



# Board Action

## BOARD OF DIRECTORS

June 15, 2021

### ITEM

Rate Design Changes to Rider Schedule No. 110M – Residential Housing Rider, Rider Schedule No. 469W – General Service – Time-of-Use – Waiver Option, and Rider Schedule No. 483 – Net Metering Service

### PURPOSE

Board approval to eliminate Rider Schedule Nos. 110M – Residential Housing Rider and Rider Schedule No. 469W – General Service – Time-of-Use – Waiver Option and to update the applicability for Rider Schedule No. 483 – Net Metering Service.

### FACTS

- a. The Board approved Rider Schedule No. 110M – Residential Housing Rider in October 2005 to allow military housing to receive a Western Area Power Administration (WAPA) production credit for active duty tenants. On August 1, 2021, WAPA will be moving 4 Megawatts of WAPA generation from Offutt Air Force Base to Malmstrom Air Force Base, therefore excess WAPA allocation for the military housing will no longer be available.
- b. The Board approved Rider Schedule No. 469W in May 1995 to offer a demand waiver option for customers under the Time-of-Use Rider. There is one customer taking service under Rider Schedule No. 469W. The structure of Rider Schedule No. 469W is not consistent with current rate making standards in light of the District’s membership in the Southwest Power Pool and its integrated market.
- c. To clarify the applicability for Rider Schedule No. 483 – Net Metering Service as it relates to whether the system limitation of 25kW applies to the Alternating Current (AC) or Direct Current (DC) nameplate capacity, the District is recommending to change the current language from “shall not exceed 25kW in either the aggregate system AC nameplate capacity or aggregate system DC nameplate capacity” to “shall not exceed 25kW in the aggregate system AC nameplate capacity,” as shown on Exhibit A.
- d. The District’s Rate Consultant, The Brattle Group, has issued an opinion letter stating their recommendation for the rider changes, as shown on Exhibit B.

### ACTION

The Finance Committee recommends Board approval to (i) repeal Rider Schedule No. 110M – Residential Housing Rider, effective August 1, 2021; (ii) repeal Rider Schedule 469W – General Service – Time-of-Use – Waiver Option, effective June 1, 2022; and (iii) update applicability for Rider Schedule No. 483 – Net Metering Service, effective as of July 1, 2021, in the form of Exhibit A, attached hereto.

### RECOMMENDED:

DocuSigned by:  
  
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 L. Javier Fernandez  
 Vice President and Chief Financial Officer

### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
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 Timothy J. Burke  
 President and Chief Executive Officer

LJF:bru

Attachments:

Exhibit A –Rider Schedule No. 483 Redline  
Exhibit B – Letter from The Brattle Group  
Resolution  
Presentation

## RIDER SCHEDULE NO. 483

### Net Metering Service

#### APPLICABILITY

This Rider Schedule is applicable to all Customers in OPPD’s Service Area with a Qualified Generator not taking service for the same Qualified Generator under Rider Schedule No. 355. This Rider Schedule is also not available to Customers taking service under Rate Schedule No. 357 – Municipal Service. Energy Storage systems capable of storing OPPD-supplied energy and exports that energy back to OPPD’s system do not qualify.

DG Systems qualifying for Rider Schedule No. 483 shall not exceed 25kW ~~in either the aggregate system AC nameplate capacity or aggregate system DC nameplate capacity~~ in the aggregate system AC nameplate capacity, as determined by OPPD during the DG application and approval process.

