



Wholesale Rate Structures for Retail Impact

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ElectriCities Membership



ELECTRICITIES
of NORTH CAROLINA, INC.
The energy behind public power

Our Purpose

Delivering value to public power communities through collective strength, wisdom and action while promoting a more successful future for our citizens



NCMPA1 RESOURCE MIX

75%
NCMPA1 owns 75% of
Catawba Nuclear Station Unit 2.


90%
NUCLEAR


4%
**NATURAL GAS
& OIL**


5%
RENEWABLE


1%
HYDRO

NCEMPA RESOURCE MIX


41%
NUCLEAR


31%
**NATURAL GAS
& OIL**


16%
COAL


6%
PURCHASED

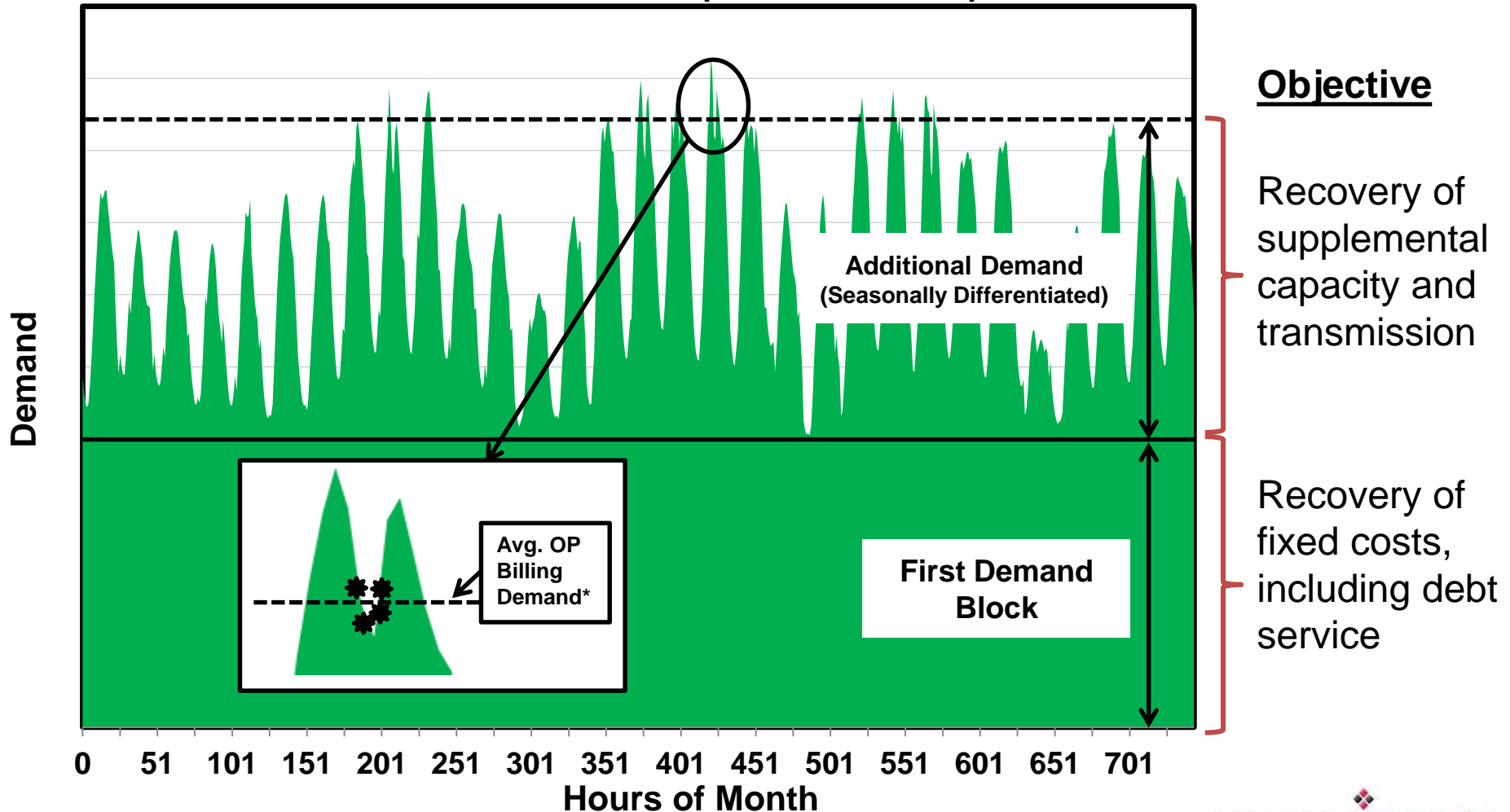

5.7%
RENEWABLE


.3%
HYDRO



NCMPA1 Wholesale Rate Schedule Demand Blocks

Aggregate NCMPA1 Loads
Annual Peak Month – (Summer Month)

