

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

### **Requested Action:**

The Long Island Power Authority ("LIPA") staff ("Staff") proposes to modify the Tariff for Electric Service (the "Tariff") effective January 1, 2021 to allow for Community Distributed Generation ("CDG") Net Crediting, which will allow Value Stack CDG satellite customers to receive a single bill from PSEG Long Island.

### **Background:**

On July 17, 2015<sup>1</sup> and October 16, 2015<sup>2</sup> the New York Public Service Commission (PSC or Commission) issued Orders in Case 15-E-0082 setting forth policies, requirements and conditions for implementation of CDG by New York's investor-owned utilities.<sup>3</sup> The CDG Program has three main entities: the CDG Host; CDG Satellites; and the utility (LIPA). A CDG Host is the project sponsor and is responsible for owning or operating the generation facility, coordinating the project's interconnection and operation with the utility, and supervising and fostering cooperation among the project's satellites. CDG Satellites are the project subscribers that will receive credits accumulated at the generation facility's meter, as a percentage of the generation facility's output in excess of usage on the CDG Host's account. LIPA will be responsible for distributing the credits from the CDG Host's account on satellite customers' bills in accordance with the CDG sponsor's instructions.

On December 12, 2019, the Commission issued its Order Regarding Consolidated Billing for Community Distributed Generation in Case 19-M-0463 (Net Crediting Order) which established the policies, requirements and conditions to implement Net Crediting<sup>4</sup>. Currently, each CDG Satellite customer subject to Value Stack receives a credit on its electric bill for its proportionate share of the Value Stack credits generated by the CDG Host and the CDG Host separately bills each satellite for its subscription fee. Under CDG Net Crediting, the subscription fees are deducted from the renewable energy credits by the Authority and is sent by LIPA to the CDG Host, based on a percentage set by the CDG sponsor.

### **Proposal:**

LIPA Staff is proposing to implement CDG Net Crediting for Value Stack CDG Hosts in accordance with the Net Crediting Order. This program will allow CDG satellite accounts to receive one bill from LIPA, which will include their CDG allocated credit, less their CDG

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<sup>1</sup> Case 15-E-0082, *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program., Order Establishing a Community Distributed Generation Program and Making Other Findings*; Issued and effective July 17, 2015

<sup>2</sup> Case 15-E-0082, *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program., Order Granting Reconsideration in Part*; Issued and effective July 16, 2015

<sup>3</sup> Although LIPA is not subject to the PSC's orders, LIPA implemented CDG on similar terms.

<sup>4</sup> Case 19-M-0463, *In the Matter of Consolidated Billing for Distributed Energy Resources., Order Regarding Consolidated Billing for Community Distributed Generation*; Issued and effective December 12, 2019

Subscription Fee. LIPA will pay the CDG Host the subscription fee less a one percent (1%) administrative fee (on the total Applied Credits) that is retained by LIPA.

CDG Hosts will be able to sign up for the net crediting program so long as all satellites are compensated under Value Stack Crediting. The CDG Host will be required to follow all program guidelines. All satellites, with the exception of one Anchor Satellite (described below), will be required to have the same CDG Savings Rate, which is the percentage of savings the customer will retain. The CDG Savings Rate must be a minimum of 5% of the per kWh Value stack credit.<sup>5</sup>

A CDG Satellite's Applied Credit will be calculated for each billing period, pursuant to the CDG Net Crediting Tariff, and equals the portion of the Total Available Credit that offsets the CDG Satellite's Electric Bill in the billing period. A CDG Satellite's Applied Credit cannot exceed the amount of a CDG Satellite's Electric Bill during an individual billing period. The Authority shall use the Applied Credit as the basis to determine the CDG Subscription Fee. The Authority will provide each CDG Satellite with the net credit on the CDG Satellite's Electric Bill.

The CDG Host can exclude one Anchor Satellite from the program. An Anchor Satellite is a large commercial customer that "anchors" the project by taking a significant share of the output of the Host facility (not to exceed 40%) and paying a significant share of the costs for that facility directly to the CDG Host. LIPA will multiply the total Value Stack Credit of the CDG Host times the percentage allocated to the Anchor Satellite (not to exceed 40%) and include that amount of credit to the Anchor Satellite's account in the month. The CDG Host would separately bill the Anchor Satellite for any subscription fees applicable to that Anchor satellite according to their separate agreement.

A CDG Subscription Fee will be calculated based each CDG Satellite's Applied Credit in each billing period. The CDG Subscription Fee is equal to the amount of the Applied Credit multiplied by a percentage equal to one minus the CDG Savings Rate. (e.g. if the savings rate is 5% the CDG Subscription Fee will equal 1 minus .05, or 95%). Payments will be made to the CDG Host from LIPA for the total Subscription Fee of the satellites in the project, less a one percent (1%) administrative fee that is retained by LIPA.

LIPA will collect an administrative fee from the CDG Host as a deduction from the net credit that flows to the CDG Host after the net credits have been paid to the satellite accounts. The administrative fee is 1% of the total Applied Credits received by the satellite accounts in that billing period. The 1% fee was designated and approved by the Commission for the regulated investor-owned utilities in the State and LIPA would be following State policy by implementing this administrative fee at this 1% level.

The rules of the CDG Net Crediting program will be available in a supplemental document to the Tariff, the "PSEG Long Island's Community Distributed Generation (CDG) Net Crediting Manual".

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<sup>5</sup> 5 percent minimum is based on the Value Stack credit amount per kWh not the customer's per kWh billed amount.

