

## Green Tariffs in the US Regulated Markets

Updated 6/17/2014 – Letha Tawney

Feature	In development at non-Oregon IOU	Duke North Carolina	NVEnergy - Nevada	Rocky Mountain Power - Utah	Dominion - Virginia
<b>Docket Info</b>		Docket E-7, Sub 1043	Docket 12-11023	Docket 14-035-T02	Case PUE-2012-00142
<b>Pilot Size / Period</b>		- Capped at 1,000,000 MWh or 3 years, whichever comes first - North Carolina service territory only.	- Capped at 250,000 MWh – though this is a soft cap	- soft cap of 300 MW peak delivered to all customers	- Capped at 240,000 MWh or 100 customers - 3 year pilot
<b>Structure</b>	- Utility signs fixed price, long-term (15 year) contract with RE generators. - Customers subscribe to the pool of RE resources for 10 years, with extension for last five. Have to provide notice in	-Duke will procure RE through a PPA with a facility or facilities, trying to match the source with the customer’s output and contract term. - Duke will negotiate with the facility – but customer has right	- Customer and NVEnergy enter special contract for dedication of new or existing RE resources to the customer - Contract requires commission approval	- 2 contracts: 1) between RPM and the customer and 2) between RMP and the renewable energy facility. - pricing and duration in the contract between RMP and the customer are the same as pricing and	- Customer can request a specific RE facility / resource within PJM – but only 1 (no portfolio option). - Dominion enters into a renewable energy purchase and sales agreement

	year 7 if they will execute the 5 year extension.	to review the offer and not go forward, with no impact on Duke.		duration of the contract between RMP and the REF - RMP responsible for transmission/distribution to customer, as RMP owns electricity through its purchase from REF to delivery of electricity to customer - Only RE facilities in Utah are eligible	("REPSA") with the RE Generator - the participating customer is recognized as a 3 <sup>rd</sup> - party beneficiary to the REPSA. Second contract between Dominion and the customer assign all risks to the customer. - Dominion will negotiate with the facility – but customer has right to veto with no impact on Dominion
<b>Customer Costs</b>	- Small admin charge per customer (not meter) - customers shielded from fuel price surcharge and decoupling charges - energy price is fixed to the RE	- \$2000 application fee - \$500 administrative fee per meter, plus 0.02 cents per kWh surcharge on RE. - Early termination fee equal to the net present value of the	- Full cost of the renewable energy, up to total energy consumption or lower agreed amount. - If renewable energy costs less than the NRG rate, then the NRG rate	- Admin charge \$450 per agreement per month - Researching further details	- Admin charge \$500 per meter - Demand side management costs and all other riders still apply to the customer - Except the fuel surcharge rider - Purchase price

contract, but other tariff elements remain the same

- If the RE energy price in the PPA falls below the utility mix energy price, the benefits accrue to the customer in lower rates
- Penalty for early exit

remaining costs of the PPA

- Duke charges the standard OPT tariff and all riders, including fuel price surcharges, plus the total cost of the renewable energy PPA and RECs.
- The customer will receive a bill credit for the 'all in' capacity plus energy avoided costs for the actual RE produced. The credit will never exceed the actual cost of the renewable energy.
- The benefit of lower fuel costs created by the PPA will be incorporated into the 'avoided cost' calculation.

applies.

represents the energy and renewable attributes – all else falls under the GS rate structure.

<b>RECs Management</b>	Retired on behalf of the customers	Retired by Duke on behalf of the customer	Retired by NVEnergy, over and above the RPS	Renewable energy facility and customer contract separately and directly for the RECs	Retired or transferred to the customer – but not sold on behalf of the customer
<b>Facility flexibility</b>	Movable from meter to meter as customers move within the service territory – open and close stores, offices, etc.	Not expected	Nothing described in the filing	Can service multiple meters but moving between meters is unclear	Nothing described in the filing
<b>Time commitment</b>	Ten years, with predictable costs for early exit	Negotiated	Negotiated	Negotiated – identical between the two contracts	Determined by the REPSA and customer requirement
<b>Limitations / Eligibility</b>	Commercial customers, perhaps with an aggregate load over a benchmark	- New loads of at least 1MW since July 30, 2012 - Commercial customers - Opt-G, Opt-H, Opt-I meters only	-GS-2 meters – demand between 50 and 500 kW or monthly usage larger than 10,000 kWh (GS-3 covers meters with demand larger than 1,000 kW)	- RE Facility must be in Utah - Customers must total 2MW peak load or larger - aggregation is allowed - Net metering disallowed for participating customers	- GS-3 and GS-4 meters - Demand great than 500 kW - individual account planned purchase of RE from 1MWh to 24MWh a year - net metering customers are excluded

<b>Risk management</b>	<ul style="list-style-type: none"> <li>- If there is undersubscription, the excess energy will be dispatched in the larger system at the PURPA rate and the RECs sold to the current voluntary RECs portfolio for the difference between QF pricing and the PPA.</li> <li>- Customers pay a declining fee for early exit.</li> </ul>	<ul style="list-style-type: none"> <li>- Customer must provide a letter of credit, surety bond or other form of security for payment of all obligations for the PPA.</li> </ul>	<ul style="list-style-type: none"> <li>- Falls entirely on the customer</li> </ul>	<ul style="list-style-type: none"> <li>- Customers must prove reasonable credit</li> <li>- Contract with the RE facility terminates if customer defaults.</li> </ul>	<ul style="list-style-type: none"> <li>- Falls entirely on the customer</li> </ul>
<b>PUC Process</b>	Not yet proposed	Approved 12/19/13, customers beginning to apply	Approved 9/9/13, Apple project in review	Ongoing through 2014	Approved 12/16/13