New PWC Electric Rates/Riders
PWC Updates
City Council Work Session
August 1, 2022

Elaina L. Ball – CEO/GM

Electric Rates Summary

- **Key Drivers -** Conservation, Economic Development, Customer Satisfaction
- **Base Rates**
  - PWC continues with the objective of maintaining current base rates through FY 2024
- **New Rates/Riders**
  - New rate design for Whole Home/Whole Small Business EV rates effective February 2023
  - New Renewable Energy Buy Back rider effective February 2023
  - New Economic Development rider effective September 2022
- **Updated Rates**
  - Changes in demand qualification and energy rate for Medium Power CP – (optional) September 2022, (required) September 2023
- **Services Regulations/Charges**
  - Fee reductions for Connections/Reconnections

New Rates

Residential Service - Whole Home (Electric Vehicles)

Single Phase Facility Charge	$30.00
Three Phase Facility Charge	$35.00
On-Peak Energy per kWh	$0.13270
Off-Peak Energy per kWh	$0.08473
Super Off-Peak Energy per kWh	$0.04810

- Basic facility charge increase ($10), extension of Super Off- Peak energy period
- Super Off-Peak is 9:00 PM to 5:00 AM
- Target effective: February 2023

New Rates

Small Power Service - Whole Business (Electric Vehicles)

Single Phase Facility Charge	$45.00
Three Phase Facility Charge	$60.00
On-Peak Energy per kWh	$0.13742
Off-Peak Energy per kWh	$0.08935
Super Off-Peak Energy per kWh	$0.04810

- Basic facility charge increase ($15), extension of Super Off-Peak energy period
- Super Off-Peak is 9:00 PM to 5:00 AM
- Target effective: February 2023

Customer Service Charges

Customer Service Charges	Current	Proposed
Initial Connection Fee	$22	$20
Initial Connection Fee After Hours	$65	$20
Reconnect Fee	$30	$20
Reconnect Fee After Hours	$60	$20
Disconnection Attempt Fee	$22	Remove
Meter Testing Fee – Electric	$50	$25
Meter Testing Fee – Water	$85	$40

Reviewed internal effort and benchmarked utility practices

New Riders

Economic Development

- Effective September 2022
- Requirements
  - New load: 1,000 kW
  - Expansion: 750 kW
  - FTE and/or capital investment requirements
  - Minimum load factor: 40%
  - Utility Purchase Agreement, repayment provisions
- Energy Discount
  - kWh percentage based
  - Five-year declining annual credit

New Riders

Renewable Energy Buy Back

- Effective February 2023
- Requirements
  - Residential and Small Power Service
  - Follows applicable rate schedule
  - 10 kW or less Solar Generation Facility
- Customer Credit
  - Weighted average credit
  - Calendar year based (0.06348 per kWh for CY 2022)
  - Credit cannot exceed monthly energy charge
  - No carry-forward of credit

Electric Vehicle Team

- **Fall 2021: Team formation and research**
- **March 2022: Team presented recommendations to commission**
- **June 2022: Implementation timeline created**
- **June 2022 – present: Implementation in process**

Implementation Overview

Recommendation	Projected Timeframe to Execute	Status	Notes
Add preliminary information to website	Q3	In review with CCR	Quick link, written information, verified links to external sites, map
Add robust information to website	Q3/Q4	In progress	Calculators, vehicle selector tool, residential chargers, incentive programs, vetted installation partners, vetted charging vendors
Physical collateral (pocket cards/pamphlets)	Q3/Q4		
Add information to PWC phone app	Unknown		Future capability
Partner with city/county to install charging	Q3/Q4	Planning phase	BlastPoint to assist
Partner with local businesses to facilitate charging installation	Q3/Q4		BlastPoint to assist
Install charging on PWC property	Q4		
Implement RES/Small Power TOU rates	Pending IT execution	Rates approved	
Develop and publish Charging Equipment incentive program	Q4		
Develop and publish DR monthly bill credit incentive program	Q4		
Determine next steps for current CP stations	November	Researching options	Year to year contract expires 11/2022
Revisit team recommendations	Q1/Q2 2023		

