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October 2, 2026

The Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: Niagara Mohawk Power Corporation d/b/a National Grid
Filing of Rate Schedule 23 to NYISO Open Access Transmission Tariff
Docket No. ER27-___-000

Dear Secretary Reese:

Pursuant to Section 205 of the Federal Power Act ("FPA")[1] and Part 35 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations,[2] the New York Independent System Operator ("NYISO"), as administrator of the NYISO Open Access Transmission Tariff ("OATT"), submits via eTariff on behalf of Niagara Mohawk Power Corporation d/b/a National Grid ("NMPC")[3] amendments to the NYISO OATT. The proposed amendments reflect the addition of a new Rate Schedule 23 to provide for NMPC's recovery of costs associated with the provision of Wholesale Distribution Service ("WDS") to customers who own a generator or an electric energy storage system ("Energy Storage Resource") connected to NMPC's distribution system and that export energy, or charge an Energy Storage Resource, for purposes of making wholesale sales through the NYISO-administered wholesale markets.

The proposed WDS rates have been developed for each year remaining in the current NMPC retail rate plan approved by the New York State Public Service Commission ("NYPSC")[4] and are based on the underlying revenue requirement for each respective Rate Year, after adjustments. The NMPC retail rate plan is currently in Rate Year 2, which ends March 31, 2027. Rate Year 3 begins April 1, 2027, and ends March 31, 2028. Post Rate Year 3 begins April 1, 2028, if a new rate plan is not in effect at that time, and will continue until a new rate plan is in effect. Consistent with the approach approved by the Commission for other New York utilities,[5] NMPC intends to file updated WDS rates whenever a new rate plan becomes effective to update the underlying revenue requirement upon which WDS rates are based.

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[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. Part 35 (2025).

[3] NYISO submits this filing on behalf of NMPC solely in its role as administrator of the NYISO OATT. The burden of demonstrating that the proposed tariff amendments are just and reasonable rests with NMPC, the sponsoring party. NYISO takes no position on any substantive aspect of this filing at this time. Capitalized terms not otherwise defined herein shall have the meaning specified in the NYISO OATT.

[4] *See* Order Adopting Terms of Joint Proposal and Establishing Rate Plans, *Proceeding on Motion of the Commission as to the Rates, charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a National Grid for Electric Service* in NYPSC Case 24-E-0322 (Aug. 14, 2025) ("NYPSC Retail Rates Order").

[5] *See, e.g.*, *Consolidated Edison Co. of New York, Inc.*, 184 FERC ¶ 61,189 at P 31 (2023) (finding use of NYPSC-approved rates as a basis for determining WDS rates to be reasonable); *Central Hudson Gas & Electric Corp.*, Docket Nos. ER24-1434-001, et al. (Oct. 17, 2025) (delegated order accepting settlement proposal to file updated WDS rates each time Central Hudson's NYPSC rates change).

NMPC respectfully requests that the Commission accept the tariff record submitted with this filing, to become effective on December 2, 2026, so that the proposed WDS tariff provisions and rates may be implemented consistent with the underlying Rate Year revenue requirements.

I. BACKGROUND

A. Description of Filing Party

NMPC is a Commission-regulated public utility company organized and operated under the laws of the State of New York. It provides electric service to approximately 1.7 million customers and natural gas service to over 540,000 customers in upstate New York. NMPC owns and operates transmission facilities in New York—all of which are subject to the operational control of the NYISO—as well as local distribution facilities. NMPC recovers its transmission revenue requirements pursuant to formula rates under the NYISO OATT[6] and recovers costs related to the provision of local distribution service in New York pursuant to its state retail tariff, which is approved by and on file with the NYPSC.[7]

Direct and indirect subsidiaries of National Grid USA are engaged in: (i) electric transmission under Commission jurisdiction in New York, Massachusetts, Vermont, and New Hampshire;[8] (ii) electric distribution to residential, commercial, and industrial customers in New York and Massachusetts; and (iii) the distribution of natural gas to residential, commercial, and industrial customers in New York and Massachusetts. These various subsidiary companies operate and maintain power lines, substations, and/or natural gas distribution facilities; provide metering, billing, and customer service; design and build electric and/or gas facilities; and provide related products and services, including administering energy efficiency programs for customers. National Grid USA is also affiliated with entities that own, operate, or control qualifying facilities, distributed generation, behind-the-meter solar, and other renewable generating capacity.

