



Power Supply and Energy Services Report

Ingmar Sterzing, VP, Power Supply and Energy Services

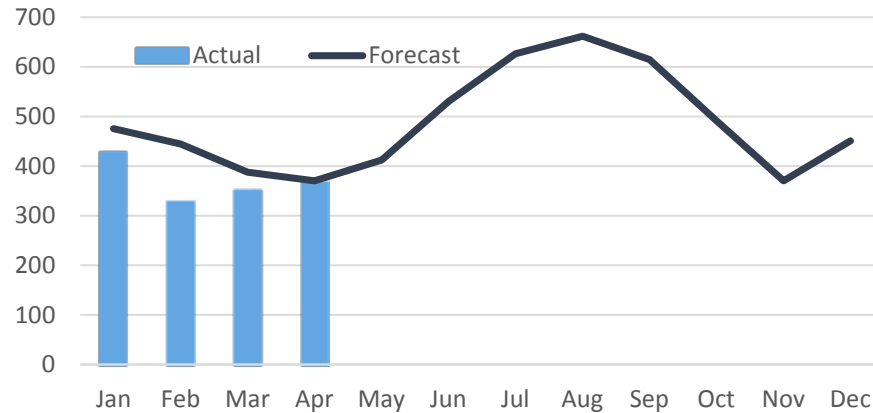
June 17, 2017

Power Supply and Transmission Summer Readiness

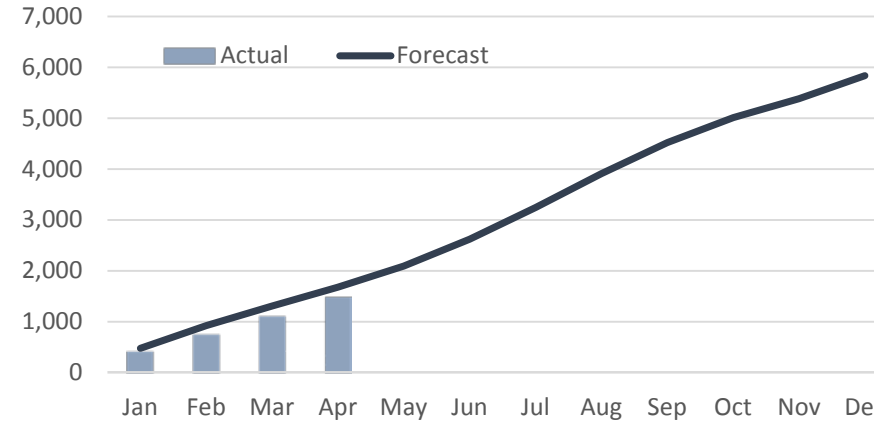
- Summer power supply and risk management provisions are in place
 - PEC has sufficient power supply resources to cover anticipated member demand and energy requirements
 - LCRA, PEC's primary power supplier, has reported their generation assets are well positioned and ready for summer
 - PEC's current power supply rates are sufficient to recover anticipated power supply costs
- Transmission 4CP mitigation actions have been implemented for the summer of 2017
 - Member communication plan in place to raise awareness of cost benefits to conserve energy between 2 and 6 PM
 - PEC active measures to reduce usage during 4CP events have been implemented
 - Member programs to support 4CP reductions including solar, TOU rates, and energy efficiency programs
- Texas grid operator (ERCOT) has issued the Capacity Demand and Reserves Report (CDR) for summer 2017 showing adequate reserves to meet the current minimum target reserve margin of 13.75 % for this summer
 - Natural gas summer forward pricing is in the 2.8-3.0 \$/mmBtu range
 - ERCOT summer forward pricing is in the 26-65 \$/MWh range

PEC Energy Sales Summary for April 2017

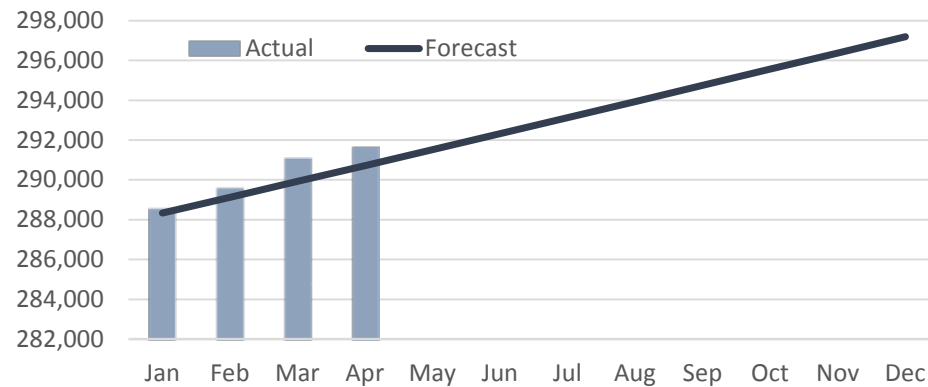
Energy Sales (GWh)



