



Cooperative Solar Rate Option Tariff Amendment

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Cooperative Solar Rate Option Summary

Subscription: Member agrees to purchase unit allocations up to 100% of their average annual monthly usage from PEC's distributed solar generation supply

Enrollment: Member applies on-line for assignment of Cooperative Solar Energy Units based on availability and on a first-come, first-served basis

Commitment: Member agrees to 24 month recurring term with automatic renewal; early opt-out is permissible for an additional fee

Billing: Member is billed the Solar Power Charge (\$.05608/kWh) and Delivery Charge for their Solar Energy plus any charges billed according to Member as per the otherwise applicable tariff for their Net Energy

Fees: Member pays \$15 application fee to initiate, modify, or terminate enrollment; an additional fee of \$1.00 for each assigned Cooperative Solar Unit multiplied by the months remaining in current commitment period is assessed to Member for early termination



Cooperative Solar Rate Option Billing Example

				Residential, eSaver		Residential, Cooperative Solar Rate
Charge Types		Rates	Usage	Charges	Usage	Charges
Service Availability Charge (SAC)	\$/Mo.	20.00		\$20.00		\$20.00
Delivery Charge	\$/kWh	0.02712	1,000	\$27.12	400	\$10.85
TCOS	\$/kWh	0.01158	1,000	\$11.58	400	\$4.63
Base Power Cost	\$/kWh	0.0605	1,000	\$60.50	400	\$24.20
Power Cost Adjustment (PCA)	\$/kWh	-0.014	1,000	(\$14.00)	400	(\$5.60)
Solar Power Cost	\$/kWh	0.05608			600	\$33.65
Delivery Charge	\$/kWh	0.02712			600	\$16.27
Total	\$/kWh		1,000	\$105.20	1,000	\$104.00

- Usage and Solar Energy Allocation
 - Usage/Delivered Energy: 1,000 kWh
 - Solar Energy: 600 kWh
 - Net Energy: 400 kWh
- Solar Energy allocation (600 kWh) is used to determine the Solar Power Cost and portion of Delivery Charge
- Delivery Charge, TCOS, Base Power Cost, and Power Cost Adjustment are billed against Net Energy (400 kWh)
- Solar Energy allocation cannot be greater than Usage/Delivered Energy, Net Energy is always 0 or greater
- Solar Energy allocation does not affect Service Availability Charge

Changes and Modifications from April Draft

- **Temporary allocation by rate class instead of permanent**
 - Cooperative shall reserve a percentage of available Cooperative Solar Energy Units for eligible Members by rate class for the first six (6) months following the effective date to facilitate the fair and orderly introduction of the rate option to all eligible Members
- **Commitment Period**
 - 24 Month Commitment instead of 12 Month Commitment
- **Application Fee**
 - \$15 fee introduced to initiate, modify, or terminate enrollment in the rate option
- **Termination Fee introduced**
 - \$1.00 for each assigned Cooperative Solar Energy Unit multiplied by the months remaining in the current 24 month commitment
- **Solar Energy allocation shall not exceed usage/Delivered Energy instead of allocation cap**
 - Limit the total quantity of assigned Cooperative Solar Energy Units per member, representing approximately 100 kWh per month, to no greater than 100% of the Member's average monthly usage during the previous 12 month period.
 - If the Solar Energy is greater than the Delivered Energy then the Solar Energy shall be adjusted to equal the Delivered Energy and the Net Energy shall be zero (0).



Tariff Amendment Review

PEC Tariff and Business Rules Draft Amendment

100.8.5 Cooperative Solar Rate – (Effective Date February 1, 2018)

Applicability – This tariff is applicable to all rate classes except Water Well (100.2), Power Plant Start Power (100.6), Industrial Power (100.5), and Area Lighting (100.11). Additionally, this rate is not applicable to accounts enrolled in Time of Use rates (100.13) or distributed generation interconnection rates (100.7 and 100.7.5).

Conditions – The Cooperative will provide the Cooperative Solar Rate to any eligible Member, provided that:

- Member completes an enrollment application for the Cooperative Solar Rate and a separate application for each modification to enrollment status.
- Cooperative Solar Energy Units are available to assign to Member with allocation determined on a first-come, first-served basis as defined by the date and time of application submission.
- Member agrees to limit the total quantity of assigned Cooperative Solar Energy Units, representing approximately 100 kWh per month, to no greater than 100% of the Member's average monthly energy usage during the previous 12 month period. If Member does not have a 12 month energy usage history, then an estimated monthly average energy usage will be determined based on the information provided in the Member's application.
- Member agrees to incur a 24 month enrollment commitment with an automatic renewal every 24 months until Member submits an application to terminate enrollment at least 30 days prior to the end of the 30-day commitment period. Rate and modifications to enrollment status will be effective at the beginning of the Member's next billing cycle.
- Member agrees to a \$15 fee ("Cooperative Solar Rate Application Fee") for each enrollment application to initiate, modify, or terminate enrollment, excluding disconnection of service or moves by Member within the PEC system. Member may opt out early from a 24 month commitment period through the application process by agreeing to pay an additional \$1.00 for each assigned Cooperative Solar Energy Unit multiplied by the months remaining in the current 24 month commitment ("Cooperative Solar Rate Opt Out Fee").
- Member acknowledges the energy expressed as kWh for each Cooperative Solar Energy Unit assigned to the Member on a monthly basis is not a fixed amount, but a percentage of total production of Cooperative designated solar capacity and will vary monthly depending on PEC's total distributed solar project generation. Solar power generation is intermittent and the amount of energy produced varies from moment to moment and depends on many factors including the time of the year, the time of the day, and the weather. Therefore, Cooperative cannot guarantee or confirm the actual amount of energy Member will receive from this rate.