NMPC is the only National Grid USA subsidiary that owns or operates electric transmission and distribution facilities in New York. National Grid USA also indirectly owns four New York generation subsidiaries: (1) National Grid Generation LLC, (2) National Grid Glenwood Energy Center LLC, (3) National Grid Port Jefferson Energy Center LLC, and (4) National Grid Generation Ventures, LLC. The energy and capacity of these public utility subsidiaries on Long Island are wholly committed to the Long Island Power Authority under long-term contracts.

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6 *See* NYISO OATT, Attachment H (Sections 14.1.9 and 14.2.1).

7 *See* P.S.C. No. 220, *Schedule for Electric Service* ("P.S.C. No. 220 Electricity Tariff").

8 National Grid's electric transmission facilities in New York and New England are under the operational control of the NYISO and ISO New England Inc., respectively.

B. Commission Order Nos. 841 and 2222

The Commission's Order No. 841, issued February 15, 2018, directed regional transmission organizations ("RTOs") and independent system operators ("ISOs") under the Commission's jurisdiction to remove barriers to the participation of electric storage resources, including those interconnected to distribution facilities, in wholesale markets.[9] Importantly, the Commission determined in Order No. 841 that wholesale purchases and sales by electric storage resources (*i.e.*, for charging and discharging) must be at the applicable wholesale rate regardless of which participation model the electric storage resource uses to participate.[10] In response to concerns raised by parties regarding the use of distribution systems for such transactions, the Commission pointed to previous cases permitting a distribution utility to assess a wholesale distribution charge when an electric storage resource participates in wholesale markets, and explained that it may be appropriate for distribution utilities to assess similar charges.[11] The Commission accepted the NYISO's proposed Order No. 841 compliance changes effective August 26, 2020.[12]

Subsequently, on September 17, 2020, the Commission issued Order No. 2222, which aimed to remove barriers to the participation of distributed energy resources ("DERs") in wholesale markets.[13] To address these barriers, Order No. 2222 required each RTO and ISO under the Commission's jurisdiction to implement tariff revisions to establish DER aggregators as a type of market participant that can register under one or more DER Participation Model programs contained in the RTO/ISO tariff that accommodate the physical and operational characteristics of each DER aggregation.[14] The Commission accepted the NYISO's tariff amendments in compliance with Order No. 2222 with a flexible effective date of no later than December 31, 2026.[15]

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[9] *Elec. Storage Participation in Mkts. Operated by Reg'l Transmission Orgs. & Indep. Sys. Operators*, Order No. 841, 162 FERC ¶ 61,127 (2018), *order on reh'g*, Order No. 841-A, 167 FERC ¶ 61,154 (2019), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 964 F.3d 1177 (D.C. Cir. 2020).

[10] Order No. 841 at P 289.

[11] *See id.* at P 35 n.56. *See also id.* at PP 296, 301.

[12] *See New York Indep. Sys. Operator, Inc.*, Docket No. ER19-467-005 (Oct. 23, 2020) (delegated order accepting August 26, 2020 as the effective date for the NYISO to implement its Energy Storage Resource participation model in compliance with Order No. 841); *New York Indep. Sys. Operator, Inc.*, Docket No. ER19-467-006 (Oct. 23, 2020) (delegated order accepting further revisions to the NYISO OATT in compliance with Order No. 841). The Commission accepted additional tariff amendments in Docket Nos. ER20-1696-000 and ER20-2113-000 comprising the NYISO's Energy Storage Resource participation model.

[13] *Participation of Distributed Energy Resources Aggregations in Mkts. Operated by Reg'l Transmission Orgs. & Indep. Sys. Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on rehearing*, Order No. 2222-A, 174 FERC ¶ 61,197, *order on rehearing*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021). The Commission defined DERs to include "any resource located on the distribution system, any subsystem thereof or behind a customer meter." Order No. 2222 at P 114.

[14] Order No. 2222 at P 6.

