

GENERAL INFORMATION

11. Recharge New York ("RNY") Power Program

Chapter 60 (Part CC) of the Laws of 2011 created the Recharge New York ("RNY") Power Program and under the RNY Power Program, NYPA is authorized to, among other things, allocate and sell up to 910 megawatts ("MW") of RNY Power to customers as provided for in Public Authorities Law § 1005(13-a) and Economic Development Law § within the entire service territory.

RNY Power currently consists of:

- (i) 455 MW of certain firm hydroelectric power (i.e. capacity and energy) from the Niagara and Saint Lawrence hydroelectric projects; and
- (ii) 455 MW of power (i.e. capacity and energy) procured by NYPA through market sources, or supplied by the Company or an ESCO.

Such implementation is conditioned upon entry by the Company and NYPA into a "Recharge New York Agreement" and upon the physical availability of RNY Power. Eligibility of individual customers is also conditioned upon compliance with the Eligibility Criteria described below

ELIGIBILITY

Effective July 1, 2012:

- A. A customer otherwise qualifying under Service Classification Nos. 2, 3, 7 or 11 that has met the requirements of the Economic Development Power Allocation Board ("EDPAB"), together with all additional approvals pertaining to such recommendation, that pursuant to Chapter 60 (Part CC) of the Laws of the New York Laws of 2011, qualifies the customer to receive an allocation of RNY from NYPA, and remain in compliance with any applicable requirements therein; and
- B. A customer receiving an RNY allocation that has received or receives an economic delivery rate pursuant to the Excelsior Jobs Program (EJ), shall choose between the economic development incentive and RNY delivery discount for which they qualify. Only one delivery discount shall be applied to a specific portion of the customer's load. The customer shall make a one-time election and provide its election to the Company in writing. If the customer fails to provide the Company with its written one-time election, the customer shall default to the EJ delivery rates. Choosing the EJ delivery rate shall not alter the supply load factor sharing described below.
 1. If a customer that is participating in the EJ incentive and has a baseload elects to receive the EJ delivery rate, the customer shall receive the RNY delivery discount on the baseload up to their designated RNY allocation.
 2. If a customer that is participating in the EJ incentive and does not have a baseload elects to receive the EJ delivery rate, the customer shall receive the EJ incentive delivery rate on their entire load and shall not receive the RNY delivery discount.
 3. A customer that is participating in the EJ and elects to receive the RNY Program delivery discounts shall receive the RNY Program delivery discounts on their entire RNY allocation and shall receive the EJ delivery rate on any qualified load above the RNY allocation.

A customer that elects to receive the EJ delivery rate shall automatically revert to receiving the RNY Program delivery discount if the EJ delivery rate is, or becomes, the same as standard service classification rates. If the EJ delivery rate becomes lower than the standard service classification rates, the customer's election of the EJ delivery rate shall be reinstated.

If a customer participating in the EJ Program does not receive its annual certification from ESD in any year they are participating in the EJ Program, the customer shall automatically revert to receiving the RNY Program delivery discount until such customer receives its certification from ESD for the EJ Program.

- C. If a customer receiving service under this Special Provision has a demonstrated financial need, such customer shall be eligible to combine the RNY delivery discount with any other economic development incentive or flexible tariff rate, term or condition under Service Classification Nos. 13 and 14 for the same portion of the customer's load. Simply qualifying for a RNY Program allocation and another economic development program is not sufficient showing of financial need for the purpose of combining delivery rate discounts on the same portion of a customer's load. A customer that qualified for a RNY Program allocation and received another economic development incentive prior to March 18, 2013, shall be grandfathered under this Rule.

NYPA shall give the Company not less than 30 days written notice prior to the requested effective date of any of the following events: (a) initial communication of a RNY allocation; (b) a change in the amount of a RNY allocation previously reported to the Company; and (c) a termination of a RNY allocation. The change to the RNY Power Allocation billing shall become effective with the next full billing period that is practicable after the notification of the change, except for customers receiving a Power for Jobs allocation whose RNY allocation becomes effective on July 1, 2012; these customers shall receive their RNY benefits starting on July 1, 2012. A change to a delivery point shall be handled as a termination of a RNY allocation to the current delivery point and an enrollment of a RNY Allocation to the new delivery point.