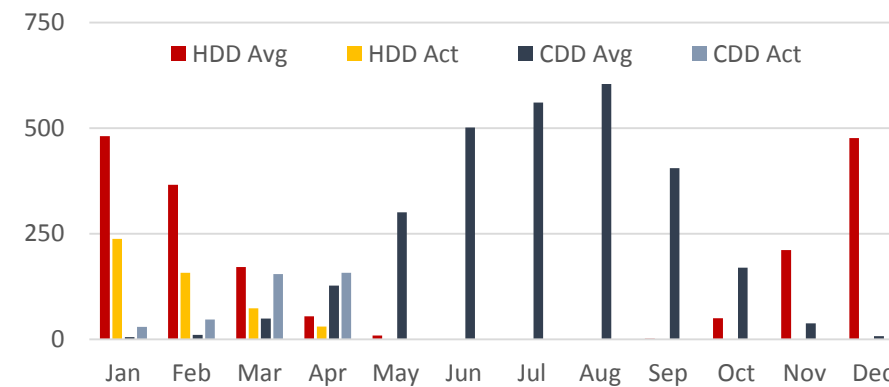
Cumulative Energy Sales (GWh)



Total Meter Count



HDD* and CDD* Average vs Actual



Energy Services Update for April 2017

	2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Energy Audits Performed	281	21	22	19	17									79
Interconnections Complete	354	26	27	34	46									133
Residential Units Installed	1256	0	128	80	156									364
Residential Rebates Monthly (\$k)	\$440	0	41	25	49									115
Residential Rebate Budget Remaining (\$k)	NA	300	259	234	185									185
Comm. Rebate Applications Approved	18	0	3	1	3									7
Comm. Rebates Monthly (\$k)	\$143	0	24	1	15									40
Commercial Rebates Budget Remaining (\$k)	NA	200	176	175	160									160
Empower Loan Applications Received	29	0	1	1	0									2
*Empower Loans Final Approval Monthly	10	2	0	0	1									3

* The Empower Loan Final approval is contingent upon approval of the interconnection and installation



Rate Competitiveness - As of Apr 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PEC Residential Bill at 1,000 kWh Usage	\$105.20	\$105.20	\$105.20	\$105.20								
Texas Coop Average Bill at 1,000 kWh	\$112.77	\$110.50	\$110.50	\$110.50								
Texas Residential Average Bill at 1,000 kWh	\$108.60	\$108.82	\$114.10	\$113.10								
National Residential Average Bill at 1,000 kWh	\$122.10	\$122.10	\$128.20	\$129.00								

Residential Rate Option Participation – Apr 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Conventional	166,465	165,993	167,237	166,423								
Esaver	18,425	18,799	18,919	19,047								
Ebilling	49,400	50,298	50,735	50,947								
Edraft	26,109	26,349	26,550	26,837								
Time of Use	-	21	24	38								
Renewable Rider	352	352	352	352								
Interconnection Net Metering	1,270	1,319	1,355	1,399								
Water Wells	1,968	1,971	1,967	1,969								

Project Status April 2017

Project or Initiative	Status
Time of Use (TOU) Rates	<ul style="list-style-type: none"> Time of Use effective April 1, 2017 Development of Large Power TOU calculator under way
Distributed Solar Project	<ul style="list-style-type: none"> Power Purchase Agreements (PPAs) for 12 projects totaling 12 MWs have been completed The remaining 3 projects totaling 3 MWs will be completed in June Construction to start in June 2017 with COD on first site end of September 2017
"Cooperative" Solar Rate Option	<ul style="list-style-type: none"> Final Tariff Amendment approved by PEC Board in May 2017 Tariff Effective date of February 2018 Implementation of metering, billing, and program management requirements underway
Electric Vehicle (EV) Charging Pilot	<ul style="list-style-type: none"> Following completion of the Vendor Request for Information (RFI), PEC is working to establish preliminary agreements for networking, installation, and equipment partners Initiating first pilot installations in conjunction with Johnson City HQ remodel project Tariff amendment needed to support installation of public charging stations with charging fee
Bring Your Own Thermostat (BYOT) Program	<ul style="list-style-type: none"> Vendor proposals have been received and are in evaluation Team is preparing final recommendations
Empower Loan Program	<ul style="list-style-type: none"> Revise loan guidelines to adjust requirement for 12 Mo. billing history and add car charging stations as a covered loan item along with other minor adjustments and improvements
Large and Small Power Interconnected Tariff	<ul style="list-style-type: none"> Tariff amendment approved and will be effective July 1, 2017 Inventory of commercial distributed generation systems complete
Power Supply and Energy Management Initiative	<ul style="list-style-type: none"> Draft policy prepared and implementation plan is underway
Time of Use (TOU) for Interconnected Members	<ul style="list-style-type: none"> Technical and system upgrades are in development
TCEQ Battery Storage Project	<ul style="list-style-type: none"> Project Plan Complete and presented to Grant Committee
Microgrid Marble Falls Operations Center Project	<ul style="list-style-type: none"> Project plan has been prepared and is under review PEC grant oversight committee is reviewing project plan and verifying project success factors



pec.coop