[15] *See New York Indep. Sys. Operator, Inc.*, Order on Compliance Filing, 179 FERC ¶ 61,198 (Jun. 17, 2022) (accepting, subject to a further compliance filing, the NYISO's proposed tariff revisions submitted on July 19, 2021, as amended on November 19, 2021); *New York Indep. Sys. Operator, Inc.*, 183 FERC ¶ 61,035 (Apr. 20, 2023) (accepting, subject to further compliance filings, the NYISO's proposed tariff revisions submitted on November 14, 2022); *New York Indep. Sys. Operator, Inc.*, Docket No. ER21-2460 (Jul. 21, 2023) (delegated letter order accepting the NYISO's tariff revisions submitted on May 22, 2023); *New York Indep. Sys. Operator, Inc.*, Docket No. ER21-2460 (Oct. 31, 2025) (delegated letter order accepting the NYISO's tariff revisions submitted on October 20, 2023, April 22, 2024, October 21, 2024, December 19, 2024, and August 13, 2025). On July 30, 2026, the Commission granted an April 15, 2026 request from

In 2019, prior to the issuance of Order No. 2222, the NYISO proposed to establish a comprehensive DER and Aggregation participation model. Those tariff revisions, proposed in Docket No. ER19-2276-000, were accepted by the Commission in January 2020.[16] In 2023, the NYISO submitted proposed enhancements to its 2019 DER and Aggregation participation model in Docket No. ER23-2040-000.[17] Those proposed enhancements, which complement the market rules applicable to DERs and Aggregations and promote implementation of the 2019 DER and Aggregation participation model, were accepted by the Commission effective April 16, 2024.[18]

The reforms directed by Order Nos. 841 and 2222 are anticipated to encourage the development of a significant quantity of electric storage resources and other DERs that will interconnect to utilities' distribution systems and also will participate directly or indirectly in the NYISO wholesale markets, including the NYISO-administered energy, capacity, and ancillary services markets. Rate Schedule 23 proposed herein will enable NMPC to provide the WDS necessary to facilitate these resources' participation in the NYISO wholesale markets via distribution facilities owned by NMPC, consistent with Order Nos. 841 and 2222.

Rate Schedule 23 establishes new wholesale distribution export service delivery rates and wholesale distribution charging service delivery rates for NMPC. The export rates are in recognition of the right of distribution utilities to assess a "wholesale distribution charge" to generators and eligible Energy Storage Resources for the use of the distribution system to export power for sale to the wholesale market.[19] The charging rates are in recognition of the right of distribution utilities to assess a "wholesale distribution charge" to Energy Storage Resources for their charging load.

NMPC's proposed WDS rates are consistent with basic principles of cost causation as they appropriately charge generators and Energy Storage Resources that require service over NMPC's distribution system to participate in wholesale markets in a manner commensurate with the benefit those resources receive.[20] Absent assessment of the WDS rates as described in proposed Rate Schedule 23, the costs associated with eligible generators and Energy Storage Resources' use of—and associated benefit from—NMPC's distribution facilities would instead inappropriately be borne by NMPC's retail customers. Implementation of Rate Schedule 23 will avoid this unjust result and instead enable NMPC's delivery revenues from WDS rates to be deferred and returned to retail delivery customers in the future.

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the NYISO for an extension of the effective date until April 30, 2027, to allow it time to implement necessary software functionalities. *New York Indep. Sys. Operator, Inc.*, 196 FERC ¶ 61,076 (2026).

16 *New York Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,033 (2020).

17 *See New York Indep. Sys. Operator, Inc.*, Docket No. ER23-2040-000 (filed June 1, 2023).

18 *New York Indep. Sys. Operator, Inc.*, 187 FERC ¶ 61,022 (2024).

19 *See* Order No. 841 at P 296; Order No. 2222 at P 62.

20 *See BNP Paribas Energy Trading GP v. FERC*, 743 F.3d 264, 267 (D.C. Cir. 2014) (citing *KN Energy, Inc., v. FERC*, 968 F.2d 1295, 1300 (D.C. Cir. 1992), for the cost causation principle that all approved rates "reflect to some degree the costs actually caused by the customer who must pay them"). *See also Consolidated Edison Co. of New York, Inc.*, 184 FERC ¶ 61,189 at P 33 (finding assessment of WDS rates based on the type of distribution facilities to which customers interconnect and the amount of wholesale distribution service provided is consistent with the principle of cost causation).

