



An AEP Company

BOUNDLESS ENERGY™

PUBLIC AUTHORITY CONTRACT OVERVIEW

Appalachian Power

June 9, 2021

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APPALACHIAN POWER

- Welcome & Overview
 - Speaker Introductions
 - Will Castle – Regulatory
 - Noelle Coates – Legal
 - Jennifer Sebastian – Regulatory
 - Tyler Schwartz – Customer Accounts
 - Eleanor Keeton – Regulatory
 - Jason Smith – Energy Services
 - Shane Williams – Regulatory
 - Tony Woodall – Customer Accounts



APPALACHIAN POWER

- Who We Are
 - Subsidiary of American Electric Power (AEP)
 - One of seven operating companies in 11 states
 - One of the largest electric utilities in the U.S.
 - Serve more than 1 million customers in Virginia, West Virginia and Tennessee
 - About 500,000 are Virginia customers



VIRGINIA RETAIL STRUCTURE

- The Virginia State Corporation Commission (SCC) regulates non-wholesale customers in Virginia
- The Public Authority (PA) is not jurisdictional
 - By agreement, the Public Authority “piggybacks” on the oversight provided by the SCC
 - PA rate schedules “mirror” jurisdictional rates
 - Saves the PA and Appalachian Power the cost of determining fair rates independently
 - Provides latitude to negotiate other services

PUBLIC AUTHORITY CONTRACT OVERVIEW

Tariff Term

- January 1, 2021 - December 31, 2024

Public Authority (PA) Surcredit

- Surcredit to be provided from contract effective date (4/1/2021) until end of contract term

Renegotiation Process

- Commences 4th quarter 2023 and March 2024

New Offerings and Renewable Programs

PUBLIC AUTHORITY – SURCREDIT*

2021

- \$1.34 million annual surcredit
 - Effect one year credit over 9 month period
 - Includes one-time tax credit
 - \$562k to be remitted to customers**

-\$0.00425/kWh

January 2022 - December 2024

- \$1.34 million annual surcredit

-0.00225/kWh

* Cost of Service can result in a surcharge or surcredit

**Streetlighting customers will receive one-time credit of \$10.7k by July 31, 2021

PUBLIC AUTHORITY-SAMPLE BILL

Account #

Line Item Charges:

Previous Charges		
Total Amount Due At Last Billing	\$	732.69
Payment 05/14/21 - Thank You		-732.69
Previous Balance Due	\$.00
Current APCO Charges		
Tariff 216 - Public Authority 05/17/21		
Service Delivery Identifier: ██████████		
Electricity Supply Service		
Generation Services	\$	448.55
Transmission Services		193.11
Distribution Services		179.33
Public Authority Surcredit		-43.52
Electricity Supply Service		
Fuel Factor @ 0.0199900 Per kWh		204.70
Current Balance Due	\$	982.17
Total Balance Due	\$	982.17
Pay \$996.90 after 06/08/2021		

Meter Read Details:

Meter #					
Previous	Type	Current	Type	Metered	Usage
49731	Actual	49987	Actual	256	10,240 kWh
-	-	1.530	Actual	1.53	61.2 kW
Service Period 04/16 - 05/17				Multiplier 40	
Next scheduled read date should be between Jun 16 and Jun 21 .					

Notes from APCO:

AEP now furnishes Commercial & Industrial payment histories to credit reporting agencies.

Due date does not apply to previous balance due.

Register for online services at www.AppalachianPower.com. Registration is **free and easy** and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.

PUBLIC AUTHORITY – CONTRACT OVERVIEW

- Public Authority contract offerings
 - Net Metering cap now looks to statutory cap
 - Municipal/ School Net Metering pilot programs
 - Power Purchase Agreement (PPA) pilot program through the Commission*

* <https://www.scc.virginia.gov/pages/Renewable-Energy-Pilot-Program>

PUBLIC AUTHORITY – DISTRIBUTED GENERATION

Changes to Net Metering and Renewable Programs	Public Authority Old Contract	Public Authority New Contract
Net Metering Cap	3MW	5% Peak Load forecast (approx. 167 MW)**
Commercial & Industrial Net Metering	<=1MW	<=3MW
Net Metering limitations	<annual consumption	<annual consumption
Purchase Power Agreement Pilot Program	Not explicitly available	40MW*
Municipal/School Net Metering-§ 56-585.1:8		5MW

