



Bogner/Fernandez

RESOLUTION NO. 6377

WHEREAS, the District's Rider Schedule 464 – Standby Service was developed for customers with behind the meter generation to recover the costs required for OPPD to meet the customer's full load needs; and

WHEREAS, Rider Schedule 464 – Standby Service was not designed to capture the intermittency of non-dispatchable generation resources such as solar and wind energy equipment, and Management therefore recommends that Rider Schedule 464 – Standby Service be revised to state that the Rider is not mandatory for customer-owned renewable generation resources; and

WHEREAS, the District will continue to analyze the impacts of customer solar and wind generation equipment to assure that the cost of service to such customers is adequately recovered in accordance with generally accepted rate principles and Strategic Directive 2, relating to the equitable assignment of costs across and within all customer classes;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that the revised Rider Schedule 464 – Standby Service, attached hereto, is hereby approved, and Management is authorized and directed to implement the revised Rider Schedule 464.

RIDER SCHEDULE NO. 464

Standby Service

APPLICABILITY

This Rider Schedule is applicable to all Customers normally serving all or a portion of their own electrical or mechanical Load from Customer-owned equipment when the sum of the combined nameplate rating of the primary generator(s) and the combined nameplate rating of the mechanical Load converted to Equivalent Electrical Load in excess of 25 kW. (The primary generator(s) and the Equivalent Electrical Load shall be referred to as "Units.")

This Rider Schedule does not apply to Units operated for emergency purposes, to Emergency Generating Unit(s), Auxiliary Generating Unit(s) operated as standby to the Customer's Units, or for Load not requiring Standby Service (Load is permanently isolated from OPPD's System), for shared service, or as leased capacity to OPPD under Rate Schedule No. 467L. [This Rider Schedule is not mandatory for Customer-owned renewable energy equipment.](#)

BILLING COMPONENTS

Standby Service Option No. 1 – Standby Service for the Customer's Units

Standby Service Option No. 2 – Standby Service with separate status (on/off) metering of the primary, auxiliary, and mechanical generating unit(s):

Monthly Service Charge:

<u>Standby Service Option</u>	<u>Monthly Rate</u>
<i>Standby Option 1:</i>	No Rate
<i>Standby Option 2:</i>	\$45.45

Standby Charge:

<u>Electric Service Level</u>	<u>Standby Option 1:</u>	<u>Standby Option 2:</u>
Primary Level	\$5.08/kW of Contract Demand	\$5.08/kW of Contract Demand
Secondary Level	\$5.55/kW of Contract Demand	\$5.55/kW of Contract Demand

Rider Schedule No. 462 – Primary Service Discount does not apply to this Rider Schedule.

Determination of Contract Demand (Applies to Options 1 and 2)

Where OPPD is required to stand ready to supply Standby Service, the Contract Demand shall be equal to:

- (1) the Load normally isolated from OPPD's System by a throw-over switch and normally served by the Customer's equipment, and/or
- (2) the nameplate rating of the Customer's Primary Generating Unit(s) normally operated in parallel with OPPD's System if the nameplate rating of the Primary Generating Unit(s) is less than the maximum 15-minute peak Demand of the Customer's facility, or
- (3) the maximum 15-minute peak Demand of the Customer's facility if the nameplate rating of the Primary Generating Unit(s) normally operated in parallel with OPPD's

system is greater than the maximum 15-minute peak Demand of the Customer's facility, whichever is applicable.

The Customer may arrange for OPPD to supply Standby Service for a portion of the Load normally isolated from OPPD's System with a throw-over switch and normally served by the Customer's equipment. The Customer will furnish and install suitable switchgear to reduce Demand to the Contract Demand level when the Customer's Demand exceeds the Contract Demand during an outage of the Customer's equipment. The switchgear furnished by the Customer shall be approved by OPPD and will be under exclusive OPPD control.

Demand and Energy Charges (Applies to Options 1 and 2)

The charges, as determined under the regular Rate Schedule, apply to the service rendered.

However, if an increase in Billing Demand occurs in the current billing period as a result of a total outage of one or more of the Customer's primary or mechanical generating unit(s) and the failure of the auxiliary unit(s) to operate as back-up to the primary unit(s) or the Equivalent Electrical Load, the current month's Standby Charge will be reduced. The reduction will be based on the difference between the Billing Demand, as determined from the highest actual Meter reading occurring during such outage interval, and the Billing Demand, as determined from the Reference Demand.