C. NYPSC Orders

1. Dual Participation of DERs in the Wholesale Market

To facilitate implementation of Order Nos. 841 and 2222, NMPC, Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc. ("Con Edison"), New York State Electric & Gas Corporation, Rochester Gas & Electric Corporation, and Orange and Rockland Utilities, Inc. (collectively, the "Joint Utilities") filed changes to their state retail tariffs on September 30, 2022 (the "September 30 Filings"), to accommodate the "dual participation" of DERs in the retail and wholesale markets. The changes proposed in the September 30 Filings modified each of the Joint Utilities' retail tariffs to allow customers with DERs to participate in the wholesale markets administered by the NYISO, noting that any such customers would be required to take service under the Joint Utilities' FERC-jurisdictional WDS tariffs.[21] The NYPSC approved the September 30 Filings on March 17, 2023, and the changes proposed therein went into effect on July 1, 2023.[22]

2. NMPC Retail Rate Plan

NMPC currently has a three-year retail rate plan in effect that has been approved by the NYPSC.[23] The revenue requirements for each applicable year of the rate plan form the basis for the revenues to be recovered from customers taking WDS, subject to the removal of certain costs that NMPC believes are not properly recovered from WDS customers. These costs include transmission costs, as well as NMPC energy efficiency budget costs and energy efficiency labor costs, as discussed further herein.

3. Standby Rate Orders and Tariffs

Additionally, the Joint Utilities each submitted draft tariff amendments to the NYPSC on July 14, 2022, to implement updated Standby and Buyback Service rates, among other changes. Standby Rates compensate a utility for being available in case a customer's on-site distributed generation does not fully offset a customer's load, and generally apply to two types of customers: (1) customers that normally fully supply their own power through on-site generation but maintain a connection to the electric grid for service during generator failure or maintenance; and (2) customers that supply part of their own power through on-site generation but frequently supplement it with electricity supplied through the electric grid.[24] Buyback Rates, in contrast, compensate the utility for the generator's use of the distribution system to export its power for sale to the utility.[25] For NMPC, Buyback Rates are specific to sales of export power under the NMPC Service Classification No. 6 included in NMPC's retail tariff.

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[21] *See* Order Approving Tariff Modifications, *In the Matter of the Federal Energy Regulatory Commission (FERC) Order Nos. 2222 and 841, to Modify Rules Related to Distributed Energy Resources*, NYPSC Case 22-E-0549, at 2 (March 17, 2023).

[22] *Id*. at 14.

[23] *See* NYPSC Retail Rates Order at 1, 9 (noting approval and three-year term).

[24] *See* Order on Standby and Buyback Service Rate Design and Establishing Optional Demand-Based Rates, *In the Matter of the Value of Distributed Energy Resources*, NYPSC Case 15-E-0751, at 6-7 (May 16, 2019).

[25] *See id.* at 7-8. NMPC implemented Buyback Service as of January 24, 2025. *See* Order Approving National Grid Tariffs, *In the Matter of the Value of Distributed Energy Resources*, NYPSC Case 15-E-0751 (Nov. 19, 2024).

The retail tariff amendments submitted by the Joint Utilities on July 14, 2022, were filed in compliance with the NYPSC's Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rate and Energy Storage Contract Demand Charge Exemptions ("Standby ACOS Order")[26] and Order Directing Standby and Buyback Service Tariff Filings ("Standby Rates Order").[27] The Standby Rates Order required the Joint Utilities to amend their Standby and Buyback Rates to incorporate rates designed using the Allocated Cost of Service ("Standby ACOS") methodology adopted in the Standby ACOS Order.[28] The NYPSC Standby Rates Order approved these amendments to NMPC's state retail tariff, subject to subsequently satisfied further compliance measures.[29]

