

(I) THE EXISTING FACILITIES' INSTALLED GENERATING CAPACITY AS OF JANUARY 1, 1999;

(II) THE GENERATING CAPACITY OF AN EXISTING FACILITY TO BE INSTALLED UNDER A LEGALLY BINDING CONTRACT:

1. EXECUTED ON OR BEFORE JANUARY 1, 1999; OR

2. EXECUTED ON OR BEFORE SEPTEMBER 29, 1999, IF THE COMMISSION, ON A CASE BY CASE REVIEW OF THE EVIDENCE, DETERMINES THAT NEGOTIATIONS IN GOOD FAITH CONCERNING THE CONTRACT WERE ONGOING AS OF JANUARY 1, 1999; OR

(III) FOR A FACILITY WITH A CAPACITY OF 500 KILOWATTS OR LESS:

1. THE FIRST 80 MEGAWATTS OF THE AGGREGATE STATEWIDE GENERATING CAPACITY OF ON-SITE GENERATING FACILITIES;

2. THE GENERATING CAPACITY OF THE FACILITY IF THE FACILITY:

A. IS INSTALLED BETWEEN JANUARY 1, 2000 AND DECEMBER 31, 2003;

B. DERIVES ELECTRICITY FROM FUEL CELLS, PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

C. HAS AN ENERGY CONVERSION EFFICIENCY GREATER THAN 40%; OR

3. THE GENERATING CAPACITY OF THE FACILITY IF THE FACILITY:

A. IS INSTALLED AFTER JANUARY 1, 2004;

B. DERIVES ELECTRICITY FROM FUEL CELLS, PHOTOVOLTAICS, WIND MACHINES, OR MICROTURBINES; AND

C. HAS AN ENERGY CONVERSION EFFICIENCY GREATER THAN 50%.

(B) THE COMMISSION SHALL DETERMINE THE TRANSITION COSTS AND THE AMOUNTS OF THE TRANSITION COSTS THAT AN ELECTRIC COMPANY SHALL BE PROVIDED AN OPPORTUNITY TO RECOVER UNDER ITS RESTRUCTURING PLAN THROUGH THE COMPETITIVE TRANSITION CHARGE OR OTHER APPROPRIATE MECHANISM.

(C) (1) AFTER JULY 1, 1999, AN ELECTRIC COMPANY MAY APPLY TO THE COMMISSION FOR A QUALIFIED RATE ORDER FOR SOME OR ALL OF ITS TRANSITION COSTS.

(2) IF THE COMMISSION ISSUES A QUALIFIED RATE ORDER AND THE TRANSITION BONDS APPROVED BY THAT ORDER ARE SUCCESSFULLY ISSUED: