



Approval to Amend Tariff and Business Rules – Annual Interconnect Rate Update

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Sustainable Power Credit Rate

Background

- All Members with distributed generation (DG) less than 50 kW receive the Sustainable Power Credit for all surplus generation delivered to PEC's distribution system
- The Sustainable Power Credit is calculated from the 3-year average avoided cost of the following:
 - Energy Cost
 - Ancillary Service Cost
 - Transmission Cost
 - Other if applicable

Sustainable Power Credit Rate

Proposed Rate Change

- Update the Sustainable Power Credit from \$0.053778 to \$0.060005 per kWh of Received Energy

Item	2018	2019	2020	2021	3-Year Average 2018-2021	3-Year Average 2019-2022
Avoided Energy Costs	\$ 56.85	\$ 88.80	\$ 41.32	\$ 69.48	\$ 62.31	\$ 66.53
Avoided Ancillary Services Costs	\$ 2.49	\$ 5.36	\$ 1.85	\$ 14.51	\$ 3.17	\$ 7.24
Avoided Transmission Costs	\$ 18.14	\$ 19.59	\$ 21.17	\$ 19.59	\$ 18.63	\$ 20.11
Avoided Capacity or Demand Costs	\$ -	\$ -	\$ -		\$ -	\$ -
Avoided Distribution Costs	\$ -	\$ -	\$ -		\$ -	\$ -
Avoided Regulatory Costs	\$ -	\$ -	\$ -		\$ -	\$ -
Value of Distributed Generation	\$ 77.48	\$ 113.74	\$ 64.34	\$ 103.58	\$ 84.11	\$ 93.89
Sustainable Power Credit (\$/kWh)					\$ 0.053770	\$ 0.060005

Sustainable Power Credit Rate

Financial Impact

- Impact to a specific member will depend on usage patterns
- Members should see an increase in payments of \$0.006235 per kWh of Delivered Energy
- Current number of members (as of November 1st):
 - Residential – 8,392 members
 - Small Power – 70 members

Proposed Tariff Amendment

- Update Section 500.1.12, Sustainable Power Credit

Proposed Implementation Timeline and Details

- Send member notice via bill message on February's bill
- Effective for all bills issued on and after March 1, 2023

PEC Helpful Links and Rate Contact Information

PEC Document Center -

Includes Rate Policy, Cost of Service Studies, recent rate related Board items

<https://www.pec.coop/about-us/your-cooperative/document-center/>

PEC Rate Inquiry email address - Rateinquiry@peci.com



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