In issuing its approval in the NYPSC Standby Rates Order, the NYPSC undertook a comprehensive review of the relevant rates, terms, and conditions of service provided over NMPC's distribution system, including changes to the same necessary to facilitate the WDS contemplated by this filing. NMPC has further complied with the allocation methodology specified in the Standby ACOS Order and rate design requirements of the Standby Rates Order when developing Standby and Buyback Rates in its current NMPC Retail rate plan, upon which the proposed WDS rates are based. NMPC requests that the Commission consider proposed Rate Schedule 23 filed herewith in light of the NYPSC Standby ACOS Order and Standby Rates Order as well as its approval of NMPC's calculation methodology for its Standby and Buyback rates in the current NMPC retail rate plan and afford this filing a measure of deference commensurate with the NYPSC's endorsement. The Commission has previously recognized that deference to the NYPSC is appropriate with respect to determining rates for WDS provided by public utilities that also have retail distribution rates.[30] NMPC respectfully requests that the Commission find such deference is similarly appropriate here.

II. DESCRIPTION OF PROPOSED WHOLESALE DISTRIBUTION SERVICES TARIFF

A. Rate Structure

Proposed Rate Schedule 23 will enable NMPC to provide WDS to generators and Energy Storage Resources interconnected to NMPC's distribution system that seek to participate in the wholesale markets. The tariff language proposed for inclusion in Rate Schedule 23 clarifies the eligibility of customers connected to NMPC's distribution system to participate in these markets. Pursuant to proposed Section 6.23.3 of Rate Schedule 23, WDS will be available to any NMPC customer who (i) owns an electric generator, including an electric Energy Storage Resource, that is connected to NMPC's distribution system, with such designation to be determined in accordance with the Commission's seven-factor test as reflected in Order No. 888; (ii) proposes to engage in wholesale

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[26] *See* Order Establishing an Allocated Cost of Service Methodology for Standby and Buyback Service Rates and Energy Storage Contract Demand Charge Exemptions, *In the Matter of the Value of Distributed Energy Resources*, NYPSC Case 15-E-0751 (March 16, 2022) ("Standby ACOS Order").

[27] *See* Order Directing Standby and Buyback Service Tariff Filings, *In the Matter of the Value of Distributed Energy Resources*, NYPSC Case 15-E-0751 (March 16, 2022) ("Standby Rates Order").

[28] *Id*. at 2.

[29] *See* Order Approving National Grid Tariffs, *In the Matter of the Value of Distributed Energy Resources*, NYPSC Case 15-E-0751 (Nov. 19, 2024).

[30] *See Consolidated Edison Co. of New York, Inc.*, 15 FERC ¶ 61,174, at 61,405 (1981).

energy sales and other market transactions; and (iii) signs a separate agreement with NMPC for the interconnection and parallel operation of its generator(s), including Energy Storage Resource(s).

Under proposed Rate Schedule 23, eligible customers with a generator or Energy Storage Resource using NMPC distribution facilities to export energy to NYISO-administered wholesale markets will pay NMPC for the provision of service over NMPC's facilities necessary to facilitate that export of energy ("Wholesale Distribution Export Service").

Under proposed Rate Schedule 23, eligible customers with an Energy Storage Resource charging to sell through the NYISO-administered wholesale markets will pay NMPC for the provision of service over NMPC's facilities necessary to facilitate charging of the Energy Storage Resource ("Wholesale Distribution Charging Service"). Consistent with the Commission's prior deference to the NYPSC with respect to WDS rates, the rates for NMPC's Wholesale Distribution Export Service and Wholesale Distribution Charging Service have been established in accordance with the Standby ACOS allocation methodology (also referred to as the Standby ACOS "Decision Tree Methodology") as approved in the NYPSC Standby Rates Order, and the current NMPC rate plan, with appropriate modifications as further described herein.[31]

Proposed Rate Schedule 23 contemplates that the total revenue requirement for each year as specified in NMPC's NYPSC-approved retail rate plan will be recovered by the WDS rates, after certain adjustments. NMPC's Standby ACOS Study—as used in the development of NMPC Standby and Buyback Rates in the current retail rate plan, which follows the methodology in the NYPSC-approved Standby ACOS Order—will be used to determine the cost allocations for the proposed NMPC WDS rates. As explained in the testimony of Carol Teixeira, Manager, NY Electric Pricing for National Grid, which is provided as Attachment E to this filing ("Teixeira Testimony"), NMPC also prepares an Embedded Cost of Service ("ECOS") Study as the preliminary step in developing its electric retail rates.[32] The ECOS Study apportions NMPC's total revenue requirement among the retail service classes served by NMPC and provides functionalized, classified, and class-allocated cost elements broken out by FERC account.[33]

