



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 \$0.00381 per kWh of 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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