Wholesale Rate Structures for Retail Impact

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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**

- **NCMPA1** owns 75% of Catawba Nuclear Station Unit 2.
- 90% NUCLEAR
- 4% NATURAL GAS & OIL
- 5% RENEWABLE
- 1% HYDRO

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**NCEMPA RESOURCE MIX**

- 41% NUCLEAR
- 31% NATURAL GAS & OIL
- 16% COAL
- 6% PURCHASED
- 5.7% RENEWABLE
- .3% HYDRO
Objective

Recovery of supplemental capacity and transmission

Recovery of fixed costs, including debt service

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

New load priced at the marginal cost of service.

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

Objective

New load priced at the marginal cost of service.

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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

Energy Cost
Demand Cost (w/ Load Management)
Demand Cost (w/o Load Mgmt.)
\( kW \) (w/ Load Mgmt.)
\( kW \) (w/o Load Mgmt.)

Total Billed w/o Load Mgmt. $1,754,008
Total Billed w/ Load Mgmt. $1,503,504
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?