Team Recommendation

- **Recommend that PWC partner with the City of Fayetteville and Cumberland County to assist with charging installation**
  - Identify areas that would help facilitate adoption and add community value
    - Downtown
    - Municipal buildings
    - Schools
  - Consider donating four current charging stations

Team Recommendation

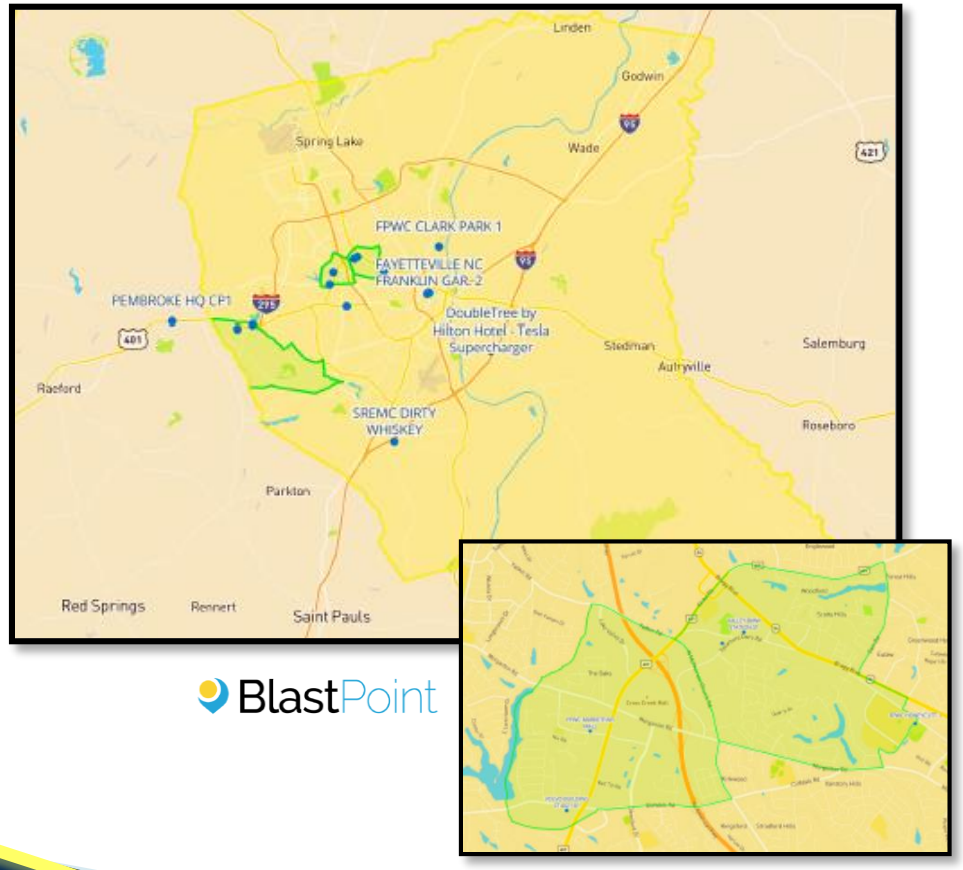
- **Partnership roles:**
  - PWC will help to identify areas of greatest community value for charging station installation
  - PWC will assist in identifying and connecting city/county with potential charging vendors/services
  - City/County will be responsible for selection and contract execution with vendors for ownership and payment of charging services
  - PWC to assist with electric needs

Selecting Charging Vendor

- **Type of ownership/business model**
  - Each vendor has their own options for ownership and breakdown of profit sharing

Model	Equipment Ownership	Operation	Profits from EV Charging	Other Information
Host Owned	Customer	Customer	Customer	Optional maintenance packages
Hybrid Owned	Vendor	Vendor	Split	Customer must provide installation site
Host Owned Hybrid	Customer	Vendor	Split	Customer must provide installation site
Vendor owned Turn Key	Vendor	Vendor	Vendor	Select high traffic areas only
Charging as a Service (CaaS)	Vendor	Vendor	Vendor	Flat monthly fee

Identifying Charger Sites



- Several areas in Fayetteville show a high propensity for EV adoption
- BlastPoint can use machine learning/ algorithms to ID areas of value where charging can be installed to benefit the community

