

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

The Long Island Power Authority (LIPA) staff (Staff) proposes to modify LIPA's Tariff for Electric Service (the Tariff) effective January 1, 2022 to implement a Customer Benefit Contribution (CBC) Charge for all mass market customers who Substantially Interconnect on-site Distributed Generation (DG) using Net Energy Metering-eligible technology on or after January 1, 2022. The CBC charge will be a monthly charge that will vary by rate class and DG technology and so that DG customers make a contribution in support of LIPA's public benefit programs. This CBC Proposal aligns with the New York Public Service Commission (the Commission) *Order Establishing Net Metering Successor Tariff*, issued and effective on July 16, 2020¹ (Successor Order) and *Order Establishing Net Metering Successor Tariff Filings with Modifications*, issued and effective on August 13, 2021 (Successor Order with Modifications Order).²

Background:

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 (the VDER Transition Order)³, which formed the first phase of a plan to establish a new system for compensation of distributed energy resources based on the component values those resources provide to the electric grid (the Value Stack). In addition to establishing the Value Stack, the VDER Transition Order also established a number of transitional mechanisms to moderate the changeover from Net Energy Metering (NEM) to the Value Stack.

As part of the transition under the Successor Order, DPS Staff conducted an extensive stakeholder process through the Rate Design Working Group which included opportunities for submission of proposals and multi-stage evaluation of the various options that culminated in DPS Staff filing a Whitepaper on December 9, 2019. The Whitepaper included an analysis which identified the potential cost shift from on-site solar PV adopters using NEM to non-adopters. The Whitepaper made recommendations regarding a successor NEM tariff for on-site mass market projects and other eligible on-site resources sized at under 750 kW and detailed the stakeholder process used to develop those recommendations.

The Successor Order states that “the CBC will ensure that Phase One NEM customers contribute at an appropriate level to programs that create broad societal benefits, some of which many solar PV customers have themselves taken advantage of”⁴. The Successor Order with Modifications, further states that “Phase One NEM, with the addition of the CBC, balances the need to move

¹ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Establishing Net Metering Successor Tariff*, Issued and effective July 16, 2020.

² Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Establishing Net Metering Successor Tariff Filings with Modifications*, Issued and effective August 13, 2021.

³ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters*, Issued and effective March 9, 2017.

⁴ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Establishing Net Metering Successor Tariff*, Issued and effective July 16, 2020 pg. 24

compensation towards a more cost-based orientation with the importance of offering a simple and well-understood methodology to the Distributed Energy Resource industry.”⁵

Proposal:

Staff is proposing to implement a CBC Charge for all net metered on-site mass-market customers who install distributed generation using NEM-eligible technologies connected on or after January 1, 2022. The CBC Charge will assist in recovering revenues that support the Low Income Program, Utility Energy Efficiency and Electrification Programs, and the cost of contracted renewable energy, all of which are programs that net metered on-site mass-market customers would otherwise avoid.⁶ Customers will be billed the CBC Charge by multiplying the daily CBC Charge applicable to that customer’s rate class by the nameplate capacity rating in kW DC of the customer’s electric generating equipment. The customer-specific CBC Charge will be applied to each customer bill by multiplying the customer-specific CBC charge by the number of days in that bill. The CBC rate per day will be published on the Statement of Customer Benefit Contribution and will be updated annually on January 1 of each year to account for approved changes in public benefit program costs.