#### BILLING COMPONENTS

Net Excess Generation Credit:

<u>Excess Generation</u>	<u>Summer (June 1 – Sept. 30)</u>	<u>Non-Summer (Oct. 1 – May 31)</u>
Per kWh	4.00 cents/kWh	3.52 cents/kWh

#### Determination of Customer Bill

The Customer can use Qualified Generator electrical output to supply all or a portion of the Customer’s Demand and deliver the surplus to OPPD. At the end of the billing period, the net flow of the energy between the Customer and OPPD will be calculated, and the Customer’s bill will be based on the net energy flow as follows:

- *Net flow from OPPD to the Customer:* The Customer will be billed for the net use at the monthly rate and based on the provisions included in the Customer’s applicable Rate Schedule.
- *Net flow from the Customer to OPPD:* The Customer will be billed for the non-energy charges based on the provisions included in the Customer’s applicable Rate Schedule and will receive a bill credit for the Net Excess Generation. If the bill credit is greater than the current month’s billing, the Customer will carry an account credit balance for use in future months. At the end of the calendar year, any excess bill credits associated with Net Excess Generation will be paid to the Customer.

#### ADMINISTRATIVE

##### Definitions

*Net Excess Generation:* Production of more electrical energy than is consumed by the Customer during a billing period.

##### Special Conditions

Customers are responsible for Qualified Generator equipment and services required for interconnection. If desired, Customers are responsible for metering to measure the energy produced by the Customer’s Qualified Generator. The Customer will maintain ownership of renewable energy credits associated with a Qualified Generator.

Customers taking service on this Rider Schedule are not eligible for OPPD's Level Payment Plan.

OPPD will provide, at no additional cost to the Customer, metering that is capable of measuring the flow of electricity in both directions. This equipment may be a single bidirectional Meter, smart Meter, two Meters, or another Meter configuration that provides the necessary information for service under this Rider Schedule.

#### Service Regulations

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

June 10, 2021

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 (OPPD) seeks to eliminate Riders 110M and 469W and proposes a language change to Rider 483.

## II. Discussion

***Rider 110M: Residential Housing- Offutt Housing Adjustment Rider.*** This Rider applies to all customers within the designated privatized housing areas at Offutt Air Force Base (AFB) that meet the Residential Customer criteria as defined in the Service Regulation. The Rider provides a benefit (currently at 2.8 cents/kWh) to the Offutt housing customers, so these eligible customers do not have a rate higher than Rate Schedule No. 110 Residential Services. This benefit results from a Western Area Power Administration (WAPA) allocation to Offutt. WAPA is moving 4 MW of Offutt's WAPA allocation from Offutt to the Malstrom AFB as of August 1, 2021; therefore, the excess allocation will no longer be available for the privatized housing.

OPPD is proposing to eliminate Rider 110M and move current 110M Rider customers onto Rate 110. It is reasonable and in conformance with general industry practice to remove riders that no longer serve their original purpose, may impose an undue administrative burden and may have become unduly discriminatory.

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NORTH AMERICA EUROPE ASIA-PACIFIC

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**469W: General Service- Time-of-use – Waiver Option.** Implemented in 1995, this rider is a demand waiver option for customers under the TOU rider. The waiver typically would be invoked in cool weather when energy production cost is low. The customers can have their On-Peak usage waived during a specific timeframe or allow customers to buy energy at an agreed-upon price during a specific timeframe. 469W is a legacy rider and with restricted eligibility since 2013. Only one OPPD customer currently remains on this Rider.

It is reasonable and in conformance with general industry practice to remove riders that no longer serve their original purpose. Since OPPD joined SPP and its integrated market, this rider no longer has the value it once had. Therefore, OPPD proposes to remove the customer from this rider and eliminate it from the Service Regulations & Schedules. We understand that OPPD has been in discussions to notify the customer.

**483- Net Metering.** Nebraska Law NE LB 436 regarding Net Metering has a 25kW maximum nameplate capacity criteria. However, NE LB 436 does not state if the 25kW applies to the aggregate system alternating current (AC) nameplate capacity or aggregate system direct current (DC) nameplate capacity. Because NE LB 436 does not specify if the 25kW maximum is for the AC or DC rating of nameplate capacity, OPPD stated that neither AC nor DC could exceed the 25kW nameplate capacity in the current Rider. OPPD has had discussions with its customers and is changing the applicability to state the DG system shall not exceed 25kW in the aggregate system AC nameplate capacity.