The Standby ACOS Study uses the results of the ECOS Study to allocate the costs into "customer," "shared," and "local" cost components in accordance with the Standby ACOS Order.[34] The Standby ACOS Study further maps these costs on a FERC account basis for customers by service class at the Secondary, Primary, Sub-transmission, and Transmission voltage delivery levels.[35] The Standby ACOS Study's allocation of shared versus local costs provides the basis for the revenue requirements

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[31] NMPC anticipates proposing updates to its WDS rates pursuant to FPA Section 205 in response to future NYPSC decisions that impact the underlying rates used to establish the WDS rates. *See Consolidated Edison Co. of New York, Inc.*, 184 FERC ¶ 61,189 at P 31 (finding use of NYPSC-approved rates as a basis for determining WDS rates to be reasonable); *see also* Sections 6.23.6 and 6.23.7 of Rate Schedule 23 (noting that rate will be revised periodically to reflect changes in the costs and billing determinants of NMPC's distribution facilities).

[32] *See* Teixeira Testimony at 3:10-16; 5:22-23.

[33] *See id.* at 5:23-6:3. NMPC's retail service classes are assigned based on customer requirements and include SC1, SC1C, SC2 Non-demand, SC2 Demand, SC3, and SC3A. Service classes SC3 and SC3A are further delineated by voltage delivery service level (*i.e.*, Secondary, Primary, and Sub-transmission/Transmission). *See id.* at 6:4-13.

[34] *See id.* at 8:15-17.

[35] *See id.* at 6:16-22.

associated with the As-Used Daily Demand Charges (shared costs) and the Contract Demand Charges (local costs) in NMPC's Standby Rate design. These same charge components are used for the WDS rate design.

The WDS rates do not include transmission costs in the ECOS Study. To identify the transmission costs to be removed from the WDS rate, a tailored Standby ACOS Study (the "Standby ACOS Study – WDS") is developed in the same manner as the original study for the retail rate plan, but with the costs from the ECOS Study that are apportioned as "transmission demand" removed (*i.e.*, set to $0). A percentage is derived from the resulting total costs of the two studies and applied to the Total Revenue Requirement under the retail rate plan, resulting in a total revenue requirement net of transmission costs. The Customer, Shared, and Local cost percentages resulting from the Standby ACOS Study - WDS are used in the development of the WDS rates.

In addition, the NMPC energy efficiency budgets and energy efficiency labor that is presently embedded in the Total Revenue Requirement of the current retail rate plan is also removed when developing WDS rates, as these costs are not expected to be recovered from WDS customers. The NYPSC has specified that these costs should no longer be included in the retail revenue requirement beginning with utilities' next retail rate plans.[36] Removing both the transmission costs and the NMPC energy efficiency budget and labor costs results in a final net revenue requirement to be used for the WDS rates.

The net revenue requirements of each rate component are blended and divided by the respective billing determinants to develop rates based on voltage delivery service level, rather than parent service class. As such, the Wholesale Charging Service Rate is calculated for customers at the Secondary, Primary, Sub-transmission, and Transmission voltage delivery service levels for each retail Rate Year.

B. Wholesale Distribution Export Service

The Standby ACOS Study also identifies costs to be excluded for buyback customers. The resulting Customer, Shared, and Local cost allocations with these buyback exclusions are similarly used to develop the WDS Export rates in the same manner as described above for the WDS Charging rates.

The rate components of NMPC's Wholesale Distribution Export Service, as described in proposed Section 6.23.5.1, are the same rate components as the NMPC Buyback Rates approved in the NYPSC Standby Rates Order. The rate components include a customer charge and a Buyback Contract Demand charge, which is relabeled for WDS as the Minimum Demand Charge.