The Reference Demand is the highest Demand resulting from any 15-minute Meter reading occurring during the current billing period being reduced by any portion of the Customer's Contract Demand not served by the Customer's equipment during such 15-minute period. The resulting Reference Demand will not be established higher than the original 15-minute Meter reading.

If, in the current billing period, the actual metered Demand during such outage interval is greater than the maximum metered Demand during any non-outage period, the Reference Demand will be used in the determination of charges for the next 11 months.

Standby Service Option No. 3 – Waiver of Standby Charge by designation of a Firm Demand:

Standby Charge:

Electric Service Level

Standby Option 3:

Excess Demand Charge

Applies

Rate Schedule No. 462 – Primary Service Discount does not apply to this Rate Schedule.

Demand and Energy Charges (Applies to Option 3)

The charges as determined under the regular Rate Schedule applicable to the service rendered with the exception that the Demand used to calculate the monthly bill will be determined as outlined in the “Determination of Billing Demand” clause within this Rate Schedule.

Excess Demand Charge (Applies to Option 3)

The current levelized cost of a combustion turbine peaking unit, including fixed capital and operation and maintenance cost. This charge will be increased by 23% to recover costs associated with the reserve margin and Demand losses on the transmission and distribution system. The resultant charge will be applied to the Customer's Excess Demand.

Designation of Demand (Applies to Option 3)

The Customer must (1) designate a Firm Demand for the facility to be served under this Rate Schedule and (2) declare the nameplate rating of the Customer's Units.

If the maximum potential Demand of a Customer's facility exceeds the supply capability of OPPD's electrical network at that location, the Customer will furnish and install suitable switchgear to limit Demand to a level determined by OPPD. This level will be no less than the Firm Demand level.

Determination of Billing Demand (Applies to Option 3)

The Customer's monthly Billing Demand will be determined by (a) the Power Factor-adjusted Demand, as calculated in the "Determination of Demand" clause in the applicable Rate Schedule subject to Demand minimums, or (b) the Firm Demand, whichever is greater.

Determination of Excess Demand Charges (Applies to Option 3)

If the Customer's Power Factor adjusted Demand exceeds the Firm Demand during the On-Peak Periods of any calendar year, the Customer will be assessed the Excess Demand Charge for the difference between the Firm Demand and the Power Factor adjusted Demand in the current month. The Excess Demand Charge will be assessed only once for each kW for which the Power Factor adjusted-Demand exceeds the Firm Demand during the On-Peak Periods in any calendar year.

Minimum Monthly Bill

The minimum monthly bill from the regular Rate Schedule, applicable to the service rendered, plus the charges for the applicable Standby Service Option.

ADMINISTRATIVE

Schedule Duration:

A minimum of three years, pursuant to a written agreement. Said agreements, at their expiration dates, will automatically be renewed for additional two-year periods unless cancelled by written notice by either party at least six months before the expiration dates.

Customers may elect to take service under a different Standby Service Option only after the current option has been in effect for at least 12 months. The Customer will provide written notice to OPPD of their intention to change options sixty (60) days before the proposed effective date of such change.

For those Customers whose Contract Demand is determined according to Condition No. 1 or Condition No. 3 in the "Determination of Contract Demand" clause within this Rate Schedule,

the level of the Contract Demand will be reviewed annually.

For Standby Service Option No. 3, the Firm Demand may be decreased only after the current Firm Demand has been in place for at least 12 months. The Customer will provide written notice to OPPD of their intention to decrease the Firm Demand 30 days before the proposed effective date of such decrease.

The Firm Demand may be increased according to the following conditions:

1. For increases in the Firm Demand that are greater than 20 MW, the Customer will provide written notice to OPPD of their intention to increase the Firm Demand at least six months before the proposed effective date of the increase.
2. For increases in the Firm Demand that are less than or equal to 20 MW, the Customer will provide written notice to OPPD of their intention to increase the Firm Demand at least three months before the proposed effective date of the increase.

Definitions

Contract Demand: The nameplate capacity of the Customer's Primary Generating Unit(s) or the Equivalent Electrical Load normally isolated from OPPD's System and served by a Customer's generating equipment.

Equivalent Electrical Load: The electrical power required to operate mechanical Load at the nameplate horsepower. One horsepower will be converted to Equivalent Electrical Load using an 85% efficiency. (One horsepower mechanical equals 877 watts electrical.)