How the CBC is Calculated. The CBC calculation will first determine the amount collected for each public benefit program from customers in the separate service classes on a \$/kWh basis. The public benefit programs are limited to costs for the Low Income program, Utility Energy Efficiency and Electrification Programs, and the portion of LIPA’s renewable power costs not avoided when customers add onsite renewable generation. The Low Income program recovery is allocated based on delivery revenues in each service class. Recovery of the costs of the remaining programs are allocated based on budgeted kWh in each service class. The program recovery is summed for each service class and then divided by the budgeted kWh in that service class to establish the \$/kWh public benefit cost. The \$/kWh public benefit cost is then multiplied by the annual kWh production of 1kW system by technology; the solar value is based on the July 2020 Order⁷ and the values for the other technologies are based on the Order Regarding Value Stack Compensation for High-Capacity Factor Resources.⁸ Finally, the rate is converted to a daily charge by dividing by 365 days.⁹

⁵ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Establishing Net Metering Successor Tariff Filings with Modifications*, Issued and effective August 13, 2021 pg. 8

⁶ The CBC helps to fund contracted renewable power costs. However, because rooftop solar contributes to LIPA’s clean energy goals, LIPA lowers the CBC charge by the value of the renewable energy certificates (RECs), energy, and capacity associated with those contracts.

⁷ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Establishing Net Metering Successor Tariff*, Issued and effective July 16, 2020 pg. 29

⁸ Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources, Order Regarding Value Stack Compensation for High-Capacity Factor Resources*, Issued and effective December 12, 2019 pg. 8

⁹ CBC Charge Formula:

(Total Allocated Public Benefit Costs for each Service Classification) / (kWh per Service Classification) = \$/kWh Public Benefit Costs.
(\$/kWh Public Benefit Costs) * (Annual kWh production of **1 kW** System per Technology type) = Annual CBC per kW DC Installed Capacity.

Financial Impacts:

The CBC Charge will not change the total revenues recovered by LIPA. The revenues recovered through the CBC Charge will reduce the revenues recovered through base rates. The CBC Charge will reduce the cost shift of public benefit programs from those who do not install distributed generation to those that do. Customers who install distributed generation on or after January 1, 2022 will incur an additional charge on their bill based on the size of the system, the technology type and their service classification. Without the CBC, the affected costs would be recovered through higher base rates on all customers, which would primarily affect non-participating customers.

The implementation of the CBC Charge will cost \$150 thousand in capital expenditures to make updates to the billing system. There are no associated operational expense with the CBC Charge. The CBC Charge is estimated to collect \$272,000 in 2022.¹⁰ This assumes approximately 51,000 kW of DC capacity for mass market installations spread equally through the 12 months of the year. In 2023, the CBC Charge is estimated to collect \$815,000, which consists of the entire 51,000 kW installed in 2022 (\$544,000) plus the additional 51,000 kW added equally through the 12 months of 2023 (\$272,000).

Affected Tariff Leaves:

Revised Leaves: 6, 6B, 15, 34F-2, 100, 182, 182L, 186, 192, 195, 196E, 198, 201, and 279I

Original Leaf: 182R, 182S

Original Statement: Customer Benefit Contribution Charge

Summary of Proposed Changes:

Staff is proposing to implement the CBC Charge. This charge will be collected from all customers who install distributed generation on or after January 1, 2022 to recover costs that fund the specified public benefit programs.

¹⁰ This estimate is based on a forecast of Mass Market solar PV installations of 43,960 kW AC nameplate capacity in each of 2022 and 2023. The assumption is made that the installations occur evenly throughout the year.

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I. General Information (continued):**B. Abbreviations and Definitions (continued):
Customer or Consumer (continued):**11. Seasonal Customer

A Customer who applies for and receives electric service at intervals during the year, or at other irregular intervals.

12. Short-Term or Temporary Customer - Non-Residential

A Non-residential Customer who requires temporary service for no longer than two (2) years.

13. Short-Term or Temporary Customer - Residential

A Residential Customer who requires temporary service for no longer than one (1) year.

Customer-generator: A Residential or Residential Farm or Non-residential Customer of the Authority who owns and/or operates electric generating equipment. Customer-generators may be eligible for net metering. See definitions of Solar Electric Generating Equipment, Wind Electric Generating Equipment, Micro-Hydroelectric Generating Equipment, Micro-Combined Heat and Power (CHP) Generating Equipment, Fuel Cell Electric Generating Equipment, and Farm Waste Electric Generating equipment for further details.