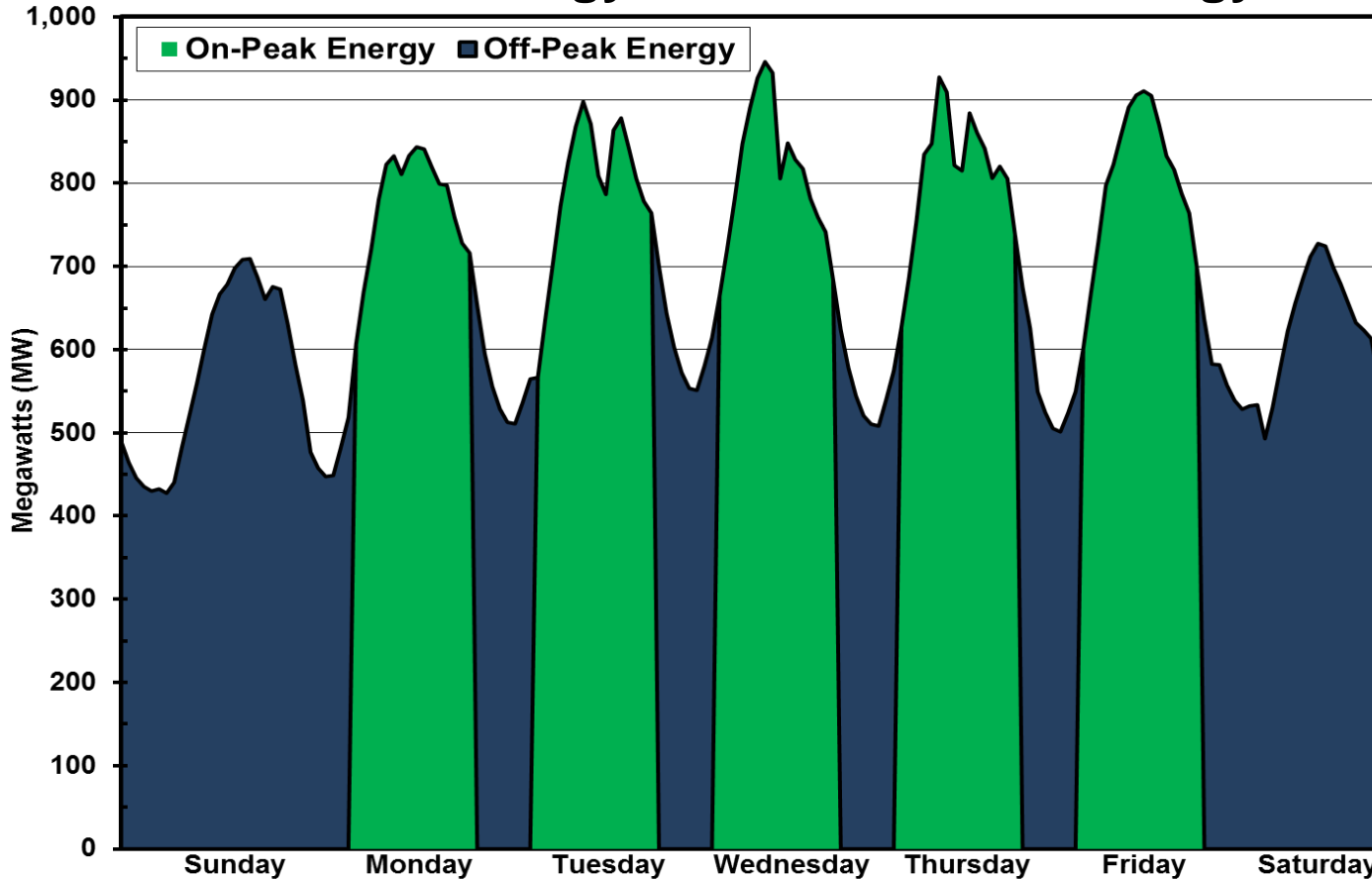


* Highest Aggregate NCMPA1 measured On-Peak Demand Period During Peak Management Days



