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# NY Net Energy Metering (NEM) Successor

On August 13, 2021 the Public Service Commission issued an *Order Adopting Net Metering (NEM) Successor Tariff Filings with Modifications* (Case 15-E-0751). This order applies to certain customers installing on-site renewable energy projects after January 1, 2022 and establishes the Customer Benefit Contribution (CBC) charge to be paid by these customers.

## What is the Purpose of the CBC?

The CBC is designed to recover certain public benefit program costs from NEM customers for key programs that aid low-income customers and fund energy efficiency and clean energy programs.

## Which Customers will be Charged the CBC?

Certain customer-generators that qualify for Phase One NEM per Rule 40 of the Company's PSC 220 Tariff and that interconnect on or after January 1, 2022 will be subject to the CBC. This includes on-site, non-demand customers installing PSL Section 66-j eligible technologies.

For customers with eligible generation paired with energy storage, the CBC is established based solely on the nameplate capacity of the generation resource and will not include the nameplate capacity of the storage system.

Customers who opt into the value stack will also pay a reduced CBC.

Starting December 1, 2026, some existing behind the meter projects may be subject to a Customer Benefit Contribution (CBC) if system modifications are made.

- Your project will be treated as a new system (and will be subject to CBC) if you replace key parts of your existing system. This applies if both of the following are replaced (even if done at different times):
  - The main energy producing equipment (which includes either solar panels, wind turbines, fuel cells, or battery modules); and
  - The inverter(s) that convert that energy for use.
- If both components are replaced, your system will be considered new for CBC purposes.
- If you are only adding more capacity (for example, installing additional panels or equipment) and not replacing the existing system components identified above, your project is not considered a new system and would not be subject to CBC under this rule.

## How Will the CBC Be Calculated?

The CBC will be calculated by multiplying the nameplate DC capacity of the eligible generator times the CBC rate in effect at the time of billing. The CBC rate will be established each year at least 15 days in advance of the January 1 effective date and is listed on the Company's rate pages at: https://www.nationalgridus.com/Upstate-NY-Business/Rates/rate-statements. For example, a residential SC1 customer with a 5 kWdc solar system would pay $4.40/billing cycle in 20222 ($0.88 CBC charge times 5 kWdc). The CBC charge will be determined each year according to the methodology outlined in the Company's tariff. Therefore, the amount a customer pays will change each year based on the new CBC rate, yet will remain constant each month of the calendar year.

## How Long Will the Customer be Charged the CBC?

The CBC charge will apply for the duration of when the Customer-Generator's distributed generation project remains in service on Phase One NEM. Note that Phase One NEM compensation is currently set for 20 years. Once the compensation term under Phase One NEM ends, projects still in operation and injecting energy into the Company's electric system will be compensated under the tariff then in effect. The Public Service Commission may make future rulings regarding the applicability of the CBC once a project's Phase One NEM compensation period expires.

## Where Can I Find the CBC Charge On My Bill?

The CBC charge will be listed in the Delivery Section of the Customer's bill for applicable customers starting with the January 2022 bill cycle or the first bill cycle after the generator achieves interconnection, whichever is later.

## Where Can I Find More Information?

- Rule 40.1.8 of the Company's **PSC 220 Tariff**
- Department of Public Service **Case 15-E-0751**
- Submit an Inquiry using the "Contact Us" function at: https://ngus.force.com/s/
- NYSERDA has a recorded webinar on the CBC. Please see the November 16, 2021 Stakeholder Meeting Update at: https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Resourcesfor-Contractors