Cycle Billing: Billing from the reading of meters on a regular interval. In general, there are twenty (20) business days in each month. Each business day is called a cycle and numbered. The cycle is the interval between that cycle number in the previous and current month. Each Customer's meter is read on or near the same cycle number every month or every other month.

D

Deferred Payment Agreement: A written agreement for the payment of outstanding charges over a fixed period of time.

Delinquent Customer: A non-residential Customer who has made two (2) or more late payments within the last twelve (12) months, or a residential Customer who has not paid a properly presented bill for electric service, either in full or an agreed-upon partial payment, by the "Pay by" date on the bill.

Delivery Service: The transmission and distribution of electricity to a Customer.

Delivery Service Revenues: Delivery Service Revenues include revenues based upon the rates and charges specified in Section VIII of the Tariff and the Customer Benefit Contribution Charge and exclude adjustments to rates and charges such as: the Power Supply Charge, Distributed Energy Resources Cost Recovery Rate, New York State Assessment Factor, Shoreham Property Tax Settlement Factor, Visual Benefits Assessment Rate, Charges to Recovery PILOT Payments, the Revenue Decoupling Mechanism, and the Undergrounding Charge.

Demand: Power requirements placed on the utility system by a Customer or group of Customers. It is expressed in kilowatts, kilovoltamperes, or any other suitable unit and averaged over a fifteen (15) minute period. (See *Power*)

1. Coincidental Demand

When the maximum demand of a Customer or Customers occurs at the same time as the maximum demand of all other Customers.

2. Noncoincidental Demand

When the maximum demand of a Customer or Customers does not occur at the same time as the maximum demand of all other Customers.

I. General Information (continued):**C. General Terms and Conditions (continued):
Net Metering (continued):**

- (a) At the conclusion of the billing period containing the twentieth (20) anniversary of the in-service date of an eligible Mass Market Project, eligible Commercial Demand NEM Project, or the twenty-fifth (25) anniversary of the in-service date of an eligible Large Onsite Project:
 - (i) The Authority will remove any remaining credits for net (excess) energy attributable to the project from the Customer's account.
 - (ii) The Authority will notify the Customer of the removal of credits and such notice will include a description of the subsequent compensation system to be applied.
 - (iii) Mass Market Projects, Commercial Demand NEM Projects, and Large Onsite Projects still in operation and injecting energy onto the Authority's electric system will be compensated under the tariff then in effect.
- (b) ~~(1) Mass Market Projects that become Substantially Interconnected on or after January 1, 2022 will be subject to the Customer Benefit Contribution (CBC) charge as described below in Section VII.L~~
- ~~(c) Notwithstanding any other provision of this Tariff and without waiving or limiting any of the Authority's other rights, the Authority reserves the right to alter the compensation structure for any Customer with Eligible Net Metering Technology that is Substantially Interconnected on or after January 1, 2020, as the Authority expects to take further action consistent with Phase Two of the New York Public Service Commission's Value of Distributed Energy Resources Proceeding on or around that date.~~

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill**1. Service and Rate Classifications

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

2. Adjustments to Rates

The Authority may adjust rates or bills periodically for:

- a) Changes in the Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, Undergrounding Charge, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment, ~~and~~ Distributed Energy Resources Cost Recovery Rate, and the Customer Benefit Contribution Charge and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- e) NYSERDA Loan Installment Charges, and
- f) Securitization Charges.