NCMPA1 Wholesale Rate Schedule Energy Blocks

First Energy Block – On-Peak Energy* Additional Energy Block – Off-Peak Energy

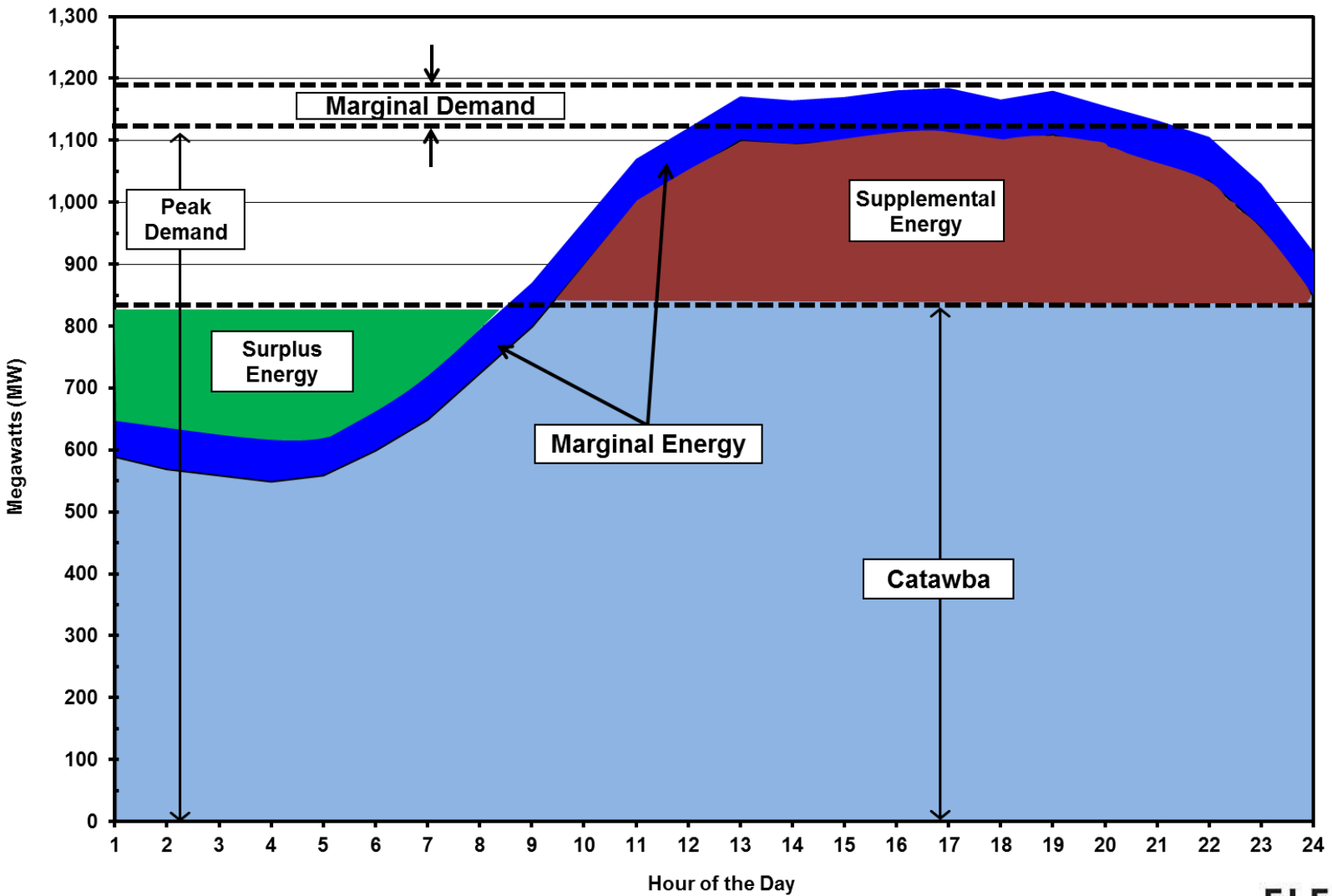


Objective

Align with market energy price

* Defined as non-holiday weekdays
On- and Off-Peak rates are seasonally differentiated