**Financial Impacts:**

There are no anticipated financial impacts for this proposal. The amount of credit received by the participating satellite customers are deducted from the payments that would have been given to the CDG Host, and the one percent (1%) Administrative Fee withheld from the CDG Host payments should compensate LIPA for the cost to administer this program. As the program matures, LIPA staff may adjust the Administrative Fee rate to align fees collected with the actual costs incur to administer the program or reflect changes in State policy approved by the NY PSC.

**Affected Tariff Leaves:**

Leaf: 6C and Original Leaves: 34O-2, 34O-3, 34O-4

New Additional Document: PSEG Long Island's Community Distributed Generated (CDG) Net Crediting Manual

**Summary of Proposed Changes:**

Staff is proposing to update the Tariff to implement CDG Net Crediting for Value Stack projects.

**Table of Contents (continued):**

**Additional Documents**

Feed-In Tariff Solar Power Purchase Agreement ("PPA")

Long Island Choice Operating Procedures ("Operating Procedures")

[PSEG Long Island's Community Distributed Generated \(CDG\) Net Crediting Manual](#)

Smart Grid Small Generator Standardized Interconnection Procedures ("Smart Grid SGIP")

Specifications and Requirements for Electrical Installations ("Red Book")

Submetering Procedures ("Requirements for Residential Submetering")

Uniform Business Practices for Distributed Energy Resource Suppliers in the LIPA Service Territory (UBP-DERS-LIPA)

**I. General Information (continued):****C. General Terms and Conditions (continued):****Net Metering of Community Distributed Generation (continued):****h) CDG Net Crediting Program**

Effective January 1, 2021, a CDG Host that has all its CDG Satellites compensated pursuant to Section I.C.18 – Value of Distributed Resources (VDER) may participate in the CDG Net Crediting Program. The CDG Net Crediting Program is an elective payment and crediting methodology for CDG Hosts and CDG Satellites. Additional terms, conditions, definitions, and processes are set forth in PSEG Long Island's Community Distributed Generation Net Crediting Manual and posted on the Manager's website. In the event of any inconsistency between the PSEG Long Island's Community Distributed Generation Net Crediting Manual and this Tariff, the Tariff will govern

The CDG Net Crediting Program allows Customers that are also CDG Satellites to receive a CDG Member Net Credit on their Electric Bill in lieu of receiving the CDG Member Full credit on their Electric Bill and then receiving an additional bill from the CDG Host. The Authority will remit a net payment to the CDG Host as described herein on behalf of our customers that are also CDG Satellites.

**(1) Enrollment and Subsequent Changes**

CDG projects participating in the CDG Net Crediting Program must meet all the requirements and follow the provisions provided within this Section.

The CDG Host must enroll in the program by executing a CDG Sponsor Net Crediting Agreement with the Authority, at least 60 days prior to commencing participation in the CDG Net Crediting Program, in addition to any other forms and registrations required under the CDG program as defined in this Section. Member participation in Net Crediting shall become effective with the first CDG Host bill sixty days after all necessary enrollment documentation have been received and approved by the Authority.

- (a) The CDG Host must be in good standing on the electric account tied to the CDG Host project to be eligible for and participate in Net Crediting. A CDG Host that fails to maintain its account in good standing may have its CDG Host Payments withheld.
- (b) CDG Hosts may remove a CDG project from the CDG Net Crediting Program with written notice to the Authority at least 45 days' prior to the CDG Host Account's cycle billing date to which the removal applies. A CDG project that has previously been removed from the CDG Net Crediting Program may only re-enroll after one year from the date they were removed from the CDG Net Crediting Program and will be subject to the required sixty days' notice to re-enroll a CDG project as specified above.
- (c) If a CDG Host transfers ownership of a CDG project participating in the Net Crediting Program and the new CDG Host intends to continue the Net Crediting, the new CDG Host will be required to re-enroll the CDG project and meet all requirements including the sixty days' notice as described here in.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Net Metering of Community Distributed Generation (continued):****(2) CDG Savings Rate**

- (a) The CDG Host shall provide the value for the CDG Savings Rate for the project to the Authority as part of the enrollment process. Following the initial enrollment in the Net Crediting Program, the CDG Host may submit a notice to update the CDG Savings Rate no earlier than six months from the initial enrollment in the CDG Net Crediting Program or any subsequent date of modification to the Savings Rate.
- (i) The CDG Savings Rate may not be less than 5% for any CDG project and no greater than 99% (to leave room for the Administration Fee rate of 1%). The CDG Savings Rate will apply equally to all CDG Satellites of a CDG Project as specified in I.C.17.h).(4) below, except for an Excluded Anchor Satellite, if applicable,.
- (ii) The CDG Host may modify its CDG Savings Rate or its associated CDG Satellite accounts and/or the allocation percentages of its CDG Satellites, upon written notice to the Authority, no less than forty-five days prior to the CDG Host account's billing date to which the modifications apply.

**(3) Anchor Satellite**

- (a) The CDG Host may choose to designate one large CDG Satellite to be an Excluded Anchor Satellite.
- (b) The Excluded Anchor Satellite customer must have a demand greater than or equal to 25kW in the last twelve months.
- (c) The Excluded Anchor Satellites shall be identified on the CDG Net Credit Enrollment Form at least 60 days prior to net crediting as an Excluded Anchor Satellite.
- (d) The CDG Host may change the designation of the Excluded Anchor Satellite as set forth in the PSEG Long Island's Community Distributed Generation Net Crediting Manual.
- (e) The Authority shall not apply a Member Net Credit to the Excluded Anchor Satellite Bill.
- (f) The Authority shall not withhold a CDG Subscription Fee on the Excluded Anchor Satellite's allocated Value Stack Credits.