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PWC
Fayetteville's
HOMETOWN UTILITY

Appendix

Base Rates/Cost of Service

- **Cost of Service Study Assumptions**
  - Use of current base rates
  - Drawdown of electric rate stabilization fund
  - Contingency and capital expenditure plans
  - Maintain >120 days cash on hand for Electric
  - Maintain > 2.5 debt service coverage

- **Cost of Service Study Results**
  - Cost of service results = $201.3M
  - Prior study = $201.6M
  - ~0.1% difference from 2 years ago
  - Reviewed inter and intra customer class cost of service results

- **Recommendation – No base rate increase**

Updated Rates

Medium Power Service – Coincident Peak

- Conservation/Demand Management
- Balancing change with PWC resources

- Effective September 2022 (optional enrollment)
  - Lowering minimum kW threshold from 200 to 150
  - Energy charge reduced from $0.04545 to $0.03925

- Effective September 2023 (required enrollment)

New Riders

Economic Development Benchmarking

- Consultant benchmarked regional and national Investor Owned Utilities (IOUs) and municipally owned utilities and reviewed cost of service analysis
- Most utilities surveyed:
  - Incentive periods range 3-10 years, with 5 being most common
  - Declining discount structure most common
  - Eligibility criteria - Load, FTEs, and/or investment are common
- Analysis
  - Reviewed cost of service for Large Power Service
  - Compared potential ED credit design to LPS and other ED credits offered in region
- Recommendation
  - kWh percentage based
  - Five-year declining annual credit

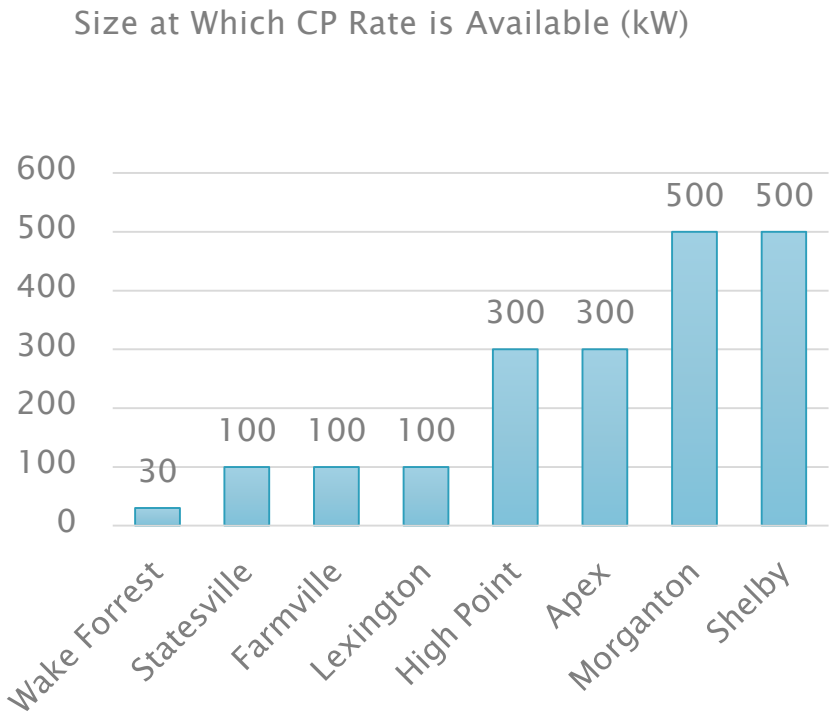
Distributed Generation

- **Consultant reviewed Buy All Sell All tariff and found:**
  - Calculation is administratively burdensome to apply to many small power producers
  - Cost of separate generation meter may be cost prohibitive
- **Recommendation**
  - Adopt small producer policy (mainly focused on rooftop solar) that applies bi-directional metering
  - Simplify calculation of credit
  - Maintain Buy All Sell All tariff for larger power producers

Updated Rates

Coincident Peak Rate Benchmarking

- Coincident peak options starting availability is relatively broad in NC (30-500kW)
- Many areas providing complex rate options to 50kW or higher customers



Medium Power Service Customers