

Rate Schedule 4 Update & associated contracts

JAN. 21, 2019



Agenda

What is Schedule 4

Recommended charges

Proposed outreach plan

Current contract interest

Board motion requested

What is Rate Schedule 4?

Applies to customers (*excluding Cryptocurrency whose contracts are governed by Schedule 36*) with electrical use above 5 aMW, or as warranted by special circumstances

Schedule 4 provides overall guidance on standard rates and terms as well as specifies rates for other services; each contract is subject to Board approval

No customers are currently on Schedule 4 but several have expressed interest

One potential new customer has gone through the application and review process, and a contract has been drafted

Existing Schedule 4 was last updated in 2003

Rates, Terms and Conditions

Schedule 4 rates, terms and conditions are negotiated between the Customer and District and are included in a Contract

Includes:

- Energy
- Delivery
- Other charges and services as applicable

Charges specifically included in Schedule 4 may be adjusted periodically by the Board through the public process

Charge & Service Examples

In contracts with Schedule 4 customers, the District would establish rates, terms, and conditions for the sale and delivery of energy and services in consideration of the special circumstances and conditions applicable to the Customer's energy needs, which may include load following, load shaping, imbalance, firming, reactive power, voltage control, environmental attributes, conservation requirements, and streamflow risk.

Schedule 4 Menu of Charges: Designed to address load variability and use outside authorized limits. Charges are minimal to nothing where load is stable and predictable and within limits. Charges would increase proportionally with increases in load variability, unpredictability, and to use outside limits. Charges are detailed in the Appendix.

- 4a. Energy Capacity** – Monthly variability in peak demand compared to average
- 4b. Load Imbalance** – Hourly variability in energy use compared to customer's submitted plan
- 4c. Load Following** – Minute-to-minute variability in energy use
- 4d. Demand Exceedance** – Monthly demand in excess of authorized limit
- 4e. Excess Energy** – Hourly energy use in excess of authorized limit

Scheduling services charge is unchanged from current Schedule 4

Proposed Rate Outreach Plan

Considerations:

No current customers will be affected by the changes to Schedule 4. There is currently one applicant for service under Schedule 4, and they have been informed of the revisions and will receive direct notice.

Plan:

- Comment period and public notice, including legal notice, of rate hearing in newspapers, social media, and the District's website, Jan. 21 – Feb. 4
- Rate Hearing, Feb. 4, 1 pm Board meeting, public comment accepted
- No additional information meetings are proposed

Pending Contract Consideration

In conjunction with Schedule 4, staff will be requesting approval of a contract for our first over 5 aMW load.

Contract Element	Amount/Rate	Applicability
Term	10-yr with optional 5-yr extension	
Authorized limits	7 MW increasing to 19 MW	Increase with substation availability
Basic customer charge	Per Schedule 35	Immediately
Energy Charge	Combination of Sch 3 & 35	Immediately
Delivery Charge	Combination of Sch 3 & 35	Immediately
Streamflow Risk Charge	TBD	TBD
Energy Capacity Charge	Per Schedule 4	Load > 5 MW
Load Imbalance Charge	Per Schedule 4	Under specific circumstances
Load Following Charge	Per Schedule 4	Load > 5 MW
Demand Exceedance Charge	Per Schedule 4	Immediately
Excess Energy Charge	Per Schedule 4	Immediately

Next Steps

Today - Proposed Motion:

In order to establish the appropriate procedure for engagement and notice to customers, move to set the rate outreach plan and date of public hearing as proposed by staff in presentation.

Other:

Feb. 4 – Rate Hearing

Effective date of rate schedule – Schedule 4 proposed to be effective immediately upon approval

Contract approval request to follow rate approval

Appendix: Schedule 4 Specific Charges

4.a Energy Capacity Charge. Monthly variability in peak demand compared to average

- Applies after Demand first exceeds 5,000 kW
- The charge is \$4.38/kW of the positive difference, if any, of 90% of the Demand minus the average demand during the billing period (which is the total delivered Energy for the billing period divided by the number of hours in the billing period)

4.b Load Imbalance Charge. Hourly variability in energy use compared to customer's submitted plan

- Applies after Demand first exceeds 5,000 kW
- Applies only in hours in which hourly delivered Energy deviates from hourly forecasted load by more than the lesser of: (a) 5% of hourly forecasted load; or (b) 2,000 kWh
- The charge calculation is set forth in the schedule and the amount is based on the combination of the real-time index and the magnitude of deviation
- If the Excess Energy Surcharge also applies to the Contract, the Load Imbalance Charge does not apply to Energy billed the Excess Energy Surcharge

Appendix: Schedule 4 Specific Charges

4.c Load Following Charge. Minute-to-minute variability in energy use

- Applies after Demand first exceeds 5,000 kW
- The charge is \$5.48 per kilowatt of monthly weighted average load-following in excess of 10% of average demand provided in the billing period.
- The highest 1-minute demand minus the lowest 1-minute demand in each hour will establish the load-following kilowatt for that hour. The weighted average load-following demand for any billing period will be calculated using a weighting factor of 2 (two) on the Heavy Load Hours and load-following demands and a weighting factor of 1 (one) on Light Load Hours.
- “Heavy Load Hours” means hours ending 7 through 22, Monday through Saturday, excluding NERC recognized holidays.
- “Light Load Hours” means hours ending 1 through 6, 23 and 24, Monday through Saturday and hours ending 1 through 24 on Sundays and NERC recognized holidays.

Appendix: Schedule 4 Specific Charges

4.d Demand Exceedance Charge. Monthly demand in excess of authorized limit

- Is addition to all other rates and charges
- When Demand exceeds the Customer's maximum authorized demand, the excess Demand will be billed at 3 times the highest demand charge applicable under the Contract

4.e Excess Energy Surcharge. Hourly energy use in excess of authorized limit

- In addition to all other rates and charges
- A surcharge of one (1) times the greater of the highest energy charge applicable under the Contract or the real-time index for each applicable hour will apply to all Energy used within an hour in excess of the Customer's maximum authorized demand.

Demand Exceedance and Energy Surcharge are in addition to, not exclusive of, the District's rights to require additional protective measures, recover for damages sustained to the Electric System, disconnect Service, terminate this Contract, or take any other remedial action available to recover losses and prevent future exceedances.