



Green Tariff

*SI Committee
July 8, 2019
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Green Tariff

- Discussed at EKPC's June 2018 Board of Directors meeting
- Discussed at CEO meeting November 2018
- Some large companies have sustainability goals



- Green Energy options can be important when deciding on new factory/business locations
- PSC approved Green Tariffs for KY Power and LG&E-KU
 - More utilities developing a Green Energy tariff framework

Green Tariff Goals

- Be responsive to our large member's sustainability goals
- No cost-shifting to non-participants
- EKPC secure renewable energy (build or purchase)
- Negotiate individual agreements for large scale renewable request
 - Minimum size of renewable capacity – 1 MW
 - Renewable energy not to exceed their monthly consumption
- Participant pays for all costs associated with their renewable energy
- We recover all legacy fixed costs

Green Tariff Framework

- Current tariffs stay in place
- Renewable Tariff edited to include Green Energy large purchases – Option B
- EKPC to provide a credit for avoided fuel expenses and avoided variable environmental costs
 - Credit passed through owner-members
- Members can purchase renewable energy for multiple stores/facilities served by multiple owner-members
 - And aggregate consumption/load to achieve minimum size requirement

Financial Analysis

- John Wolfram and Isaac Scott developed financial models
 - Typical large load using 4 different co-op billing determinants
 - Existing large load at 1 co-op using actual billing data over 12 month period
- All financial models demonstrated no cost-shifting
 - Participants pay all costs associated with the “Green Energy”
 - Participants are credited EKPC’s avoided fuel and variable environmental costs
 - EKPC and owner-members recover all legacy fixed costs

Sample Bill Charges

Standard Bill Charges

Customer Charge		\$93.28	\$93
Demand	650	\$6.27	\$4,076
Energy	371,004	\$0.05257	\$19,504
FAC	371,004	(\$0.003310)	(\$1,228)
Subtotal			\$22,444
Surcharge		10.05%	\$2,256
Total Billing			\$24,700

Sample Bill Charges

Adjustment for Renewable Charges

Renewable "Green" Energy	145,667	\$0.073286	\$10,675
Fuel Credit	145,667	(\$0.02568)	(\$3,741)
Environment Surcharge Credit			(\$179)
PJM BRA Capacity Credit			(\$2,384)
Total Green Energy only			\$4,371
Standard Bill Charges			\$24,700
Bill with Green Energy			\$29,072

Tariff Adjustment

- Red-lined existing Renewable Energy Program tariff (Envirowatts)
 - Revision adds Option B for large scale renewable purchase based on the framework just described
 - Revision to EKPC and owner-member template
- Large Renewable Energy Purchase Agreement developed by Samford



Questions and Discussion