rate Codes: 181, 182, 184, 188)
  - 3) Service Classification No. 2 (Rate Code 280)
  - 4) Service Classification No. 2-VMRP (Rate Code 288)
  - 5) Service Classification Nos. 5, 7, 7A and 10 (Rate Codes 980, 780, 781, 782, 1580, 1581)
- b) The Large Customer Energy Efficiency Cost Recovery Rate applies to:
  - 1) Service Classification Nos. 2-L, 2-H and 2-VMRP (Rate Codes 281, 283, 290, 291, 293, 282, M282)
  - 2) Service Classification Nos. 2-MRP and 2-VRTP (Rate Codes 284, 285, M284, M285, 279)
  - 3) Service Classification Nos. 12, 13 and 15 (Rate Codes 680, 681, 273, 278)
  - ~~4) All Energy delivered under the Power for Jobs program.~~
- c) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Energy Efficiency Cost Recovery Rate according to their base rate Service Classification.
- d) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14 are not subject to the Energy Efficiency Cost Recovery Rider.
- e) Energy delivered under the Recharge NY Power Program is not subject to the Energy Efficiency Cost Recovery Rider.

**IX. Long Island Choice Program (continued):****A. General Provisions (continued):**2. Who is Eligible

- a) In order to participate in the Long Island Choice Program, and Eligible Customer is a Customer who is eligible for service under Service Classification Nos. 1, 1-VMRP (L), 1-VMRP(S), 2, 2-VMRP, 2L, 2L-VMRP, 2-H, or 2-MRP, 5, 7, 7A, 10 and:
- (1) Receives metered or authorized unmetered electric service from the Authority, and
  - (2) Receives all of their electric requirements from a single supplier except for the output from Solar or Wind Electric Generating Equipment that qualifies for net metering, and
  - (3) Is not explicitly excluded in 2.b), below, and
  - (4) Is licensed by the Authority as a Direct Retail Customer (DRC) or contracts with a licensed Energy Service Company (ESCO) to act as its agent for the scheduling and delivery of Electric Generation Service, and
  - (5) During those phases of the Program where total participation is limited, has been accepted into the Program by the Authority.
- b) Customers who are not eligible to participate in the LI Choice Program are:
- (1) Customers who receive service under Service Classification Nos. 2-VRTP, 11, 12, 13 or 15
  - (2) Customers who receive part of their electric requirements from the New York Power Authority (NYPA) including, but not limited to NYPA's Economic Development Power program, High Load Factor program, ~~Power for Jobs~~ Recharge NY Power program.
  - (3) Customers who receive part of their electric requirements from an Economic Development Power program through a municipal distribution agency.
  - (4) Customers who sell power to the Authority as Qualifying Facilities or Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cells and Wind Customer-Generators that do not qualify for net metering.
  - (5) Customer who receive a portion of their electric requirements from self-generation or on-site generation that does not qualify for net metering, and require supplemental, backup or maintenance service from the Authority.
  - (6) Customers who receive service under provisions related to Residential Offpeak Energy Storage served under Service classification No. 1.



**Long Island Power Authority**

**Statement of Energy and Peak Demand Losses**

**Applicable to ~~Power for Jobs (PFJ)~~, Energy Service Companies (ESCOs)  
And Direct Retail Customers (DRCs)  
As set forth in the Tariff for Electric Service**

**Losses**

Capacity and energy delivered to ~~PFJ (NYPA Component)~~, ESCO, and DRC Customers will be adjusted for line losses that occur up to and including the delivery voltage level at which power is delivered to the customer.

**Percent Losses**

<b><u>Delivery Voltage Level (inclusive)</u></b>	<b><u>A</u> Annual Energy Percent Losses</b>	<b><u>B</u> Peak Demand Percent Losses</b>
Transmission (≥69KV)	0.0000%	0.0000%
Subtransmission (≥ 23KV, <69Kv)	1.5472%	1.7754%
Primary Inclusive (≥2.4kV, <23Kv)	3.2188%	4.7093%
Secondary Inclusive (≥110V, <2.4Kv)	6.2671%	8.2079%

**Loss Factor Multipliers**

<b><u>Delivery Voltage Level (inclusive)</u></b>	<b><u>Annual Energy Loss Factor</u></b>	<b><u>Peak Demand Loss Factor</u></b>
Transmission (≥69KV)	1.0000	1.0000
Subtransmission (≥ 23KV, <69Kv)	1.0157	1.0181
Primary Inclusive (≥2.4kV, <23Kv)	1.0333	1.0494
Secondary Inclusive (≥110V, <2.4Kv)	1.0669	1.0894

**BCA Loss Factor Multiplier**

The value of the loss factor multiplier used in the BCA Statement is the weighted average of the energy loss factor based on the respective energy and demand components of the BCA. Its value is 1.0606

Effective: ~~October 1, 2004~~

**Long Island Power Authority**  
**Statement of Energy Efficiency Cost Recovery Rate (EER)**  
 Applicable to Customers in All Service Classifications except S.C. 11 and 14  
 as set forth in the Tariff for Electric Service

	<b><u>Small Customers</u></b>	<b><u>Large Customers</u></b>
1. Budgeted Efficiency Expenditures Approved for Recovery <sup>1</sup>	\$28,716,000	\$36,079,000
2. Budgeted Renewable Expenses Approved for Recovery <sup>1</sup>	\$17,330,000	\$6,304,000
3. Budgeted Base Rate Lost Revenue Approved for Recovery <sup>1</sup>	\$14,723,000	\$4,093,000
4. Over/Under Recovery from Prior Year	(\$2,615,000)	(\$414,000)
5. Total Amount to be Recovered	\$58,154,000	\$46,062,000
6. Estimated Energy Sales (in MWhs) <sup>1</sup>	<u>10,028,060</u>	<u>9,506,493</u>
7. Energy Efficiency Cost Recovery Rate (\$/kWh)	<b>\$0.005799</b>	<b>\$0.004845</b>

**Notes (suggested commentary):**

1) Budgets and Forecast approved by Trustees on December 16, 2010.

**Applicability of the Cost Recovery Rate (per the Tariff for Electric Service):**

Small Customers include Service Classification Nos. 1, 1-VMRP(L), 1-VMRP(S), 2, 2-VMRP, 5, 7, 7A, 10.  
 Large Customers include Service Classification Nos. 2-L, 2-H, 2L-VMRP, 2-MRP, 2-VRTP, 12, 13 and 15.  
~~Power for Jobs (PFJ) Recharge NY~~ energy is not subject to the Large Customer rate.  
 Service Classification No. 11 (Buy-Back Service) is not subject to this rate.  
 Customers participating in the Long Island Choice Program are subject to this rate.  
 Energy Service Companies (ESCOs) in Service Classification No. 14 are not subject to this rate.

Effective: January 1, 2014

Long Island Power Authority

STATEMENT OF ENERGY COST ADJUSTMENTS  
FOR THE POWER-FOR-JOBS PROGRAM

Applicable to Power-for-Jobs billings  
as set forth in the Tariff for Electric Service

Applicable to Service Classification (2-L, 2-H, 2-MRP):

NYPA's Energy  
¢ / kWh

1. Production Base Energy Rate — 3.50
2. Energy Rate Adjustment — 0.30
3. Adjusted Energy Rate — 3.80

NYPA's Capacity  
\$ / kW — month

1. Production Demand Rate — 5.00
2. ISO Locational Capacity Rate — 0.12
3. Total Demand Rate — 5.12

**Canceled**

(as of June 1, 2012)

Effective: February 1, 2012