**(4) Applied Credit and Subscription Fee**

- (a) The Authority shall calculate and apply a Member Net Credit to each participating CDG Satellite's bill.
- (b) The Member Net Credit shall be determined as follows:
  - (i) For each billing period, the total credit allocated to the CDG Satellite shall be calculated pursuant to section I.C.18.c), Value Stack Calculation for net export injections made by the CDG Host. Banked Monetary Credits plus

allocated Monetary Credits applied to electric charges ("Applied Credit")  
cannot exceed the CDG Satellite's electric bill.

**I. General Information (continued):****C. General Terms and Conditions (continued):****Net Metering of Community Distributed Generation (continued):**

- (ii) If there are remaining Monetary Credits, the credit shall be banked on the CDG Satellite's account for the subsequent billing period.
  - (iii) The CDG's Satellite's Member Net Credit is equal to the Applied Credit times the CDG Savings Rate.
- (c) A CDG Subscription Fee will be calculated for all CDG Satellites, except the Excluded Anchor Customer, based on the Applied Credit each billing period. The CDG Subscription Fee is equal to the Applied Credit multiplied by one minus the CDG Savings Rate.
- (5) Each CDG Satellite, except for an Excluded Anchor Satellite, will receive a credit on its bill in the amount of the Member Net Credit for the billing period.
- (6) An Authority Administrative Fee is retained by the Authority and is equal to the Applied Credit times the 1% Administrative Fee rate for the billing period.
- (7) The CDG Host Payment will be the sum of the CDG Satellite's Subscription Fees calculated for each of the project's CDG Satellites in the applicable billing period less the Administrative Fee applicable for the billing period.
  - (a) The CDG Host Payment will be remitted to the each CDG Host in a separate payment via Automatic Clearing House (ACH) or check payment.
  - (b) If the CDG Host fails to pay any tariff charges on the CDG Host account for which a written bill has been rendered:
    - (i) After 30 days past due, the Company shall withhold the CDG Host payment until the CDG Host has provided payment of the full amount in arrears.
    - (ii) After 90 days past due, the Authority may remove the CDG Host from the CDG Net Crediting Program.
- (8) Unenrollment

CDG Hosts may unenroll from the CDG Net Crediting Program with 45 days' written notice to the Authority, in a manner pursuant to the PSEG Long Island's Community Distributed Generation Net Crediting Manual. A CDG Host that has previously unenrolled from the CDG Net Crediting Program may re-enroll after at least 12 months from the date the unenrollment was fully completed and all Satellites were informed and billed.



**PSEG Long Island's**

**Community Distributed Generation**

**(CDG)**

**Net Crediting Manual**

Version 1.0, 1/1/2021

## VERSION HISTORY

No.	Description	Date
v1	Initial version	1/1/2021

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## 1. Introduction

This Community Distributed Generation (“CDG”) Net Crediting Manual (“Manual”) sets forth PSEG Long Island’s procedural requirements for CDG providers that wish to participate in Net Crediting under LIPA’s CDG initiative.

This Manual sets forth PSEG Long Island’s procedural requirements for CDG providers that wish to participate in Net Crediting under the Long Island Power Authority’s (“LIPA”) Tariff. Additional procedural requirements for CDG providers can be found in PSEG Long Island’s *Community Distributed Generation Procedural Requirements* (“CDG Procedures”).

Typically, a CDG project involves the following three parties: the CDG Host; CDG Satellites (also referred to as Subscribers); and PSEG Long Island. A CDG Host is the project sponsor and is responsible for owning or operating the generation facility, coordinating the project’s interconnection and operation, and supervising and fostering cooperation among the CDG Satellites. CDG Satellites are the project subscribers who will contract for a proportion of the credits accumulated at the generation facility’s meter, as a percentage of the facility’s net hourly export on the CDG Host’s account. PSEG Long Island is responsible for distributing the credits from the CDG Host’s account to CDG Satellites in accordance with the CDG Host’s instructions and LIPA’s tariff.

Value Stack CDG Hosts<sup>1</sup> may enroll in the Net Crediting Program, described herein, under which PSEG Long Island will apply the CDG Savings Rate provided by the CDG Host to all of the CDG Satellites in the project (excluding any Anchor Satellite) resulting in a net credit being applied to the CDG Satellites Electric Bills. PSEG Long Island will remit payment to the CDG Host, on behalf of the CDG Satellites, equal to the CDG Subscription Fees less an Administrative Fee.

LIPA’s Board of Trustees may, from time to time, modify this Manual including, without limitation, based on PSEG Long Island’s experience or billing system enhancements, or to be consistent with any Tariff or UBP-DERS-LIPA Long Island modifications. In the event of any inconsistency between the Tariff or this Manual, the Tariff will govern.

