

# 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 \$ 0.060005 to \$0.069554 per kWh of Received Energy

Item	2020	2021	2022	3-Year Average 2019-2021	3-Year Average 2020-2022
Avoided Energy Costs	\$ 41.32	\$ 69.48	\$ 129.40	\$ 66.53	\$ 80.07
Avoided Ancillary Services Costs	\$ 1.85	\$ 14.51	\$ 5.51	\$ 3.61	\$ 7.29
Avoided Transmission Costs	\$ 22.60	\$ 20.91	\$ 20.91	\$ 21.03	\$ 21.47
Avoided Capacity or Demand Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Avoided Distribution Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Avoided Regulatory Costs	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Value of Distributed Generation</b>	<b>\$ 65.77</b>	<b>\$ 104.89</b>	<b>\$ 155.83</b>	<b>\$ 91.17</b>	<b>\$ 108.83</b>
<b>Sustainable Power Credit (\$/kWh)</b>				<b>\$ 0.060005</b>	<b>\$ 0.069554</b>

# Sustainable Power Credit Rate

## Financial Impact

- Impact to a specific member will depend on usage patterns
- Members should see an increase in payments of \$0.009549 per kWh of energy

Current number of members (As of August 11, 2023):

- Residential – 10,392 members, 10,606 accounts
- Small Power – 55 members, 76 accounts

## Proposed Tariff Amendment

- Update Section 500.1.12, Sustainable Power Credit

## Proposed Implementation Timeline and Details

- Send notice of rate change by 1st week of January 2024
- Effective for all bills issued on and after March 1, 2024

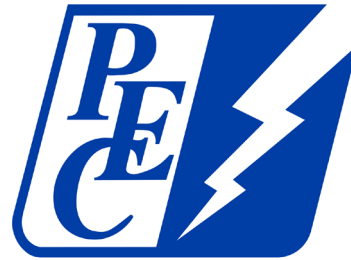
# PEC Helpful Links and Rate Contact Information

## 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](mailto:Rateinquiry@peci.com)



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