

High Density Load/Cryptocurrency Rate Change Hearing

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What We Will Cover

- Outreach Plan
- Staff Proposal
- Public Comment
- Board Discussion
- Next Steps

Outreach Plan

- Jul. 24: Preview of rate proposals
- Jul. 25 to Aug. 4: Public notice of hearing; public comment period
- Aug. 7: Rate Hearing; public comment period
- Aug. 21: Pending outcome of Aug. 7, additional rate discussion or resolution seeking adoption
- Rate effective date - TBD

Results of Rate Review Process

- Staff proposal summary:
 - Revise Rate 35 (High Density Load) and Rate 36 (Cryptocurrency) class applicability
 - Update Rate 36 Energy charge calculation
 - Implement risk mitigation measures for Distribution system operations and financial sustainability

Rate 35/36 Class Applicability

Rate 35 (Resolution 16-14059)

- Currently applicable to server farms and similar technological operations with energy use intensity of 250 kWh/ft²/yr and load up to 5 MW
- Proposal: Applicable to loads up to 3 MW with energy use intensity of 250 kWh/ft²/yr that are not covered under a more specific rate schedule

Rate 36 (Resolution 18-14287)

- Currently applicable to computing or data processing load related to cryptocurrency/ blockchain up to 3 MW
- Proposal: Applicable to data centers and similar computing loads up to 3 MW

Rate 36 Qualifying Customers

- Existing Rate 36 customers
- Plus, all data centers and computing loads, including those currently serviced under Rate 35, High Density Load
- Qualifying customers:
 - Currently 7 services , total authorized load ~9 MW
 - 1 application under review for new total authorized load forecast 9.5 MW

Rate 35 & 36 Cost Recovery

- Rate 35 – High Density Load
 - Cost of Production rate, no change from current rate plan
- Rate 36 – Data Centers and Similar Loads
 - Basic and Demand: no change from current rate plan
 - Energy:
 - Cost of Production for total class load up to 10 MW
 - When total load forecast at Feb 1 is over 10 MW, the Cost of Production is blended proportionately with Market Energy Charge

Rate 36 Energy Charge

Total authorized load \leq 10,000 kW	3.04¢ per kWh (Equivalent to Rate 35, current rate through 5/31/2024)
Total authorized load $>$ 10,000 kW	<p>3.04¢ per kWh blended with the Market Energy Charge in the ratio of 10,000 kW to the amount total load exceeds 10,000 kW.</p> <p>For example, if total load is 15,000 kW, the Energy Charge will be $3.04 * (10/15) + \text{Market Energy Charge} * (5/15)$.</p>

Rate 36 Energy Charge

Market Energy Charge: 12¢/kWh, through 5/31/2024, includes:

- Average flat Mid-C Peak and Off-Peak Futures, as of Feb. 1 for the 12 months starting June 1, published daily by the Intercontinental Exchange (ICE)
- Plus 6% administrative cost
- Plus 3.1¢/kWh other energy charges

Therefore, example rate calculation¹ for a total class of 15,000 kW:

$$3.04¢ * (10/15) + 12¢ * (5/15) = 6.03¢/kWh, \text{ for the entire class}$$

Risk Mitigation

- Operating Systems
 - Rate availability area limited based on transmission system
 - New loads approved only where serving substation capacity does not exceed 70% of design capacity after load addition
 - Total loads served under this rate schedule may not exceed 3MW per substation
 - Priority interruptability

Risk Mitigation (cont.)

- Financial
 - Up front capital charge remains in place, no change
 - Demand will be billed at the greater of the maximum authorized demand or the measured, power factor adjusted, demand
 - Energy will be billed at the greater of the actual energy used in the billing period or authorized energy at 90% load factor
 - Security deposit of the highest projected monthly billed amount times three

Questions

Public Comment

Board Discussion

Next Steps

- Review/evaluate comments received
- Pending outcome of hearing, return to Board Aug. 21 with additional information, revisions, or seeking adoption

Appendix – Rate 36, proposed

Rate Schedule 36: Data Centers and Similar Loads

Monthly Basic Charges

Up to 300kW	\$150.00 per month
300kW to < 1MW	\$630.00
1 MW to ≤ 3MW	\$970.00

Monthly Demand Charges (residential) \$16.40 per authorized KW

Monthly Demand Charges (non-residential) \$6.20 per authorized KW

Energy Charge (examples)

Total authorized load ≤ 10MW	3.04 ¢/kWh
Total authorized load 15MW	6.03 ¢/kWh
Total authorized load 20MW	7.52 ¢/kWh

Upfront Capital Charge (one-time)

Wenatchee corridor	\$325/KW
All other areas (except excluded areas)	\$720/KW