3. Applying Rate Changes to Customer's Bills

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

4. Backbillinga) Backbilling Conditions

- (1) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- (2) For Nonresidential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- (3) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**H. New York State Assessment:**

4. Application of the NYS Assessment Factor
 - a) The NYS Assessment factor will apply to the following customer bill components:
 - (1) Base Rates including the service and meter charges, energy charges (kWh),
 - (2) and demand charge (kW); and
 - (3) Power Supply Charge; and
 - (4) Visual Benefits Assessment (VBA), if applicable; and
 - (5) Distributed Energy Resources Cost Recovery Rate; and
 - (6) Shoreham Property Tax (SPT) Settlement factor if applicable; and
 - (7) Revenue Decoupling Mechanism; and
 - (8) Delivery Service Adjustment; and
 - (9) Securitization Offset Charge; and
 - (10) Securitization Charge; and
 - ~~(11)~~ Undergrounding Charge (UGC), if applicable;
 - ~~(11)~~~~(12)~~ Customer Benefit Contribution (CBC) Charge, if applicable; -and
 - ~~(12)~~~~(13)~~ Any "Charges for Miscellaneous Services".
 - b) Customers participating in the Long Island Choice program will be charged for the NYS Assessment as if they paid the Authority's charges for Bundled Service.
 - c) ESCOs participating in the LI Choice program will be charged for the NYS Assessment on any miscellaneous charges incurred under that program, but not for payments made or received from the Bill Credit Adjustment or the Power Supply Charge.
 - d) The NYS Assessment factor does not apply to Increase in Rates and Charges to Recover PILOT Payments.
5. Annual Reconciliation
 - a) Each year, the Authority will perform a reconciliation based on twelve months to recover any amounts under or over collected in the prior time period. Any difference will be added to the amount to be recovered in the following year.
 - b) If the Commission determines that the amount assessed to the Authority under Section 18-a for a fiscal year is different from the amount used by the Authority to establish the revenue factor, the revenue factor will be updated as necessary to allow the Authority to recover the full amount of the assessment above the amount reflected in the Authority's base rates.

ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:**J. Revenue Decoupling Mechanism
Definitions (continue):**

- a) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Revenue Decoupling Mechanism according to their base rate Service Classification.
- b) The Revenue Decoupling Mechanism does not apply to:
 - (1) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14.
 - (2) Service Classification Nos. 5, 7, 7A and 10 (Rate Codes 980, 780, 781, 782, 1580, 1581).
 - (3) Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278).
 - (4) All load delivered under the Empire Zone Program, Excelsior Jobs Program, Manufacturer's Competitiveness, Business Attraction/Expansion Program, Business Incubation, and Recharge New York Programs.
- c) Annual Approved Delivery Service Revenues subject to the Revenue Decoupling Mechanism are:

The Delivery Service Revenues approved by the Authority for each Service Classification for each month, starting on April 1st 2015. Delivery Service Revenues exclude adjustments to rates and charges which include ~~the:~~ ~~the~~ Power Supply Charge, Distributed Energy Resources Cost Recovery Rate, New York State Assessment Factor, Shoreham Property Tax Settlement Factor, Visual Benefits Assessment Rate, Charges to Recover PILOT Payments, the Revenue Decoupling Mechanism, the Delivery Service Adjustment, and the Undergrounding Charge.
- d) Revenues for the calendar year are set forth in the approved LIPA budget, and are revised each December for the upcoming calendar year.
- e) Actual booked Delivery Service Revenues are, for the purposes of Revenue Decoupling Mechanism, booked revenues for all Service Classifications for each month in the calendar year as it relates to the Service Charge, Meter Charge, Demand Charge (per kW), Reactive Demand Charge (per kvar), ~~and the~~ Energy Charge for delivery (per kWh) and the Customer Benefit Contribution Charge.

VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS: (continued):**L. Customer Benefit Contribution Charge****1. Purpose**

The purpose of the Customer Benefit Contribution (CBC) Charge is to recover funds that support public benefit programs from customers who install Distributed Generation. The Customer Benefit Charge will be distinguished by rate class, distributed generation technology, and method of compensation for net energy metering, and applied monthly to each eligible customer's bill.