By way of background, on July 17, 2015, the Public Service Commission (“PSC” or “Commission”) issued its Order Establishing a Community Distributed Generation Program and Making Other Findings in Case 15-E-0082 (“Community Distributed Generation Order” or “CDG Order”) under which the policies, requirements and conditions for implementing Community Net Metering were established for PSC jurisdictional electric utilities. On April 1, 2016, LIPA implemented its own CDG initiative in the LIPA territory. Subsequently, on March 9, 2017, the Commission issued its Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters in Case 15-E-0751 (“Value of Distributed Energy Resource Order” or “VDER Order”) in which the policies, requirements, and conditions for CDG were updated to reflect a transition away from net metering. On January 1, 2018, LIPA implemented amendments to the Tariff following the Commission’s lead from the VDER Order. On October 19, 2017, the Commission issued its

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<sup>1</sup> CDG Hosts credited pursuant to the Tariff.

Order Establishing Oversight Framework and Uniform Business Practices for Distributed Energy Resource Suppliers in Case 15-M-0180 which establishes Uniform Business Practices (“UBP- DERS”) for oversight of distributed energy resources suppliers (“DERs” or “DER suppliers”) and a more specific and detailed set of provisions for CDG providers. Subsequently, LIPA adopted similar oversight for DERs and DER suppliers on January 1, 2019 establishing Uniform Business Practices for LIPA (UBP-DERS-LIPA). Finally, on September 12, 2018, the Commission issued its Order on Value Stack Eligibility Expansion and Other Matters (“Expansion Order”), which enabled more generator technology types to be CDG Hosts.

On December 12, 2019, the Public Service Commission (PSC) issued its Order Regarding Consolidated Billing for Community Distributed Generation in Case 19-M-0463 (Net Crediting Order) which established the policies, requirements and conditions to implement Net Crediting. Comparable terms of service for Community Distributed Generation that resulted from the Net Crediting Order are in LIPA’s Tariff for Electric Service (“Tariff”).

## **2. Definitions**

The capitalized terms included in this Manual shall have the meanings set forth below.

**Applied Credit:** Equal to the portion of the Total Available Credit that offsets the CDG Satellite’s Electric Bill each billing period. A CDG Satellite’s applied credit cannot exceed the amount of a CDG Satellite’s Electric Bill during an individual billing period. The Authority shall use the Applied Credit as the basis to determine the CDG Subscription Fee.

**Authority:** The Long Island Power Authority. Depending on usage, this term may include or refer to the Authority’s subsidiary which owns the electric transmission and distribution system, and/or the Manager (as defined herein) which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Operations Services Agreement

**Anchor Satellite:** For purposes of this Manual, a CDG Satellite with a billed demand of 25 kW or greater in the previous 12 months and is designated by the CDG Host to be excluded from Net Crediting Program. The Anchor Satellite customer is referred to as the Excluded Anchor Satellite in the Net Crediting Agreement.

**Administrative Fee:** The amount subtracted from the CDG Subscription Fee to offset the Authority’s implementation and ongoing costs of the Net Crediting Program. The Administrative Fee is withheld from the CDG Host Payment.

**Administrative Fee Rate:** The percent of the Applied Credit which is subtracted from the CDG Subscription Fee prior to remittance of the CDG Host Payment. The Administrative Fee is initially set at 1 percent. The current Administrative Fee Rate will be stated in LIPA’s tariff.

**CDG Allocation Request:** The CDG Host’s instruction to PSEG Long Island as to the

disposition of Monthly Allocated Credit or Host Bank Allocated Credit.

**CDG Host:** A non-residential customer who owns or operates electric generating equipment eligible under the CDG Net Crediting Tariffs and whose net hourly injected energy produced by its generating equipment is applied to the accounts of CDG Satellites. A CDG Host is also referred to as a CDG Sponsor or CDG Provider.

**CDG Host Payment:** The payment from the Authority to the CDG Host representing the sum of the CDG Subscription Fees from the CDG Project, less the sum of Administrative Fees retained by the Authority.

**CDG Host Billing Email:** The email address where the CDG Host can send billing and satellite documentation: [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com).

**CDG Procedures:** PSEG Long Island Community Distributed Generation (“CDG”) Program Procedural Requirements

**CDG Satellite:** An Authority electric distribution customer taking service under the Tariff who is allocated Value Stack Credits from its CDG Host in accordance with the CDG Net Crediting Tariffs: A CDG Satellite is also referred to as a CDG Subscriber.

**CDG Savings Rate:** The percentage provided by the CDG Host and used by PSEG Long Island to calculate the net credit that the Authority provides on CDG Satellites’ Electric Bills. The same CDG Savings Rate is used by PSEG Long Island for all CDG Satellites subscribed to the CDG Project, except for the Excluded Anchor Satellite, if applicable..

**CDG Subscription Fee:** An amount which reduces the Applied Credit on a CDG Satellite’s Electric Bill, such that the CDG Satellite receives a net credit at the CDG Savings Rate. The CDG Subscription Fee represents the amount owed by a CDG Satellite to its CDG Host for the Applied Credit in a billing period. A CDG Subscription Fee is not levied on credits provided by the Authority to an Anchor Satellite, if applicable.

**Electric Bill:** The bill rendered by the Authority for a customer’s electric utility service. Electric utility service includes energy, customer, demand, and other electric charges. Energy supply costs billed by the Authority are included in the Electric Bill amount.

**Enrollment Period:** A 60-day period that begins once the Authority receives the completed Enrollment documentation.

**Host Bank Allocated Credit:** The credit allocated by the CDG Host from the CDG Host’s Banked Monetary Credit pursuant the Community Distribution Generation section of the Tariff.