It is reasonable and in conformance with general industry practice to revise tariff riders' language to remove ambiguities and provide more certainty to customers. Modifying the rider's current maximum nameplate capacity to be the AC nameplate capacity removes the previous ambiguity. Moreover, no consumer is harmed by this change, as existing 25kW DC nameplate capacity systems would comply with the 25kW AC maximum due to the typical inverter efficiencies converting DC to AC.

### III. Findings

We have reviewed the District's proposed elimination of Riders 110M and 469W and the modified Rider Schedule No. 483. With the elimination and modifications to the Riders, it is our opinion that the District's rates continue to conform to standard utility criteria as fair, reasonable, and non-discriminatory.

### IV. Recommendation

We recommend that the board adopt the elimination of Rider Schedules No. 110M and 469W and the language modification to Rider 483.

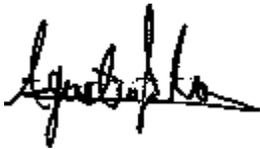
Respectfully yours,

June 10, 2021

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A handwritten signature in black ink, appearing to read "Philip Q. Hanser", with a horizontal line extending to the right.

Philip Q Hanser  
The Brattle Group  
Principal Emeritus

A handwritten signature in black ink, appearing to read "Agustin Ros", with a horizontal line extending to the right.

Agustin Ros  
The Brattle Group  
Principal



Yoder/Fernandez

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, the Western Area Power Administration (WAPA) will be moving 4 Megawatts of Offutt Air Force Base’s allocation to another Air Force base as of August 1, 2021, and therefore excess WAPA allocation that is currently passed through to Offutt under Rider Schedule 110M – Residential Housing will no longer be available; and

**WHEREAS**, Management has determined that Rider Schedule 469W – General Service Time-of-Use – Waiver Option is not consistent with current rate making standards in light of the District’s membership in the Southwest Power Pool and its integrated market and therefore should be repealed by the Board of Directors; and

**WHEREAS**, Management recommends that Rider Schedule No. 483 – Net Metering be clarified by changing the current language from “shall not exceed 25kW in either the aggregate system AC nameplate capacity or aggregate system DC nameplate capacity” to “shall not exceed 25kW in the aggregate system AC nameplate capacity.”

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Omaha Public Power District hereby approves (i) the repeal of Rider Schedule No. 110M – Residential Housing effective August 1, 2021; (ii) the repeal of Rider Schedule No. 469 – General Service Time-of-Use – Waiver Option as of June 1, 2022; and (iii) the update of the applicability for Rider Schedule No. 483 – Net Metering effective July 1, 2021, in the form of Exhibit A, attached hereto.

# Rate Design Changes

**Rider Schedule No. 110M – Residential Housing**

**Rider Schedule No. 469W Time-of-Use (TOU) Waiver Option**

**Rider Schedule No. 483 Net Metering**

L. Javier Fernandez

Vice President – Financial Services & CFO

June 15, 2021

# Rider Schedule No. 110M – Residential Housing Summary & Recommendation

# Rider Schedule 110M

## Summary

- Western Area Power Administration (WAPA) hydroelectric capacity and energy is passed through OPPD to select customers, including Offutt Air Force Base (AFB).
- The WAPA allocation has certain eligibility requirements and administration of those requirements is difficult.
- Additionally, Air Force Civil Engineer Center (AFCEC) has elected to move 4 MW of WAPA hydroelectric power from Offutt AFB to Malmstrom AFB as of August 1, 2021.
- Recommendation is to discontinue the 110M Rider (residential riders) and keep 230M and 231M (commercial, on base riders).
- Recommended Board Action to terminate the Rider Schedule No. 110M credit differential, effective August 1, 2021.

