

# High Density Load Rate Public Rate Hearing Continued

June 6, 2016

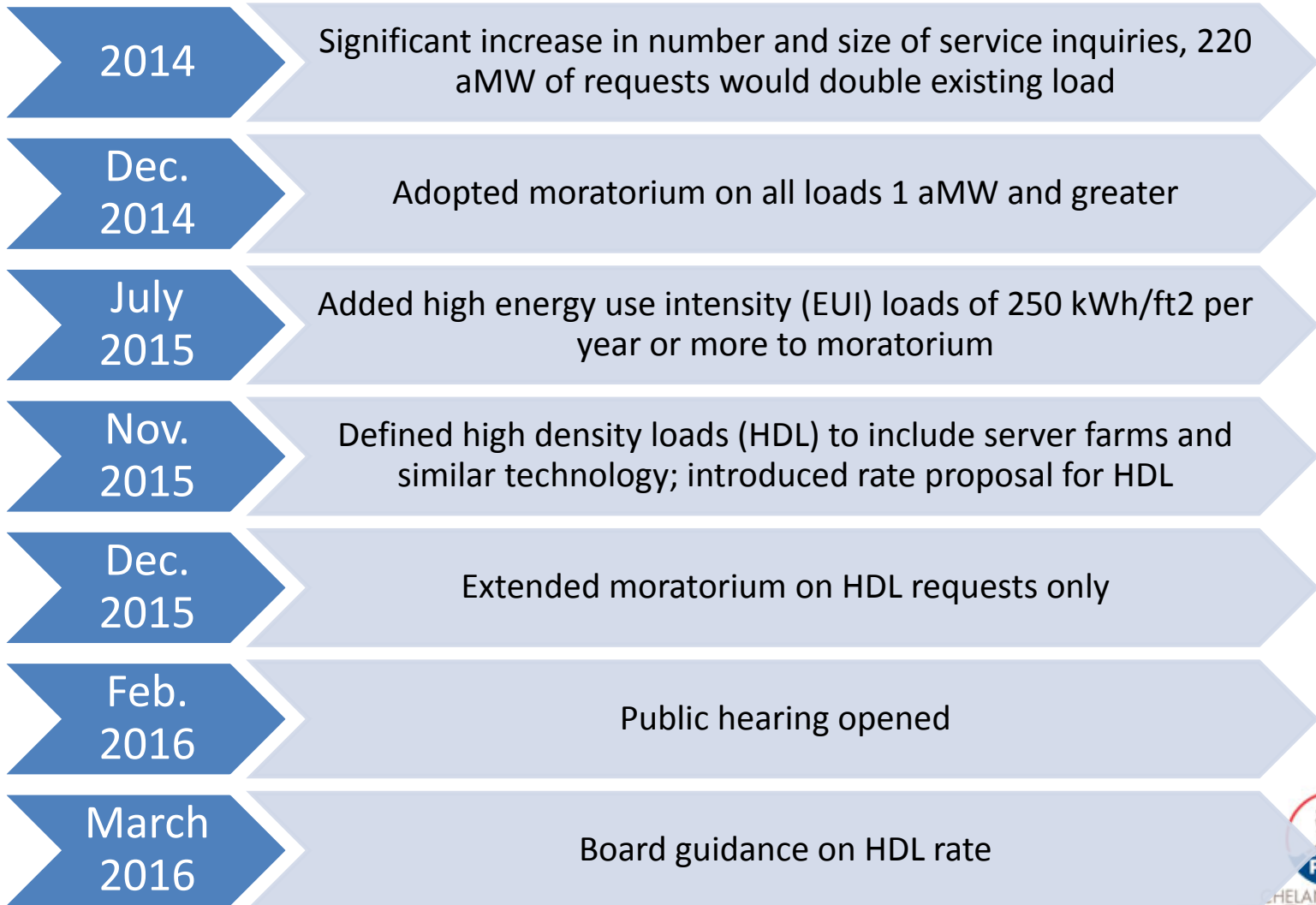


# Agenda

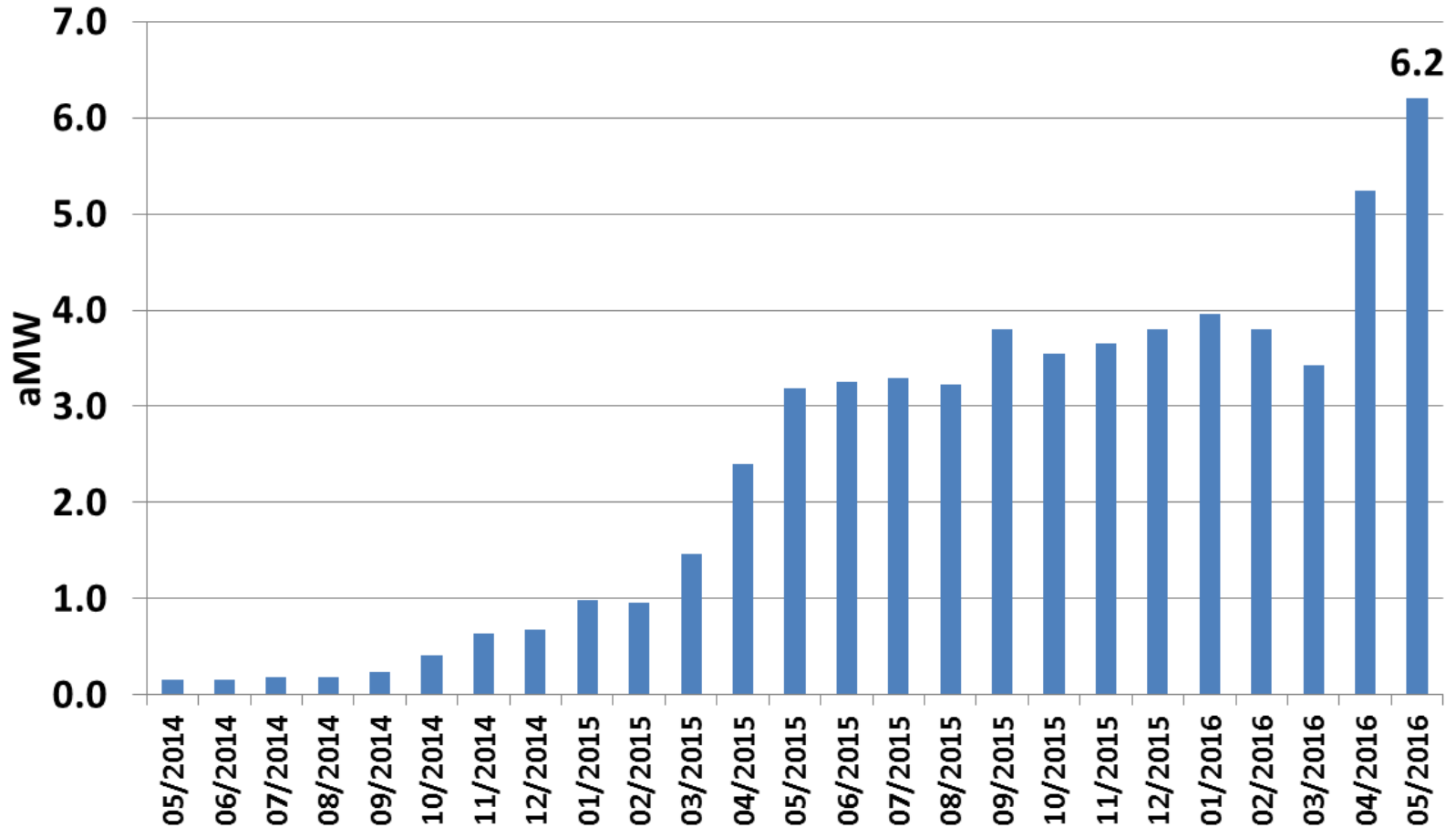
- Review process to date
- Discussion of HDL Staff Report
- Preview staff's recommendation

***No rate action requested today***

# Process to Date



## Known Electrical Usage Cryptocurrency HDL Load



# Draft Staff Report

- Staff Report includes topics such as:
  - Key characteristics of HDL load, cost and risk
  - Criteria for classification and rate setting
  - Procedural history
  - HDL classification
  - Cost of service and rate design, including upfront charges

# Staff Report Recommendation

- Staff recommends:
  - Establishing a rate for HDL customers at the District's cost of service
  - Basing that rate on commercial and industrial class cost until sufficient HDL customer history is collected
  - Including an upfront capital charge in the rate to reflect accelerated capital investment in excess of what is recovered in ongoing monthly charges

# Report Recommended Rate Class Definition

**High Density Load** – The HDL rate schedule applies to server farms and similar technological operations with an energy use intensity (EUI) of 250 kWh/ft<sup>2</sup>/year or more and with average electrical loads up to and including 5 annual aMWs at a single Point of Delivery, where:

- “Energy Use Intensity” or “EUI” <sup>1</sup> means the annual kilowatt-hours of Energy usage divided by the operating space square footage used by the Energy consuming activity as determined by the District; and
- “Server farm” means an entity whose Energy use serves mostly one or more computer server machines and any ancillary loads including HVAC, UPS, power systems, and lighting.

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<sup>1</sup> When calculating an EUI, the District may make reasonable assumptions and projections as necessary to estimate Energy usage and square footage based on the Customer’s application, data regarding similar operations, and other sources. An entity otherwise subject to this rate schedule will be excluded from this schedule if the entity demonstrates to the District’s reasonable satisfaction, or the District determines on its own initiative, that the energy use intensity (EUI) of the subject facility is less than 250 kWh/ft<sup>2</sup>/year.