**Manager:** PSEG Long Island LLC through its operating subsidiary Long Island Electric Utility Servco LLC, which has managerial responsibility for the day-to-day operation and maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA, pursuant to that Amended and Restated Operations Services Agreement,

dated as of December 31, 2013, as amended from time to time (the “OSA”) or any other similar agreement or arrangement or any successor or assignee thereof providing certain operational, maintenance and other services to LIPA.

**Mass Market CDG Satellite:** A CDG Satellite taking service under following Service Classifications:

- Service Classification No. 1 Residential Service
- Service Classification No. 1 VMRP
- Service Classification No. 1 VTOU
- Service Classification No. 2 General Service - Small:
- Service Classification No. 2-VMRP
- Service Classification No. 16-AMI

**Monthly Allocated Credit:** The Value Stack credit allocated by the CDG Host for its net hourly injected energy during the CDG Host’s billing period, pursuant to Section I.C.18.c) the Tariff.

**Net Crediting Agreement:** The written contract between the CDG Host and the Authority which is a prerequisite for the CDG Host’s participation in the Net Crediting Program.

**Net Crediting Program:** A voluntary program offered by the Authority to CDG Hosts. The Net Crediting Program authorizes the Authority to remit payments to the CDG Host on behalf of CDG Satellites, resulting in a net credit on the CDG Satellite’s Electric Bill.

**Non-residential Customer:** For purposes of the Net Crediting Procedural Manual, a customer billed by the Authority under a Service Classification other than Service Classification No. 1, Service Classification No. 1-VMRP, and Service Classification No. 1 VTOU.

**Total Available Credit:** The Value Stack credit available to offset a CDG Satellite’s bill. The Total Available Credit is the sum of the Monthly Allocated Credit, Host Bank Allocated Credit (if any), and any remaining Value Stack credit from the preceding billing month that was carried forward to the current billing period.

**Value Stack Credits:** Credits associated with a CDG Host’s generating equipment which are valued in accordance to the Tariff section I.C.18.c) and allocated to CDG Satellites as a Monthly Allocated Credit or a Host Bank Allocated Credit.

### **3. Enrollment**

- 3.1. The CDG Host must comply with the CDG Procedures, except where modified under this Net Crediting Manual.
- 3.2. The CDG Host shall submit the following required enrollment documentation to PSEG Long Island:
  - 3.2.1. Cover sheet/Enrollment Checklist;
  - 3.2.2. CDG Host Certification Form;

- 3.2.3. CDG Net Crediting Allocation Request Form (“Allocation Form”).
  - 3.2.4. Net Crediting Agreement;
  - 3.2.5. Payment documentation, including Vendor Registration Form, a voided check or Bank Letter, and most recent IRS Form W-9; and
- 3.3. The enrollment documentation is attached hereto as Appendices A, B, C, D and E, respectively.
  - 3.4. PSEG Long Island shall provide notice on its Manager’s website when applications for enrollment in the Net Crediting Program may be submitted.
  - 3.5. Payment and enrollment documentation shall be submitted to PSEG Long Island via email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com). The 60-day Enrollment Period will begin once all enrollment documentation, as specified in 3.2 above, are received by PSEG Long Island.
  - 3.6. Existing projects that apply to the Net Crediting Program shall submit to PSEG Long Island all the enrollment documentation listed above, including an updated CDG Host Certification Form and Allocation Form.
  - 3.7. During the Enrollment Period the Authority will review the submitted enrollment documentation.
  - 3.8. After approval of the submitted documentation and when the Enrollment Period ends, Net Crediting will be effective on the CDG Host’s subsequent billing date in accordance with the Value Stack Tariff.
  - 3.9. The Authority shall counter-sign and execute the Net Crediting Agreement to be effective in accordance with provision 3.8 above.
  - 3.10. By submitting a CDG Allocation Request and in its CDG Host Certification Form, the CDG Host certifies that the CDG Host has entered into written contracts with each of its CDG Satellites acknowledging that each CDG Satellite will receive net credits pursuant to the Net Crediting Program.
  - 3.11. If a CDG Host has previously participated in LIPA’s Net Crediting Program, and was unenrolled pursuant to section 10 below, the CDG Host may re- enroll with an effective date no earlier than 12 months from the prior unenrollment. To re-enroll, the CDG Host must complete all required enrollment documentation described herein including a newly executed Net Crediting Agreement.

#### **4. Initial CDG Allocation Request**

- 4.1. An Initial CDG Allocation Request is required as part of the CDG Host’s enrollment in the Net Crediting Program, as described in provision 3.2 above.
- 4.2. The CDG Host shall comply with the CDG Procedures, except as modified by this



Manual and the Tariff as applicable, when completing this form, along with the additional requirements below.

- 4.3. The CDG Host shall designate in its initial CDG Allocation Request the CDG Host's utility account number, the CDG Satellite utility account numbers that will receive credits under the Net Crediting Program, the allocation percentage to each CDG Satellite utility account number, the initial Savings Rate, and the Anchor Satellite account number, if any (subject to Sections 6 and 7 below). PSEG Long Island will notify the CDG Host when submission of a complete and accurate initial allocation request has been accepted by the Authority.
- 4.4. The Authority shall use the initial CDG Allocation Request for disposition of a CDG Host's Monthly Allocation Credit until such time that a Subsequent CDG Allocation Request is effective.

