



# Approval to Amend Tariff and Business Rules – Interconnect Rate

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# Interconnect Rate

## **BACKGROUND**

On December 18, 2020 the PEC Board approved changes to the interconnection rates with an effective date of January 1, 2022.

## **REASON**

- PEC received feedback from our members of some parts of the rate that were not clear on how the charges would be applied as well as potential inequities within the proposed rate design. PEC had our rate consultant perform additional analysis to refine the rate design.
- Staff proposes clarifications to the language and modifications to the rate design that would make the rate changes easier to understand and respond to the price signals while still recovering the cost to serve in an equitable and reasonable manner.

# Interconnect Rate

## **PROPOSAL**

- Clarify the summer and non-summer time periods when the Peak Demand Charge will be captured
- Change the Peak Demand Charge from a 15-minute demand to an hourly demand
- Clarify the Transmission Cost of Service Charge, per kW, can be a credit
- Clarify language in the Transmission Cost of Service Charge, per kW, about when the Transmission Cost of Service Charge, per kW, will be captured
- Change the name of the Net Energy Credit to Base Power Credit for clarity
- Change the name of the Interconnected Generation Rate from Interconnect Net Metering Rate to Interconnect Net Billing Rate for clarity since the rate will no longer use net energy as a billing determinant

# Interconnect Rate

## **TARIFF AMENDMENTS**

- Power Factor Adjustment Section 300.14.10 – Effective upon Board Approval
- Primary Service Adjustment (PSA), Section 500.1.11– Effective upon Board Approval
- Transmission Cost of Service (TCOS) Charge, per kWh, Section 500.1.9.1 – Effective upon Board Approval
- Transmission Cost of Service (TCOS) Charge, per kW, Section 500.1.9.2 – Effective upon Board Approval
- Primary Service Adjustment (PSA), Section 500.1.11 – Effective upon Board Approval
- Peak Demand Charge, Section 500.1.7 – Effective January 1, 2022
- Net Energy Credit, Section 500.1.13 – Effective January 1, 2022
- Interconnect Net Billing Rate, Section 500.3.1 – Effective January 1, 2022
- Interconnect Wholesale Energy Rate, Section 500.3.2 – Effective January 1, 2022

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## **Member Communications**

- COSS documents and examples for Interconnect rates – April 2021
- Rates webpage update – April 2021
- Member Correspondence notice and FAQs – April 2021
- Smart Hub Calculator – May 2021
- WebEx Open House – May 2021
- Member Correspondence, follow up – October 2021
- Optional second WebEx Open House – November 2021



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