2. Applicability

The following customers will be subject to the Customer Benefit Contribution (CBC) charge

- a) Mass Market Projects that become Substantially Interconnected on or after January 1, 2022

3. Calculation of Customer Benefit Contribution Charge

- a) The funds that are eligible for recovery through the Customer Benefit Contribution Charge include the expenditures for the Low Income Program Discounts (leaf 34B et. seq.), utility energy efficiency program costs, and the unavoidable renewable energy costs which are renewable energy costs minus a credit for capacity, energy, and market value of a Tier One Renewable Energy Credit (REC) and other costs as recommended by the Department of Public Service and approved by the LIPA .Board of Trustees.
- b) The eligible funds that are to be recovered will be attributed to rate classes based on the manner in which the corresponding charges are recovered, that is, on the basis of revenues or energy (kWh) as applicable.
- c) The eligible funds assigned to each rate class will be divided by the budgeted energy (kWh) in the year of recovery for that service class to establish a dollars-per-kWh (\$/kWh) public benefit cost.
- d) The annual \$/kWh public benefit cost will be multiplied by the annual kWh production by technology of a 1kW system, consistent with NY Public Service Commission Order in Case 15-E-0751 (Order Regarding Value Stack Compensation for High-Capacity Factor Resources), filed December 12, 2019, or subsequent Orders as may occur.
- e) The Customer Benefit Contribution Charge is then converted to a daily charge for each rate class and technology by dividing the annual \$/kW to be recovered by 365 days.

4. Billing the Customer Benefit Contribution Charge

Eligible customers will be billed the Customer Benefit Contribution Charge by multiplying the daily \$/kW rate from the Statement of Customer Benefit Contribution Charge for the Customer's applicable rate class and distributed generation technology, times the installed capacity of the eligible on-site Distributed Generation times the number of days on the bill.

5. Statement of Customer Benefit Contribution Charge

The Customer Benefit Contribution Charge applicable to each Service Classification, Distributed Energy Resource technology type, and method of Net Energy Metering compensation will be provided on the Statement of Customer Benefit Contribution Charge annually with an effective date of January 1. The Statement will be available at the Authority's business offices.

VIII. SERVICE CLASSIFICATIONS: (continued):**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):
(Rate Codes: 180, 480, 481, 580)
Rates and Charges per Meter (continued):**a) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

4. Minimum Charge - All Rate Codes

The Minimum Charge is the applicable Service Charge for each meter, plus Adjustments to Rates and Charges. Late Payments shall be subject to Late Payment Charges.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill.

6. Term of Service

The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

7. Special Provisions

VIII. SERVICE CLASSIFICATIONS (continued):**B. SERVICE CLASSIFICATION NO. 1-VMRP (L)****Voluntary Large Residential Service with Multiple Rate Periods (continued):****(Rate Codes: 181, 182, 184)****Rates and Charges per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

4. Minimum Charge - All Rate Codes

The minimum charge is the applicable Service Charge for each meter, plus Adjustments to Rates and Charges.

5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

6. Term of Service

The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

7. Special Provisionsa) Space Heating

The Space Heating Energy Charge (Rate 182) in B.3 above will apply for the following heating applications, provided:

- (1) The size and design of the Customer's heating and heat pump equipment meets the Authority's specifications, and
- (2) The Customer submits a signed Application for this provision and a signed Certificate of insulation compliance, if it applies, and
- (3) The electric resistance heater or heat pump (fireplaces, coal and wood stoves are excluded) supplies all of the heating requirements of the building and is permanently connected.

VIII. SERVICE CLASSIFICATIONS (continued):

C. SERVICE CLASSIFICATION NO. 1-VMRP(S)

Voluntary Small Residential Service With Multiple Rate Periods (continued):

(Rate Code: 188)

1. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are found below.

<u>All Rate Codes</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.4400	\$.4400
Meter Charge per day	\$.1300	\$.1300
<u>Rate Codes 188</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
<u>Daylight Savings Time*</u> 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$.0557	<u>Period 2</u> \$.0362
<u>Daylight Savings Time*</u> 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$.3526	<u>Period 4</u> \$.0981

* See Paragraph IV. A. 10. "Daylight Savings Time" on leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

2. Minimum Charge

The Minimum Charge is the Service and Meter Charges, plus Adjustments to Rates and Charges.