## **5. Subsequent CDG Allocation Request**

- 5.1. The CDG Host may modify: (1) the list of CDG Satellite accounts to which the CDG Host allocates; and/or (2) the percentage of credits allocated to one or more of its CDG Satellites; and/or (3) the Anchor Satellite. Updates may be submitted once per CDG Host billing month by giving notice to PSEG Long Island no less than 45 days before the CDG Host Account's cycle billing date to which the modifications apply.
- 5.2. To modify a CDG Allocation Request, the CDG Host shall complete and submit an updated Allocation Form included in Appendix C to PSEG Long Island via email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com). The CDG Host shall comply with the CDG Procedures when completing this form, along with the additional requirements below.
- 5.3. The CDG Host may modify its CDG Savings Rate once every six months by giving notice to PSEG Long Island no less than 45 days before the CDG Host Account's cycle billing date to which the modifications apply, pursuant to section 6 below.
- 5.4. The CDG Host's subsequent allocation request will be effective with the first CDG Host billing period that commences at least 30 days after PSEG Long Island's receipt of a subsequently accepted Allocation Form.

## **6. CDG Savings Rate**

- 6.1. In its initial Allocation Form, submitted pursuant to provision 3.2 above, the CDG Host shall indicate the amount of the CDG Savings Rate applicable to the CDG project.
- 6.2. The CDG Savings Rate shall not be less than five percent, and must be incremented as whole percentages (*e.g.*, 5%, 6%, 7% and so forth).

- 6.3. The sum of the CDG Savings Rate and Administrative Fee Rate must not exceed 100 percent.
- 6.4. The Authority shall use the same CDG Savings Rate for all CDG Satellites subscribed to the CDG Host's project, except for the Anchor Satellite, if applicable.
- 6.5. The CDG Host may update the CDG Savings Rate no earlier than six months from the initial effective date of the CDG Host's enrollment in the Net Crediting Program and no earlier than six months from the effective date of any subsequent change. The CDG Host shall update the CDG Savings Rate by submitting a signed copy of Appendix C to PSEG Long Island via email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com).
- 6.6. The Authority will apply the project's CDG Savings Rate to all CDG Satellites' Applied Credits (excluding the Anchor Satellite, if applicable).
- 6.7. If a CDG Host submits an updated CDG Savings Rate as part of its CDG Allocation Request for Host Bank Allocated Credit, the Authority will apply this updated CDG Savings Rate for all Applied Credit, including Monthly Allocated Credit, for all CDG Satellites (excluding the Anchor Satellite, if applicable) for at least 6 months from the CDG Savings Rate effective date and until the CDG Host requests a subsequently updated CDG Savings Rate.

## **7. Anchor Satellite**

- 7.1. In each CDG Host billing month, the CDG Host may optionally designate one CDG Satellite utility billing account as an Anchor Satellite.
- 7.2. A CDG Satellite that is designated as an Anchor Satellite in a billing month will not participate in the Net Crediting Program and will have their credit directly applied to their Electric Bill in full.
- 7.3. The CDG Host may redesignate the Anchor Satellite once per CDG Host billing month by submitting an updated Allocation Form to PSEG Long Island no less than 45 days before the CDG Host Account's cycle billing date to which the modification applies.
- 7.4. At any given point in time, a CDG Host may have up to one Anchor Satellite.

## **8. Calculation of Applied Credit and CDG Subscription Fee**

- 8.1. A CDG Satellite's Applied Credit will be calculated each billing period, pursuant to the CDG Net Crediting Tariffs, to determine the portion of the Total Available Credit that offsets the CDG Satellite's Electric Bill in the billing period. A CDG Satellite's applied credit cannot exceed the amount of a CDG Satellite's Electric Bill during an individual billing period. The Authority shall use the Applied Credit as the basis to determine the CDG Subscription Fee.

- 8.2. The CDG Subscription Fee will be calculated based on each CDG Satellite's Applied Credit each billing period. The CDG Subscription Fee for each CDG Satellite is equal to the amount of the Applied Credit multiplied by a percentage equal to one minus the CDG Savings Rate. (e.g. If the savings rate is 5% the CDG Subscription Fee will equal 1 minus .05, or 95%)
- 8.3. The CDG Savings Rate applied to a CDG Satellite's bill will be the rate in effect for the CDG Satellite's bill period.
- 8.4. When a CDG Satellite is billed, the Authority shall apply a net credit to the CDG Satellite's Electric Bill equal to the Applied Credit less the CDG Subscription Fee.
- 8.4.1. For example:
- 8.4.1.1. A CDG Satellite has \$120 of Total Available Credit, a monthly Electric Bill of \$100, and the CDG Satellite is enrolled with a CDG Host whose CDG Savings Rate in effect of the time is 5 percent.
- 8.4.1.2. The Applied Credit equals \$100, i.e., the portion of the Total Available Credit which can offset the CDG Satellite's Electric Bill. The CDG Subscription Fee shall equal \$95 [ $\$100 \times (1 - .05)$ ], i.e. the Applied Credit multiplied by 1 minus the CDG Savings Rate.
- 8.5. The Authority will provide each CDG Satellite with the net credit on the CDG Satellite's Electric Bill.
- 8.5.1. Continuing the example above, the net credit applied to the CDG Satellite account is \$5 (i.e., 5% CDG Savings rate multiplied by the \$100 Applied Credit)
- 8.6. If the CDG Host identifies an Anchor Satellite, the Authority will not apply any CDG Savings Rate or CDG Subscription Fee to the Anchor Satellite's portion of the Applied Credit. An Anchor Satellite will thus receive 100% of the Applied Credit.
- 8.7. The CDG Host shall not charge Mass Market CDG Satellites any additional fee or otherwise require additional payment outside of the Net Crediting Program.