On-Peak Periods: Monday through Friday between the hours of 12 Noon and 10:00 P.M. during the months of June, July, August, and from September 1 through September 15, excluding Federal Holidays.

Firm Demand: The Demand to be served by OPPD that the Customer expects to be served by OPPD in normal operation during the On-Peak Periods.

Excess Demand: The amount of the Customer's Demand served by OPPD that exceeds the Firm Demand during the On-Peak Periods.

Special Conditions

OPPD will not be required to furnish more than one Standby Service Option for a Customer taking service at one location.

OPPD will not be required to furnish duplicate service hereunder.

The Customer shall reimburse OPPD for all metering and switchgear equipment and the maintenance of such equipment necessary to administer this Rate Schedule.

Any metering and switchgear equipment installed, for purposes of this Rate Schedule, on the Customer's side of the Meter by the Customer must be approved by OPPD and must be installed and maintained to provide a safe environment for OPPD's and Customer's personnel.

Any metering and switchgear located on the Customer's side of the Meter must be inspected by OPPD and tested before being energized and tested once a year after that with the results of the tests reviewed and approved by OPPD.

All installations must be in conformance with the National Electrical Safety Code.

OPPD will not be liable for any damage to a Customer's equipment due to the failure of any metering or switchgear installed by the Customer on the Customer's side of the Meter.

Service Regulations

Customers under this Rider Schedule must comply with all OPPD Service Regulations.

May 27, 2020

Board of Directors
Omaha Public Power District
444 South 16th Street Mall
Omaha, Nebraska 68102-2247

Ladies and Gentlemen:

I. Background

The Omaha Public Power District is considering a modification to its Rider Schedule No. 464 – Standby Service.

II. Discussion

Like many standby service rates and riders that utilities have put into place, OPPD's current Rider Schedule No. 464 makes no distinction among the types of generation that a customer may have on its premises. Renewable generation exhibits significantly different output characteristics than mechanical generation. The District wishes to add additional language to clarify which customers may qualify for it.

III. Findings

We have reviewed the District's proposed modification to Rider Schedule No. 464. We recommend that OPPD view this as an interim approach to customers with intermittent generation behind their meters and that it consider developing a more long-term rate solution. With the modification to the Rider, the District's rates continue to conform to standard utility criteria as fair, reasonable, and non-discriminatory.

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NORTH AMERICA EUROPE ASIA-PACIFIC

May 27 , 2020

Page 2

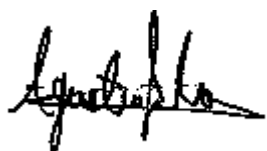
IV. Recommendation

We recommend Board adoption of Rider Schedule No. 464 with the modified language.

Respectfully yours,



Philip Q Hanser
The Brattle Group
Principal Emeritus



Agustin Ros
The Brattle Group
Principal



Board Action

BOARD OF DIRECTORS

June 9, 2020

ITEM

Applicability update for Rider Schedule 464 – Standby Service

PURPOSE

Board approval for updating the applicability for Rider Schedule 464 – Standby Service to state it is not mandatory for renewable generation to be on this Rider Schedule.

FACTS

- a. Rider Schedule 464 – Standby Service was developed for Customers with behind the meter generation to recover the costs required for OPPD to meet the Customers full load needs.
- b. Rider Schedule 464 was not designed to capture the intermittency of renewable non-dispatchable generation like solar and wind resources, and Management therefor recommends that this Rider be revised to state that it is not mandatory for customer-owned renewable generation resources.
- c. The District will continue to analyze the impacts of customer solar and wind generation to assure that the cost of services is adequately covered in accordance with rate principles and Strategic Directive 2.
- d. The District’s Rate Consultant, The Brattle Group, has issued an opinion letter stating the update to Rider Schedule 464 is fair, reasonable, and non-discriminatory.

ACTION

The Finance Committee recommends Board approval of the revision for Rider Schedule 464 – Standby Service.

RECOMMENDED:

/s/ L. Javier Fernandez
L. Javier Fernandez
Vice President and Chief Financial Officer

APPROVED FOR REPORTING TO BOARD:

/s/ Timothy J. Burke
Timothy J. Burke
President and CEO

LJF:bru

Attachment: Revised Rider Schedule 464 – Standby Service
Brattle Opinion Letter
Resolution