Section 6.23.5.1.1.7 lists the technology types and sizes for which customers participating in the Wholesale Value Stack may be exempted from WDS Export rates. Consistent with targeted exemptions

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[36] *See* Order Authorizing Non-low- To Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030, *In the Matter of a Comprehensive Energy Efficiency Initiative* in NYPSC Case 18-M-0084, at 122-126 (May 15, 2025); *see also* Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030, *In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios* in NYPSC Case 25-M-0248 (May 15, 2025); Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030, *In the Matter of the 2026-2030 Low- to Moderate Income Energy Efficiency and Building Electrification Portfolio* in NYPSC Case 25-M-0249 (May 15, 2025).

adopted in the Standby Rates Order,[37] Section 6.23.5.1.1.8 also specifies that customers with stand-alone energy storage systems exporting to NYISO may be exempt from the Minimum Demand Charge for a period of 15 years following their in-service date, if they have paid the 25 percent interconnection deposit or signed an interconnection agreement by December 30, 2030.

C. Wholesale Distribution Charging Service

The rate components of NMPC's Wholesale Charging Service, as described in proposed Section 6.23.5.2, are the same rate components as the NMPC Standby Rates approved in the NYPSC Standby Rates Order. The rate components include a customer charge, the As-Used Daily Demand Charges (*i.e.*, As-Used On-peak Daily Demand and As-Used Super-peak Daily Demand[38]), Contract Demand Charges, and if applicable, a Reactive Demand Charge.

Proposed Section 6.23.5.2.1 sets forth the requirements for determining each customer's Contract Demand. Proposed Section 6.23.7 specifies the monthly rates customers with Energy Storage Resources charging to sell through the NYISO-administered wholesale markets will pay to NMPC.

D. Proposed Rate Schedule 23 is Just and Reasonable

As discussed above, proposed Rate Schedule 23 reflects rates, terms, and conditions of service developed based on those already determined to be reasonable and approved for inclusion in NMPC's state retail tariff in compliance with the NYPSC Standby Rates Order. The Commission has previously found that deferring to the NYPSC's findings regarding the rate calculations underlying the determination of WDS rates satisfies the Commission's regulatory responsibility under the FPA, while also serving "the ends of comity and administrative efficiency, and . . . foster[ing] parity of rates between customers."[39] The interest in ensuring parity between customers is particularly acute in the case of WDS, as distribution-connected customers may well be engaging in both retail and wholesale transactions, and thus providing services regulated by both New York State and the Commission.

Given the close connection between the state- and Commission-regulated transactions in which generators and Energy Storage Resources may engage, the involvement of industry participants in the review of the amendments to NMPC's state retail tariff reviewed in the NYPSC Standby Rates Order proceeding, and the extensive record developed by the NYPSC regarding rate design issues relating to services provided by distribution-connected resources, it is appropriate for the Commission to defer to the findings of the NYPSC here.[40]

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[37] *See* Standby Rates Order at 13 (exempting eligible Energy Storage Resources from paying Buyback Contract Demand Charges for a 15-year period following the in-service date of the installation).

[38] During the summer months of June through September, the Super-peak As-Used Daily Demand charge will be based on the sum of a customer's maximum daily demands during the Super-peak period of 1 p.m. to 6 p.m. on weekdays, excluding holidays. The On-peak period during the same summer months will be 8 a.m. to 1 p.m. and 6 p.m. to 10 p.m. on weekdays, excluding holidays. For the remaining months of the year, the On-peak As-used Daily Demand Charge will be based on the sum of the maximum daily demands during the On-peak period of 8 a.m. to 10 p.m. on weekdays, excluding holidays. *See* NYPSC Standby Rates Order at 35-36.

[39] *Consolidated Edison Co. of New York, Inc.*, 15 FERC ¶ 61,174 at 61,406.

[40] *See Consolidated Edison Co. of New York, Inc.*, 184 FERC ¶ 61,189 at P 34 (finding that NYPSC vetting of update to WDS rates constituted "an extensive and detailed public review process").

Additionally, proposed Rate Schedule 23 is modeled, in part, on Attachment O to Con Edison's OATT, which contains the rates, terms, and conditions of Con Edison's existing WDS,[41] and Schedule 21 of the NYISO OATT, which contains the rates, terms, and conditions of Central Hudson's existing WDS.[42] Modeling Rate Schedule 23 on these existing and approved tariffs is just and reasonable, as doing so adopts a Commission-accepted mechanism for calculating and assessing the costs associated with the provision of WDS that also satisfies the requirements of Order Nos. 841 and 2222.