## **9. Payment to CDG Host**

- 9.1. The basis of the Authority's monthly payment to a CDG Host shall equal the CDG Subscription Fees less the Administrative Fee
- 9.1.1. The CDG Subscription Fee is calculated for each CDG Satellite,

excluding an Anchor Satellite (if applicable) pursuant to section 8 above

9.1.2. The Administrative Fee shall be calculated from the Applied Credits to CDG Satellites, excluding the Applied Credit to an Anchor Satellite.

9.1.2.1. For each Applied Credit to a CDG Host's CDG Satellites in a billing month (excluding the Applied Credit to an Anchor Satellite), the Administrative Fee shall equal the Applied Credit multiplied by the Administrative Fee Rate

9.1.2.2. The Authority shall use the Administrative Fee Rate set in the LIPA tariff, as approved by the LIPA Board of Trustees, and in effect when the CDG Subscription Fee is calculated.

9.1.2.3. The Administrative Fee Rate is initially set at 1% and may be updated by a resolution by the LIPA Board of Trustees from time to time.

9.1.2.4. Continuing the example in 8.4.1 above, if the Administrative Fee is 1 percent at the time the Authority calculates the Applied Credit, then the Administrative Fee shall equal \$1 (\$100 Applied Credit multiplied by Administrative Fee Rate of 1 percent). Therefore, the payment to the CDG Host by the Authority under the Net Crediting Program is \$89 (\$90 CDG Subscription Fee less \$1 Administrative Fee).

9.2. The payment by the Authority to the CDG Host will be in accordance with the Vender Registration Form (Appendix E) provided by the CDG Host in its initial application, or as may be amended.

9.3. The CDG Host may amend its Vendor Registration Form by completing a new Vendor Registration Form.

9.4. The payment by the Authority to the CDG Host shall be remitted within 30 days of the conclusion of the CDG Host's billing month.

9.5. The payment shall reflect the CDG Subscription Fees, less Administrative Fees, computed by the Authority in the CDG Host's billing month.

9.6. The Authority shall provide a statement in each billing month, to the CDG Host, which itemizes, by CDG Satellite, the CDG Subscription Fees net of Administrative Fees in the CDG Host payment for the billing month.

9.7. All calculations for the payment to the CDG Host will be made based on the CDG Savings Rate and Administrative Fee in effect at the time the CDG Satellite Applied Credit is rendered.

## **10. Unenrollment**

- 10.1. To unenroll from the Net Crediting Program, a CDG Host must complete and submit an updated CDG Host Certification Form.
- 10.2. The Authority will unenroll the CDG Host, and all its CDG Satellites, in the billing month that begins at least 45 days after submission of the request.
- 10.3. A CDG Host that unenrolls in from the Net Crediting Program shall be credited pursuant to LIPA's Tariff with the exclusion of Net Crediting Provisions.
- 10.4. A CDG Host may re-enroll in the Net Crediting Program pursuant to provision 3.11.

## **11. Removing CDG Satellites**

- 11.1. To unenroll a CDG Satellite from the Net Crediting Program, the CDG Host shall update its CDG Allocation Request for the disposition of Monthly Allocated Credit and shall not include the CDG Satellite that is removed from the project.
- 11.2. A former CDG Satellite that is removed from a CDG project (i.e., is no longer allocated credit) shall receive the full value of the Applied Credit, reflecting any remaining Value Stack credit from the preceding billing month that was carried forward to the current billing period, and without any CDG Subscription Fee being netted. The CDG Host formerly associated with the removed CDG Satellite will not receive a CDG Subscription Fee for such credits.
- 11.3. A former CDG Satellite with Total Available Credit from a prior CDG Host may not enroll with another CDG Host until the Total Available Credit is reduced to zero.
- 11.4. If a CDG Satellite account is closed or otherwise finalized, the Authority will indicate as such in the monthly CDG Host Statement provided to the CDG Host.

## **12. CDG Host Change of Ownership**

- 12.1. The CDG Host shall notify PSEG Long Island of any change in ownership of the CDG project or ownership structure at least 60 days prior to the effective date of the change.
- 12.2. For the purposes of the Net Crediting Program, the new owner or entity shall constitute a new CDG Host. The new owner or entity shall execute and submit all required payment documents listed in the enrollment documentation pursuant to section 3 above, at least 60 days prior to their effective date.
- 12.3. Failure to provide the new enrollment documentation at least 60 days prior to their effective date will result in CDG Satellite Accounts earning and receiving

no Applied Credits for the period until the 60 day pre-notification period has been satisfied.

### **13. Customer Care**

- 13.1. The Authority shall be responsible for resolving utility billing-related customer inquiries and complaints. In the case of customer inquiries to the Authority related to the CDG Host, the Authority will promptly provide customers the CDG Host's contact information.

## APPENDIX A

### NET CREDITING ENROLLMENT FORM/APPLICATION CHECKLIST

Project ID (assigned by PSEG LI during the project's interconnection): \_\_\_\_\_

Project Name: \_\_\_\_\_

Address: \_\_\_\_\_

CDG Host's PSEG LI Account Number (if available): \_\_\_\_\_

Contact Name, Phone Number and Email Address for questions: \_\_\_\_\_

The CDG Host shall submit the following documents, along with this checklist, to PSEG Long Island via email [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com). Once PSEG Long Island receives all completed forms, the 60 day Enrollment Period will begin. PSEG Long Island will notify the CDG Host via email upon receipt of all completed enrollment documents.