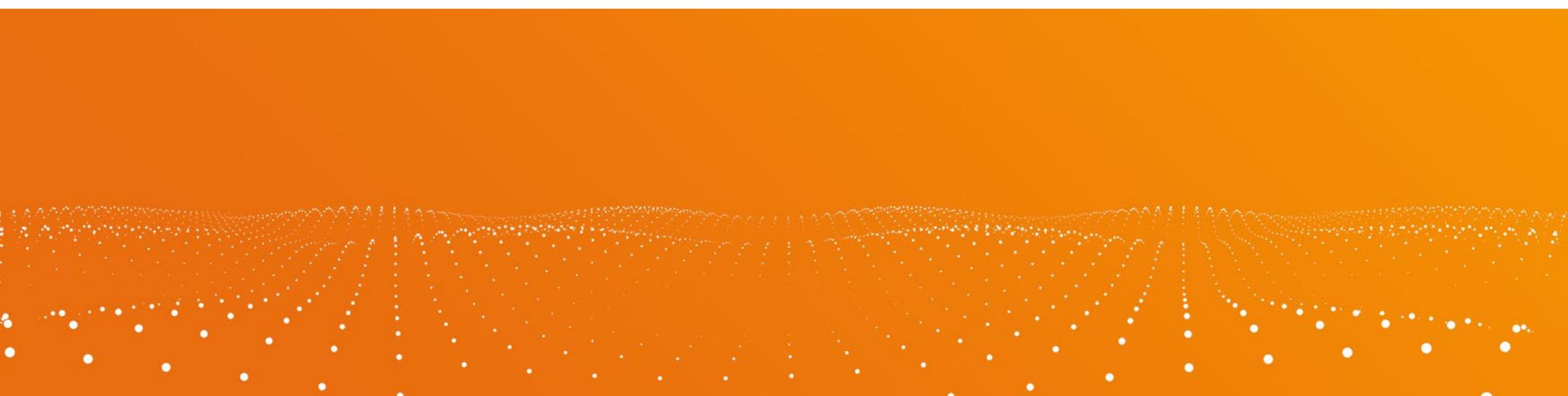
# Rider Schedule No. 469W – Time-of-Use Waiver Option Summary & Recommendation

# Rider Schedule 469W

## History & Overview of Rider

- May 1995 - implemented a 'demand waiver' option for customers under the TOU rider. A demand waiver would occur when the weather is cool and the cost of energy production is low.
- Customers can have their On-Peak usage waived during a specific timeframe, or allow the customers to buy energy at an agreed upon price during a specific timeframe.
- The Rider was restricted in 2015 to customers already subscribing.
- This type of structure does not conform to modern standards.
  - Now that OPPD is part of SPP's integrated marketplace, the rider is antiquated and its existence does not properly reflect modern markets.
  - The integrated marketplace provides instant kWh electricity pricing in both the 'real time' and 'day ahead' subsequently eliminating the purpose of the Rider.
- Recommended Board Action to terminate the Rider Schedule No. 469W in June 2021 for an effective date of June 1, 2022.

# Rider Schedule No. 483 – Net Metering



# Rider Schedule 483

## Net Metering

- Currently, Rider Schedule 483 places system size limitation on either the AC or DC nameplate capacity rating:

*“shall not exceed 25kW in either the aggregate system AC nameplate capacity or aggregate system DC nameplate capacity”*

- Customer preference and feedback has been received to clarify the size limitation specifications to be placed on the AC inverter to allow for greater customer flexibility and potentially sizing of system.
- While not all systems are constrained first by the DC nameplate rating relative to the 25kW limitation, most systems appear to hit the constraint first on the DC nameplate rating.
- Based on customer preference and feedback, recommendation is to update applicability to:

*“shall not exceed 25kW in the aggregate system AC nameplate capacity”*

- Implementation of the changes will affect the Customer Owned Generation interconnection process and will require time.
- Recommended Board Action to update the Rider Schedule No. 483 in June 2021 for an effective date of July 1, 2021.