Service under this provision is available to customers approved by EDPAB, subject to the partial or complete withdrawal of such allocation by NYPA or the EDPAB, in the event the customer fails to maintain mutually agreed upon terms of their contracts. Service under this provision shall be available to qualified customers for the duration that such an allocation, specifically designated for the purpose of the RNY Power Program, is made available through NYPA.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Binghamton, New York

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Billing:

- a. The customer's "RNY Contract Demand" shall be the level of demand specified in the customer's RNY allocation approved by NYPA. The RNY allocation is comprised of 50% firm hydroelectric power (i.e. capacity and energy) from the Niagara and Saint Lawrence hydroelectric projects, and 50% market power (i.e. capacity and energy). The market power can be supplied by NYPA or the customer's supplier for electricity in accordance with the Supply Service Options set forth in General Information Section 25.
- b. Delivery
 - i. The customer's RNY allocation shall be subject to the Delivery Charges listed within the customer's Service Classification and the Transition Charge (Non-Bypassable Charge ["NBC"]).
 - ii. The customer's RNY allocation shall be exempt from paying the System Benefit Charge. The customer's RNY allocation shall be exempt from the Revenue Decoupling Mechanism ("RDM") Adjustment (as described in General Information Section 7.). The RNY allocations shall be subject to the DCFC Surcharge for a period of one year as described in Rule 43.
- c. Supply

The non-NYPA supplied load shall be billed at the ESCO Supply Service rate or the NYSEG Supply Service rate of the customer's Service Classification. A customer eligible to take supply service from NYPA pursuant to Rule 45 of this schedule may elect such service in lieu of supply from an ESCO or the Company.

Demand Exceeding the RNY Contract Demand:

To the extent that a customer's maximum billing demand (maximum metered demand for S.C. No. 11), for the current month exceeds its RNY Contract Demand, the customer's billing determinants shall be allocated between NYPA and the Company or the ESCO as described below in the section denominated "Load Factor Sharing."

Load Factor Sharing:

For customers receiving a portion, but not all, of their electric requirements pursuant to a RNY allocation, the Company shall apply a billing algorithm, the Billing Determinant Ratio ("BDR"), to identify, for the purposes of billing delivery charges, the load eligible for the RNY program pursuant to Chapter 60 (Part CC) of the Laws of 2011 and the load considered non-RNY load.

Determination of Billing Demand and Energy:

For the purposes of this procedure, Billing Demand and Energy shall be determined in accordance with the customer's Service Classification, for S.C. No. 11 Standby customers maximum metered demand shall be used. The RNY Contract Demand shall not be prorated for billing periods less than 25 days or longer than 35 days.

Demand:

- A. Calculate the BDR which is used to allocate the present month's Billing Demand (maximum metered demand for S.C. No. 11) and Energy between RNY and Non-RNY. The BDR's numerator is the RNY Contract Demand and the BDR's denominator is the greater of:
 1. the maximum Billing Demand for the current month, the maximum metered demand for S.C. No. 11,
 2. the value (size in kW) of the RNY Contract Demand.The calculated value shall then be greater than zero and less than or equal to 1.0.

ISSUED BY: Joseph J. Syta, Vice President, Controller and Treasurer, Rochester, New York

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Demand: (cont’d)

- B. Calculate the RNY Billing Demand. The RNY Billing Demand is the mathematical product of the BDR and the current month's Billing Demand, the maximum metered demand for SC No. 11.
- C. Calculate the non-RNY Billing Demand. The non-RNY Billing Demand is the difference between the Billing Demand (maximum metered demand for SC No. 11) for the billing period and the RNY Billing Demand from step B, above.

Energy:

- A. Calculate RNY Energy. RNY Energy is the mathematical product of the BDR and total energy consumption, consumption by peak and off-peak, or consumption by hour as applicable.
- B. Calculate non-RNY Energy. Non-RNY Energy is the difference between total energy consumption, consumption by peak and off-peak, or consumption by hour as applicable and RNY Energy from step A, above.

Capacity:

When the Company develops installed capacity (“ICAP”) requirements for RNY Power Program participants, the Company shall derive them on an individual basis at the time of the monthly NYCA peak date and time. When hourly data is not available, the appropriate service class profile will be used to determine the customer’s capacity responsibility. A new capacity responsibility amount will be established for each customer each April, to be effective on or after May 1. The ICAP requirement for the RNY Power portion of the total ICAP requirement for each Program Participants shall be split based on the demand at the NYCA peak.