1. Checklist
2. Net Crediting Agreement – sign and date
3. CDG Host Certification Form
4. CDG Value Stack Subscriber Allocation Request – complete, sign and date;
5. Payment information
  - a. Vender Request Checklist.
  - b. Most recent IRS Form W-9
  - c. Voided check or Bank Letter

Project Name as it is to appear on CDG Satellites' bills: \_\_\_\_\_

Project Contact Phone Number to appear on CDG Satellites' bills: \_\_\_\_\_

## APPENDIX B

### NET CREDITING COMMUNITY DISTRIBUTED GENERATION HOST CERTIFICATION FORM

Please submit this form in by email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com) during the interconnection application. Subsequent allocation forms can be submitted by email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com).

#### Community Distributed Generation (CDG) Host Certification Form



Check one:

☐ Initial CDG Host Certification    ☐ Annual CDG Host Certification

- ☐ I certify that this CDG application will accept all terms and conditions as described in the tariff for Community Distributed Generation, as they may be amended or superseded from time to time.
- ☐ I certify that any CDG Satellite Accounts with demands of 25 kW or greater will receive, in aggregate, no more than 40 percent of the CDG Host's Excess Generation from the CDG project.
- ☐ I certify that each CDG Satellite Account must take a percentage of the generation output. The percentage must amount to at least 1,000 kWh annually and may not exceed the CDG Satellite account's historic average annual kWh usage over the past three years (or forecast usage if historic data is not available).
- ☐ I certify that all CDG Satellite Accounts will be in the same NYISO Load Zone as the CDG Host and located in the Company's service territory.
- ☐ I certify that the sponsor of this project will satisfy all obligations assumed with respect to Satellite Account owners (project members).
- ☐ To the best of my knowledge the information provided herein is accurate and no attempt has been made to misrepresent the facts.
- ☐ I will re-submit an Allocation Request to PSEG Long Island on an annual basis.
- ☐ I have informed all CDG Satellite Accounts that they will be considered a Value Stack customer and all Tariff for Electric Service regulations will apply as if the system was actually located at the CDG Satellite Account location.

Please print

Name of Applicant:	
Host PSEG Long Island Account Number:	
Signature:	
Date:	
Phone:	Email:

Affiliation to person responsible for account (check one)

- ☐ Owner                      ☐ Partner                      ☐ Agent [Attach documentation of authorization by Principal]
- ☐ Corporate Officer                      ☐ Other (specify) \_\_\_\_\_

Submit by email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com)



## APPENDIX C

### CDG NET CREDITING ALLOCATION REQUEST FORM

Please submit this form by email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com) during the interconnection application. Subsequent allocation forms can be submitted by email to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com).

	PSEGLI  Host Account # (10 digits)  xxx-xx-xxxx-x	PSEGLI  Satellite Account Number (10 digits)  xxx-xx-xxxx-x	PSEGLI  Account Name	Cust Rate Code	Distribution Percentage (Distribution cannot Exceed 100%)	CDG Savings Rate (Minimum 5%)	Anchor Customer Y/N
1					%	%	
2					%	%	
3					%	%	
4					%	%	
5					%	%	
6					%	%	
7					%	%	
8					%	%	
9					%	%	
10					%	%	
11					%	%	
12					%	%	
13					%	%	
14					%	%	
15					%	%	

*Additional Lines may be added if needed*

**APPENDIX D**  
**NET CREDITING AGREEMENT**

*Placeholder for Net Crediting Agreement.*

**APPENDIX E**  
**CDG HOST PAYMENT AUTHORIZATION**

A copy of PSEG Long Island's Vender Registration Form is attached here :

A completed copy of the form, with voided check or bank letter and W-9 form, should be emailed to [CommunityDistributedGeneration@pseg.com](mailto:CommunityDistributedGeneration@pseg.com) with reference to the CDG Host's Utility Account Number or project ID.

<b><i>PSEG - Non-PO Vendor Registration Form Rev. 2.2</i></b>			
<b>Business Reason*</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
<b><i>Remit to / Payment Information ( PI - 0004 )</i></b>			
<b>Company Name*</b> as written on your W9:	<div style="border: 1px solid black; height: 25px; width: 100%;"></div>		
<b>Payment Address*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<b>Phone No*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<b>City*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<b>Fax No:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<b>State Abreviation*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<b>Company Website:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<b>ZIP Code*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<i>* Phone and fax numbers must contain 10 digits with no characters or spaces.</i>	
<b>Company Primary Contact*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
<b>Primary Contact E-Mail*:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<b>Federal Tax Classification*</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<b>Fed Tax ID*: TIN # (XX-XXXXXXX)</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	or	<b>SS # (XXX-XX-XXXX)</b> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
****PLEASE NOTE****		<b><u>A Completed &amp; Signed W-9 form from the vendor is required with all new requests</u></b>	
<b>The below section is to be filled out by the PSEG requester.</b>			
<b>Company Code to Charge:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
<b>Estimated Annual Spend:</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
<b>Payment Terms:</b>	<div style="border: 1px solid black; height: 20px; width: 100%; padding: 2px;">PS01</div>	<i>Default: For NonPO vendors is PS01 (Pay Immediately)</i>	
<b>For Vendor Changes, or for Vendor Requalification of blocked vendors:</b>			
<i>Enter existing SAP vendor number(s) here:</i> <div style="border: 1px solid black; height: 20px; width: 150px; display: inline-block;"></div>			