VIII. SERVICE CLASSIFICATIONS (continued):**C.1 SERVICE CLASSIFICATION NO. 1-VTOU****Voluntary Residential Service with Time of Use Rates (continued):****(Rate Code: 190, 191, 192, 193)****Rates & Charges Per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

7. Minimum Charge

The Minimum Charge is the Service Charge, plus Adjustments to Rates and Charges.

8. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late Payments shall be subject to Late Payment Charges.

9. Term of Service

- a) The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.
- b) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- c) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

10. Special Provisionsa) Service for Religious Purposes, Community Residences, or Veterans' Organizations

- (1) Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in A.1.a. above, may apply for a suitable non-residential service after a minimum term of one (1) year.
- (2) The transferring Customer shall submit a new Application to the Authority before the transfer, and the transfer will take place at the time of the Customer's next meter reading.

VIII. SERVICE CLASSIFICATIONS (continued):**D. SERVICE CLASSIFICATION NO. 2 - General Service – Small (continued):****(Rate Code: 280)****Rates and Charges per Meter (continued):**b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, Delivery Service Adjustment, and the Securitization Offset Charge.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

1. Minimum Charge

The Minimum Charge is the Service Charge for each meter, plus Adjustments to Rates and Charges.

2. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late payments shall be subject to Late Payment Charges.

3. Terms of Service

- a) The Authority will provide service to the Customer until service is terminated either by the Customer or the Authority.
- b) The Customer shall give the Authority five (5) days written notice when requesting termination of service.
- c) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.

4. Special Provisionsa) Corrective Equipment Requirements

When the installation includes welders, x-rays, or other apparatus having a highly fluctuating or large instantaneous demand, the Customer shall provide batteries, rotating equipment, or other corrective equipment to reduce the inrush current to an amount acceptable to the Authority.

b) Two-Phase Service

Two-phase service is no longer available. Any Customer receiving two-phase service under this Service Classification will continue to receive the service until other arrangements are made.

VIII. SERVICE CLASSIFICATIONS (continued):

**S. SERVICE CLASSIFICATION NO. 16- AMI
Advanced Metering Initiative Pilot Service (continued):
 (Rate Codes: M188, M288)**

1. Residential and Small General Service Time-Differentiated Pricing

Residential and Small General Service (rate codes 280 and 288) Customers participating in the Pilot Service will be charged the rates as stated below.

a) Schedule of Rates (Rate Code M188 and M288)

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.4400	\$.4400
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
	<u>Period 1</u>	<u>Period 2</u>
7 p.m. to 2 p.m. weekdays and all day Saturday and Sunday	\$.0575	\$.0575
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	\$.4092	\$.1454

All the terms and conditions will apply as described in the Customer's previous rate and Service Classification.

a) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

Each Customer's bill may be adjusted for the following additional charges:

- i) Customer Benefit Contribution Charge as identified in Section VII.L
- ii) Visual Benefit Assessment as identified in Section VII.G
- iii) Undergrounding Charge as identified in Section III.D

b) Minimum Charge

The Minimum Charge is the Service charge plus Adjustments to Rates and Charges.

Long Island Power Authority
Statement of Customer Benefit Contribution (CBC) Charge

**Applicable to Customers Eligible for Compensation by VDER Phase One NEM
with Installations after January 1, 2022
Daily Customer Benefit Contribution Rate (\$/ kW DC installed capacity)**

	Solar Photovoltaic, Land-based Wind, and Small Hydro-Electric	Micro-CHP, Fuel Cell, and Farm Digester
<u>Service Classification</u>		
Residential	\$0.0292	\$0.1767
Small Commercial	\$0.0300	\$0.1816

Rates shown above are exclusive of all other applicable Statements.

<u>Service Classification</u>	Rate Codes
Residential	180, 181, 182, 184, 188, 190, 191, 192, 193, 480, 481, 580
Small Commercial	280, 288, 292