# Report Recommended Rate Design

## *Option 2a<sup>1</sup>. Cost Recovery Over Time*

Rate: Production cost for Energy + full recovery for customer & delivery costs

| Size of Service | Basic Charge<br>(per meter, per month) | Demand Charge<br>(per kW) | Energy Charge<br>(per kWh) |
|-----------------|--|---------------------------|----------------------------|
| Up to 300 kW    | \$130                                  | \$5.50                    | 2.7¢                       |
| 300 kW to <1 MW | \$560                                  | \$5.50                    | 2.7¢                       |
| 1 MW to 5 aMW   | \$860                                  | \$5.50                    | 2.7¢                       |

Upfront charge: One-time fee<sup>2</sup> based on approved load request

| New or increased HDL load |
|---------------------------|
| \$190/kW                  |

<sup>1</sup> Number references options for rate design discussed in presentations Feb 1, 2016 thru March 21, 2016.

<sup>2</sup> Reviewed annually through fees and charges update process.



# Recommended Rate Implementation

- Targeting Oct. 3 (moratorium hearing date) to have a rate in place
- Potential rate ramping contracts for:
  - Existing customers classified as HDL
  - Existing current load over 200 kW
  - With substantial capital investment already made
- Requires Board approval of contract terms including rate ramping plan

# Timeline

If Board concurs with Staff Report recommendations

- June 6, 2016 (today)
  - Presentation of Draft Staff Report
- June 20 or July 5, 2016
  - Board adoption of a rate
- July-September 2016
  - Rate testing
- October 3, 2016
  - Target rate effective date
  - Moratorium hearing

# Comments/Questions?



# Public Comment Period