- Cooperative shall monitor and administer the Cooperative Solar Rate option and from time to time will inspect the effectiveness of the rate option to achieve its objective. Cooperative may elect to reduce a Member's assigned Cooperative Solar Energy Units, with notice to Member, if Member's solar energy allocation is over 10% of the Member's monthly average energy usage during the latest 12 month period.

Rules:

Delivered Energy: Delivered Energy (expressed in kWh) is the total energy delivered to a Member from PEC during the billing cycle.

Solar Energy: The Solar Energy (expressed in kWh) assigned to the Member is based on the percentage of the Member's Cooperative Solar Energy Units multiplied by the Cooperative's total designated solar energy (kW) generation.

Net Energy: On a monthly basis the Net Energy (kWh) will be calculated by subtracting the Solar Energy from the Delivered Energy. If the Solar Energy is greater than the Delivered Energy then the Solar Energy shall be adjusted to equal the Delivered Energy and the Net Energy shall be zero (0). The Net Energy shall never be negative regardless of the Member's Cooperative Solar Energy Units.

Service Availability Charge: Service Availability Charge will apply as per the otherwise applicable tariff.

Delivery Charge: Delivery Charge will apply as per the otherwise applicable tariff with charges applied to both the Solar Energy and Net Energy.

Capacity Demand Charge: Capacity Demand Charge for Large Power Members shall apply as per the otherwise applicable tariff. The Capacity Demand Charge shall not be offset by the Solar Energy.

Transmission Cost of Service: Transmission Cost of Service will apply as per the otherwise applicable tariff (Section 100.12) with charges applied to Net Energy.

Base Power Cost and Power Cost Adjustment (PCA): Base Power Cost and PCA charges will apply as per the otherwise applicable tariff (Section 100.13) with charges applied to Net Energy. (Time of Use rate option is not applicable to the Solar Power Rate.)

Solar Power Charge: The per kWh cost incurred to cover the cost of the Member's Solar Energy. The rate for Solar Power is \$0.05608 per kWh and shall be applied to the Solar Energy.

Renewable Energy Rider: The Delivered Energy will be used to determine additional charges related to the Renewable Energy Rider as stated in the Renewable Energy Rider (Section 100.18).

Revenue Adjustment Factor (RAF): The Delivered Energy will be used to determine additional credits related to the RAF as stated in the Revenue Adjustment Factor (Section 100.18).

Temporary Rate Class Allocation: Cooperative shall reserve a percentage of available Cooperative Solar Energy Units for eligible Residential, Small Power, and Large Power Members for the first six (6) months following the effective date of this rate to facilitate the fair and orderly introduction of the rate option to all eligible Members. Following the end of the six (6) month period the available Cooperative Solar Energy Units shall be accessible to all eligible Members. The initial allocation of Cooperative Solar Energy Units shall be approximately 70 percent Residential, 12 percent Small Power, and 18 percent Large Power.

Unassigned Cooperative Solar Energy Units: The energy and other attributes associated with unassigned Cooperative Solar Energy Units of the designated solar energy supply shall be retained and used by Cooperative as a portion of PEC's power supply portfolio and any additional costs or benefits will be incorporated within the Cooperative's Cost of Power.

500 FEE SCHEDULE

DESCRIPTION	RATE	SECTION
Cooperative Solar Rate Application Fee	\$ 15.00	100.8.5
Cooperative Solar Rate Opt Out Fee	\$ 1.00 for each assigned Cooperative Solar Energy Unit multiplied by the months remaining in the current 24 month commitment.	100.8.5

Cooperative Solar Project and Rate Option Timeline

Activity	Timing	Status
Letter of Intent	January-April 2016	Complete
Develop Template PPA	April-October 2016	Complete
Site Assessment and Lease Acquisition	April 2016-August 2017	In Progress
Engineering and Construction Planning	January-May 2017	In Progress
Member Rate Option Policy and Tariff	April 2016-May 2017	In Progress
Site Specific Power Purchase Agreements (PPAs)	February-May 2017	In Progress
Configure Metering and Billing Systems	February-December 2017	In Progress
Establish Member Communications and Interface	April – June 2017	In Progress
Construction	May-December 2017	Pending
Commercial Operation Date (COD)	September-December 2017	Pending
Member Rate Option Effective Date	February 2018	Pending



Next Steps

- Solar Project Construction
- Finalize Member application and program management workflows
- Configure and test NISC metering and billing system
- Develop Member communication and engagement tools and materials
- Member services training and development
- Initiate early enrollment process





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