NCMPA1 Energy Profile – Peak Summer Day With New MW Load Added



Objective
New load priced at the marginal cost of service



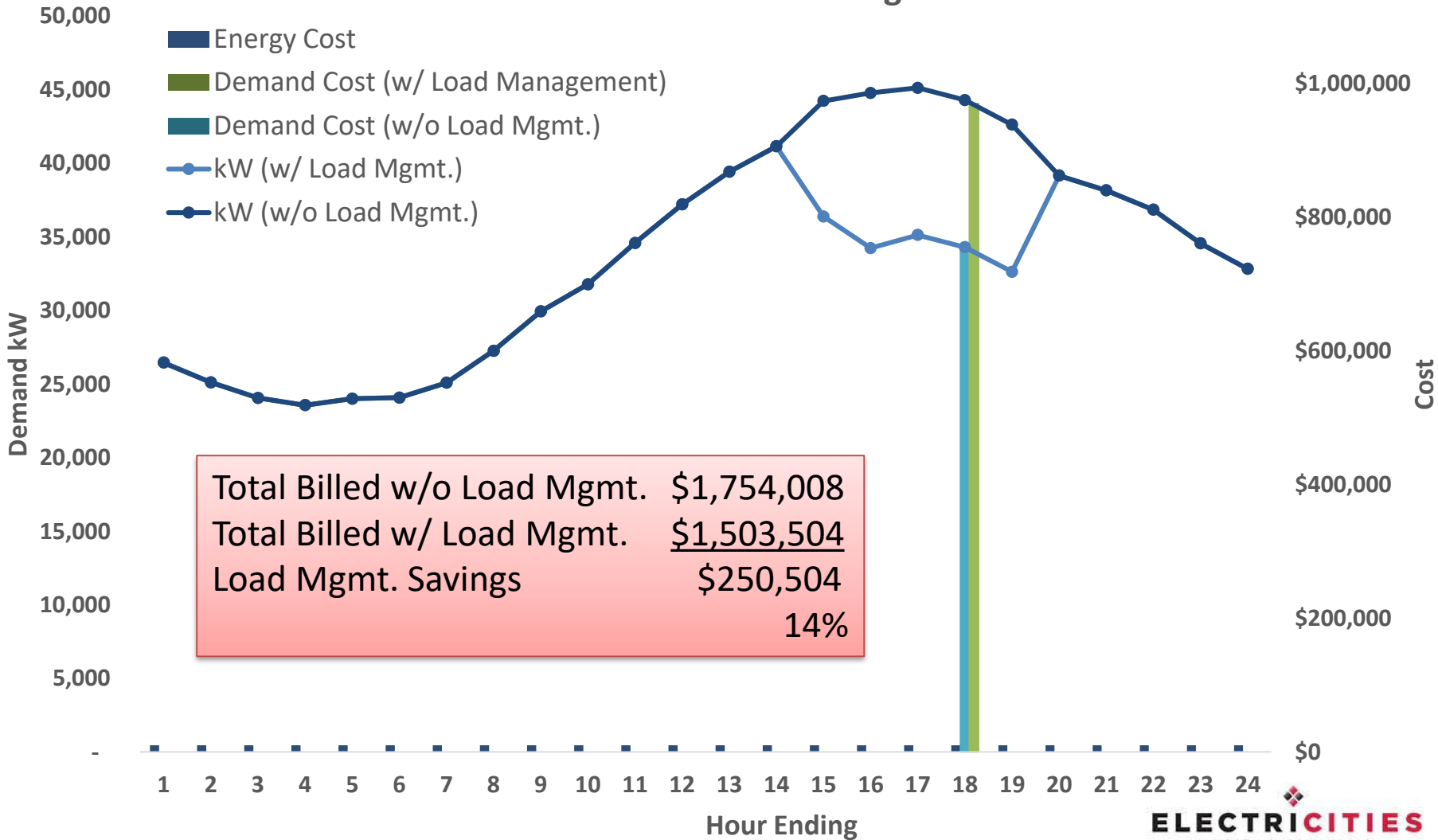
Wholesale system formula rates for capacity and energy purchases:

- **Demand Charge:** Single system average production demand rate applied to NCEMPA 12 monthly Coincident Peak (CP) demands
- **Energy Charge:** Single system average production energy rate applied to NCEMPA energy purchased
- Demand and Energy Rates are billed based on estimates with a true-up after-the-fact



NCEMPA Value of Load Management

NCEMPA Member Load Management Reduction



Total Billed w/o Load Mgmt.	\$1,754,008
Total Billed w/ Load Mgmt.	<u>\$1,503,504</u>
Load Mgmt. Savings	\$250,504
	14%



Establishing Retail Rates



- Perform a cost of service study
- Design CP rates for large commercial industrial customers aligned with wholesale rate structure provide financial stability and encourage load management
- Implement Time-of-Use (TOU) rates where possible (also supports Automated Meter Information (AMI) deployment business case)
- May need to phase-in new structure over several years



QUESTIONS?