D. REQUESTED WAIVERS AND SERVICE

NMPC respectfully requests that the Commission accept the tariff record for proposed Rate Schedule 23 submitted with this filing, to become effective on December 2, 2026, to allow the proposed WDS tariff provisions and rates to be implemented consistent with the underlying Rate Year revenue requirements.

To the extent that waivers of any applicable requirements in 18 C.F.R. § 35.13 are necessary, NMPC respectfully requests such waivers. Good cause exists for waiver, as the Commission has previously allowed applicants to file inputs and methodology derived from NYPSC-approved rates as support for WDS tariff filings determined by those same NYPSC-approved rates.[43] The WDS rates proposed herein are based on the calculation methodologies, revenue requirements, and billing determinants reviewed and approved by the NYPSC first in the NYPSC Standby Rates Order[44] and more recently in NMPC's current NYPSC-approved rate plan. As a result, a grant of waiver would be consistent with Commission precedent for filings of this nature.[45] NMPC also requests a waiver of any other applicable requirement of Part 35 or other Commission regulations for which a waiver is not specifically requested, if necessary, in order to permit this filing to become effective as proposed.

NMPC has served a copy of this filing electronically on the New York State Public Service Commission and on the NYISO. NMPC has confirmed with the NYISO that a complete copy of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO has also informed NMPC that it will send an electronic link to this filing to the official representative of each of its customers and to each participant on its stakeholder committees.

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[41] *See Consolidated Edison Co. of New York, Inc.*, Docket No. ER09-1499-000 (Sept. 1, 2009) (delegated order).

[42] *See Central Hudson Gas & Elec. Corp.*, Docket No. ER24-1434-004 (Feb. 2, 2026) (delegated letter order accepting proposed Rate Schedule 21).

[43] *See, e.g.*, *Consolidated Edison Co. of New York, Inc.*, Docket No. ER14-1419-000 (Apr. 17, 2014) (delegated order); *Consolidated Edison Co. of New York, Inc.*, Docket Nos. ER24-760-000, *et al.* (Mar. 7, 2024) (delegated order).

[44] *See Consolidated Edison Co. of New York, Inc.*, 184 FERC ¶ 61,189 at P 34 (approving WDS rate filing premised on similar support).

[45] The Commission has previously allowed data derived from NYPSC-approved rates to be provided as cost support for amendments to WDS tariffs. *See, e.g.*, *id.* at P 36 (granting Con Edison's request for waiver of 18 C.F.R. § 35.13). Cost support information for this filing is set out in the NYPSC Orders provided as Attachments B, C, and D and in the WDS workpapers included as Exhibits to the Teixeira Testimony in Attachments E and F.

E. DOCUMENTS INCLUDED IN THIS FILING

In addition to this transmittal letter, NMPC submits the following in support of this filing:

Attachment A: Clean Version of Proposed Rate Schedule 23 to Be Effective December 2, 2026[46]

Attachment B: NYPSC Standby ACOS Order

Attachment C: NYPSC Standby Rates Order

Attachment D: NYPSC Retail Rates Order

Attachment E: Prepared Direct Testimony and Exhibits of Carol Teixeira

Attachment F: Excel Files in Support of Exhibits for Each Rate Year

NMPC WDS Allocation & Rate Design RY2

NMPC WDS Allocation & Rate Design RY3

NMPC WDS Allocation & Rate Design Post RY3

NMPC Standby ACOS Decision Tree(S) – Adjusted

[46] A redlined version of NMPC's proposed Rate Schedule 23 to be effective December 2, 2026, is not required as this will be the initial filing of Rate Schedule 23.

F. CORRESPONDENCE AND COMMUNICATIONS

All notices, correspondence, and communications regarding this filing should be directed to the following individuals:[47]

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G. CONCLUSION

For the reasons set forth above, NMPC respectfully requests that the Commission approve the tariff record for proposed Rate Schedule 23 submitted with this filing, to become effective on December 2, 2026.

Respectfully submitted,

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[47] NMPC respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) to allow NMPC to include additional representatives on the official service list.