

## WISCONSIN ELECTRIC POWER COMPANY

Volume 19 – Electric Rates

Revision 0 Sheet xxxxx

Amendment No. xxx

Effective In All Areas Served In Wisconsin

DRER Pilot

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**DEDICATED RENEWABLE ENERGY RESOURCE (DRER) PILOT PROGRAM**AVAILABILITY

Available to customers currently taking service under one of Wisconsin Electric Power Company's ("the Company's") general secondary, general primary or lighting rate schedules who wish to purchase all or a portion of their electricity requirements from dedicated renewable energy resources as outlined below. There is a participation limit of 150 MW<sub>ac</sub> of existing customer load and no limit if the customer's load applicable to this pilot is new to the Company's system at the time of entering in to a service agreement.

RATE

A customer taking service under this pilot will be responsible for all rates, adjustments, and credits specified in the customer's otherwise applicable rate schedule(s). This includes, but is not limited to, facilities charges; energy charges; fuel cost adjustment; on-peak and customer maximum demand charges; and minimum charges, all based on the customer's actual consumption for the billing period, at the rates under their otherwise applicable rate schedule. Additionally, a participating customer will pay the cost of the dedicated renewable energy resource, as agreed upon in the corresponding Dedicated Renewable Energy Resource ("DRER") service agreement, and shall receive the following bill credits associated with the energy production and capacity accreditation of each contracted dedicated renewable energy resource:

1. A bill credit for the renewable energy generated specifically for the customer by the dedicated renewable energy resource. Such bill credit shall be determined based on the Energy Credit Value applied to the lesser of the energy generated by the dedicated renewable energy resource for the customer or the customer's actual energy consumption, for each 60 minute interval in the billing period. Any excess generation above a customer's load for a given 60 minute interval will be provided to non-participating customers at no cost. Energy Credit Values will be based on the settled market value of the produced energy less any Midcontinent Independent System Operator ("MISO") charges established for a MISO pricing node, but in no case shall an hourly Energy Credit value be less than zero. Pricing node to be determined and included in the DRER service agreement.
2. A bill credit based on the amount of capacity, as accredited by MISO and up to the customer's billed maximum demand, for any dedicated renewable energy resource subject to this pilot. The capacity credit will be equal to one-twelfth (1/12<sup>th</sup>) of the annual amount. The credit value will be either a long term capacity credit or a short term capacity credit determined based upon the Company's capacity need/position during the MISO Resource Adequacy Planning Year (June 1 through the following May 31) in which a dedicated renewable energy resource is expected to achieve commercial operation. The capacity credit will only be available to the extent the dedicated renewable energy resource receives accreditation from MISO and it does not exceed a customer's maximum billed demand in each billing period.

A long term capacity credit will be available to a subscribing customer to the extent that the Company has an unfilled capacity need starting in that MISO Resource Adequacy Planning Year and there are no actively participating customers on the waiting list for a long-term capacity credit.

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RATE (continued)

If a long term capacity credit is not available, a participating customer will be provided a short-term capacity credit and placed on the waiting list for a long term capacity credit, on a ‘first come, first served’ basis. The long-term capacity credit is the MISO zone 2 cost of new entry (CONE) for the MISO Resource Adequacy Planning Year in which the DRER service agreement is executed if the DRER qualifies for a long-term capacity credit. The short-term capacity credit is the MISO zone 2 planning resource adequacy auction clearing price that is in effect on the date in which the service agreement is executed. These capacity credit definitions are subject to change.

Renewable Energy Attributes

Participating customers will be assigned all renewable energy attributes, including Renewable Energy Credits, equal to the amount of energy that is used to calculate the participating customer’s energy credit as defined in paragraph “1.” within the “Rate” section above.

Minimum Charge

The charges from the customer’s otherwise applicable rate schedule plus any charges as defined in the DRER service agreement.

Late Payment Charge

A one percent (1%) per month late payment charge will be applied to outstanding charges.

CONDITIONS OF DELIVERY

1. Service under this pilot requires a written DRER service agreement between the Company and the customer which provides for the dedication of a new (as defined in Condition of Delivery 3(i) below) Wisconsin-based renewable energy resource that is owned by the Company and dedicated to a specific customer and interconnected to either the American Transmission Company (“ATC”) transmission system or the Company’s distribution system. The customer will be responsible for all the costs associated with and identified in the DRER service agreement without limitation.
2. References to MISO and ATC are as defined herein and shall also refer to their successors.
3. The DRER service agreement shall not harm (1) other customers of the Company who are not subject to the DRER service agreement, or (2) the shareholders of the Company. The DRER service agreement must include, but is not limited to, the following:
  - a. Details about the dedicated renewable energy resource facility, including but not limited to (1) source (project description including equipment type, costs, location, etc.); (2) size in kW and projected kWh energy produced; (3) total percentage of anticipated consumption coincident with energy production); (4) project timeline.

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- b. Details about the costs associated with the dedicated renewable energy resource facility, without limitation, which are included in the DRER service agreement.
  - c. Nameplate capacity and the estimated applicable MISO accredited capacity value of the dedicated renewable energy resource facility.
  - d. Provision to address early termination by either the Company or the customer.
  - e. Provision to address default by either the Company or the customer in fulfilling obligations under the DRER service agreement.
  - f. Information regarding customer credit worthiness.
  - g. Specified DRER service agreement term.
  - h. The specific MISO pricing node that will be used to determine the Energy Credit Value.
  - i. Identification of whether the customer would qualify for the long-term or short-term capacity credit at the time the associated dedicated renewable energy resource is expected to achieve commercial operation (new) or when the dedicated renewable energy resource is dedicated to the customer's use (existing).
4. The DRER service agreement must be filed with and approved by the Public Service Commission of Wisconsin (PSCW) in accordance with Wis. Stat. 196.192. Any amendments to the executed DRER service agreement must also be filed with and approved by the PSCW. If the PSCW raises specific issues with a DRER service agreement, the Company and the customer will be allowed a reasonable time period to address those issues before the PSCW approves or denies the DRER service agreement.
  5. Within a reasonable time (30 days) after receiving a request from a customer the Company will meet with the customer to begin discussions to determine if mutually agreeable terms can be reached with respect to a dedicated renewable energy resource in accordance with Wis. Stat. 196.192.
  6. A customer, which is defined by tax ID for non-governmental entities or a single unit of government (e.g., municipality, county, school district, etc.), with multiple accounts eligible for this pilot, may aggregate any of its eligible accounts under a single DRER service agreement application with the Company, up to a maximum number of accounts as determined by the Company on a case-by case basis. The details regarding aggregation and billing will be addressed in the service agreement. Under no circumstances will multiple customers be allowed to aggregate eligible accounts under a single service agreement application.
  7. Any customer choosing to be served under this pilot thereby waives all rights to any billing adjustments arising from a claim that the bill for the customer's service would be cheaper on any alternative rate schedule for any period of time, including any rights under Wis. Admin. Code PSC 113.0406(4).
  8. Pilot participation may be limited at the sole discretion of the Company. Additionally, the Company reserves the right to limit customer specific participation on this pilot based on a customer's bill payment and collection history.

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CONDITIONS OF DELIVERY (continued)

9. Customers shall be bound by, and receive and pay for service furnished hereunder in accordance with (i) the rates, terms and conditions of the DRER; (ii) the rates, terms and conditions of their otherwise applicable rate schedule(s), (iii) the Company's Rules and Regulations; and (iv) any future modifications of such rates, terms, conditions, and rules and regulations that may be ordered or approved by the PSCW. To the extent that there are conflicts among any of the foregoing, the specific provisions of this pilot shall govern.

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