

Components and Eligibility for the VDER Value Stack Phase Two

Overall eligibility: On-site DG >750 kW; Remote Net Metered and Community DG of any size; excludes CHP

Effective 06/01/2019 for projects that qualified¹ for Value Stack after 07/26/2018

		Definition	Description	Units	Eligibility
Supply	LBMP	Location Based Marginal Pricing	Energy volumetric credit Day ahead LBMP	\$/MWh	All Value Stack-eligible projects
	ICAP - Alt 1	Installed Capacity	Volumetric credit applied to production in all hours, equivalent to the value of avoided capacity leveled over expected PV production	\$/kWh	All intermittent resources ²
	ICAP - Alt 2		Volumetric credit concentrated during 240 or 245 weekday non-holiday summer afternoon hours, from 2 PM until 7 PM June 24 through August 31	\$/kWh for 240 or 245 summer hours	All intermittent resources
	ICAP - Alt 3		Volumetric credit based on exports of power coincident with prior summer NYCA peak load	\$/kW-month coincident prior summer peak	Required for dispatchable resources ³ Optional for intermittent resources
	REC	Renewable Energy Credit	Environmental Credit Higher of NYSERDA REC price or Social Cost of Carbon	\$/kWh	Solar PV, Hydro, Wind, Tidal, Biomass ⁴ , Fuel Cell ⁵
Distribution	DRV	Demand Reduction Value	Proxy for distribution value of DER based on avoided Marginal Cost of Service (MCOS) Available for export in 4 hour window during summer non-holiday weekdays between June 24 and September 15. Window assigned during interconnection.	\$/kWh	All Value Stack-eligible projects
	CC	Community Credit	Designed to incentivize Community Distributed Generation	\$/kWh	Community DG Satellite accounts Solar PV, Fuel Cell, micro-Hydroelectric, and Wind
	LSRV	Locational System Relief Value	Incentive for high value areas based on “stretch” of MCOS. Credited for minimum average hourly export during each event.	\$/kW-event	For customers in high value areas, as long as MW Cap has not been reached

¹ Qualification based on date of payment of at least 25% of interconnection costs, or date of executed interconnection agreement if payment is not required

² Intermittent resources include: Solar (Photovoltaic), Wind, and Micro-hydroelectric

³ Dispatchable resources include: Farm Waste Generation, Biomass, Tidal Power, Fuel Cells, Micro-CHP, and Paired Energy Storage

⁴ Eligibility for RECs for Biomass generation depends on the fuel source – please see [NYSERDA guidelines](#)

⁵ Fuel Cells are only eligible for the Environmental Credit if they qualified before August 13, 2019

Components and Eligibility for the VDER Value Stack Phase One

Overall eligibility: On-site DG for demand-billed customers of any size; Remote Net Metered and Community DG of any size; excludes CHP

Effective 11/01/2017 for projects that qualified¹ for Value Stack between 07/18/2017 and 07/26/2018

		Definition	Description	Units	Eligibility
Supply	LBMP	Location Based Marginal Pricing	Energy volumetric credit Day ahead LBMP	\$/MWh	All Value Stack-eligible projects
	ICAP - Alt 1	Installed Capacity	Volumetric credit applied to production in all hours, equivalent to capacity portion of utility retail rates	\$/kWh	All intermittent resources ²
	ICAP - Alt 2		Volumetric credit concentrated during 460 summer afternoon hours	\$/kWh for 460 summer hours	All intermittent resources
	ICAP - Alt 3		Volumetric credit based on exports of power coincident with prior summer NYCA peak load	\$/kW-month coincident prior summer peak	Required for dispatchable resources ³ Optional for intermittent resources
	REC	Renewable Energy Credit	Environmental Credit NYSERDA REC or cost of carbon	\$/kWh	Solar PV, Fuel Cell, Hydro, Wind, Tidal, Biomass ⁴
Distribution	DRV	Demand Reduction Value	Proxy for distribution value of DER based on avoided Marginal Cost of Service (MCOS)	\$/kW-yr coincident	All; if eligible for MTC, DRV is included in MTC
	MTC	Market Transition Credit	Designed to bring compensation close to NEM, to bridge the transition from NEM to Value stack Credits decline for new projects over time as tranches fill	\$/kWh	Portion of CDG exports that go to mass market customers only (SC1 and SC2) Solar PV, Fuel Cell, micro-Hydroelectric, and Wind
	LSRV	Locational System Relief Value	Incentive for high value areas based on “stretch” of MCOS	\$/kW-yr	For customers in high value areas, as long as MW Cap has not been reached

¹ Qualification based on date of payment of at least 25% of interconnection costs, or date of executed interconnection agreement if payment is not required

² Intermittent resources include: Solar (Photovoltaic), Wind, and Micro-hydroelectric

³ Dispatchable resources include: Farm Waste Generation, Biomass, Tidal Power, Fuel Cells, Micro-CHP, and Paired Energy Storage

⁴ Eligibility for RECs for Biomass generation depends on the fuel source – please see [NYSERDA guidelines](#)