DG Gas Rates & KeySpan-Sponsored Pilot Programs

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Distributed Generation Gas Rates

- Keyspan a pioneer in developing DG / CHP firm gas rates to encourage on-site power generation.
  - In NYC, S.C. 4A
  - On Long Island, S.C. 15, Rate 260
- Discounted firm transportation rates designed for economic CHP for CUSTOMERS!

New York State Encouraging DG/CHP

- Former NYSERDA President Bill Flynn becomes NYS-PSC Chairman - Feb. 2003
  - February 2003 - NYS Renewable Portfolio Standard Initiated
  - March 2003 - Con Edison Electric Standby Proceeding Delayed
  - **April 2003 - DG Gas Rate Proceeding Initiated**

  (Case 02-M-0515)
  - May 2003 - Electric Disincentive Investigation Proceeding Initiated
  - December 2003 - New Interconnection Standard Proposed

New NYS-PSC DG Rates

- Ordered all NYS gas utilities for baseload DG sales service. (Case 02-M-0515)
- New rates effective January 1, 2004.
- Rates based upon season and size of DG system.

Details on New DG Rates

- Three rate structures
  - Rate 1 - Less than 1 MW
  - Rate 2 - 1 MW but less than 5 MW
  - Rate 3 - 5 MW but less than 50 MW
- Seasonal firm transportation pricing

  April through October - slightly lower
  - November through March - slightly higher, reflecting higher gas demand in Winter months.

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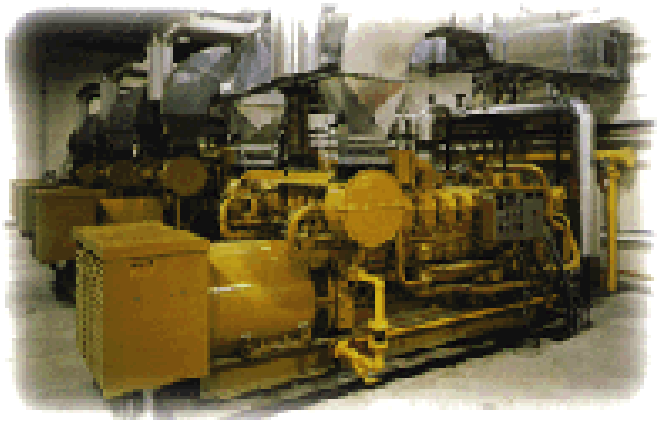
KeySpan NY Rates

- In NYC, applicable DG Customers may choose
  - SC 4A…or
  - SC 21
    - Rate 1
    - Rate 2
    - Rate 3



- On Long Island, applicable DG Customers may choose
  - SC 15 Rate 260...or
  - SC 17
    - Rate 1
    - Rate 2
    - Rate 3

KeySpan's DG Pilot Programs

- Feasibility Study Pilot
  - All Well-Designed & Running CHP plants start with a good Feasibility Study.
  - Cost Shared with the Customer. Must get customer buy-in.

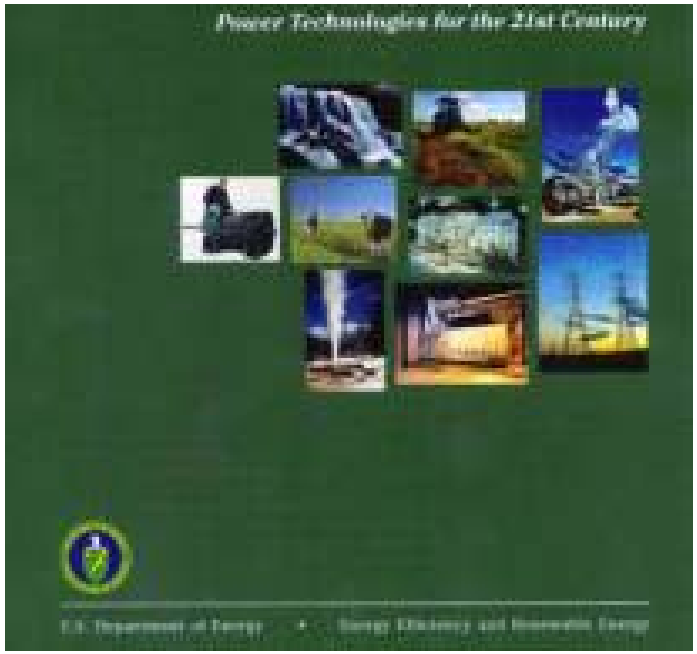
Partnered with Energy Concepts

- DG Diner Initiative
  - 24/7 Diners
  - Large DHW Load
  - Good Load Factor

Partnered with PowerCold Corporation for a 35 kW Rotary Gen-Set

Current DG Impediments

- Stringent local interconnect requirements, especially for synchronous generators in electrical network systems.
- Reasonable & effective implementation of CHP systems.
  - Require standardized, approved "Plug & Play" Systems, to reduce installation costs.

KeySpan's DG Partners

- **NYSERDA**
- **Gas Technology Institute**
- **American Gas Association**
- **U.S. Department of Energy**
- **Distributed Power Coalition of America**
- **NYS-CHP Council**
- **Energy Solutions Center**