* <https://www.scc.virginia.gov/pages/Renewable-Energy-Pilot-Program>

**Cap is shared with Virginia Retail customers

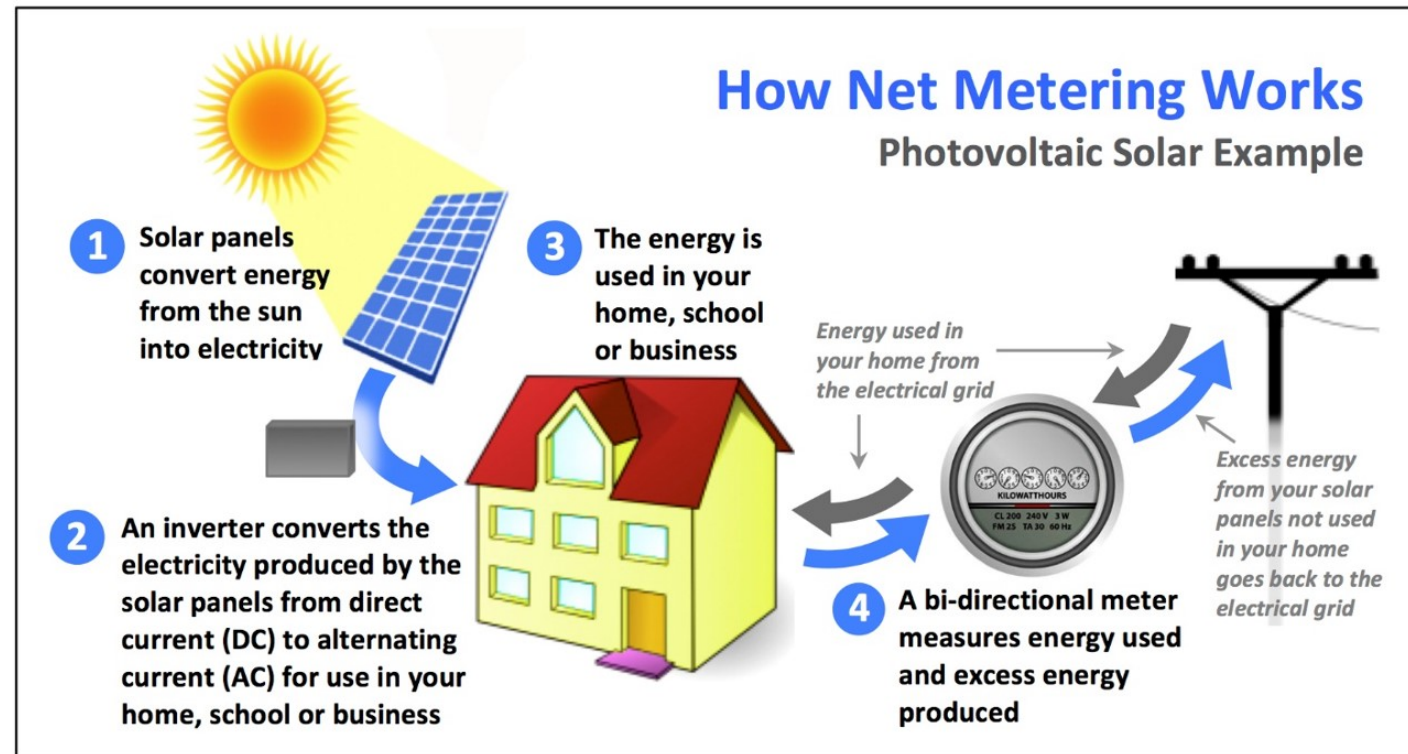
Terms used with Distributed Generation

- Virginia Clean Economy Act (VCEA)
- Renewable Portfolio Standard (RPS)
- Distributed Generation (DG)
- Net Metering (NM)
- Renewable Energy Certificates (RECs)
- Power Purchase Agreements (PPAs)*

NET METERING

Net Metering defined

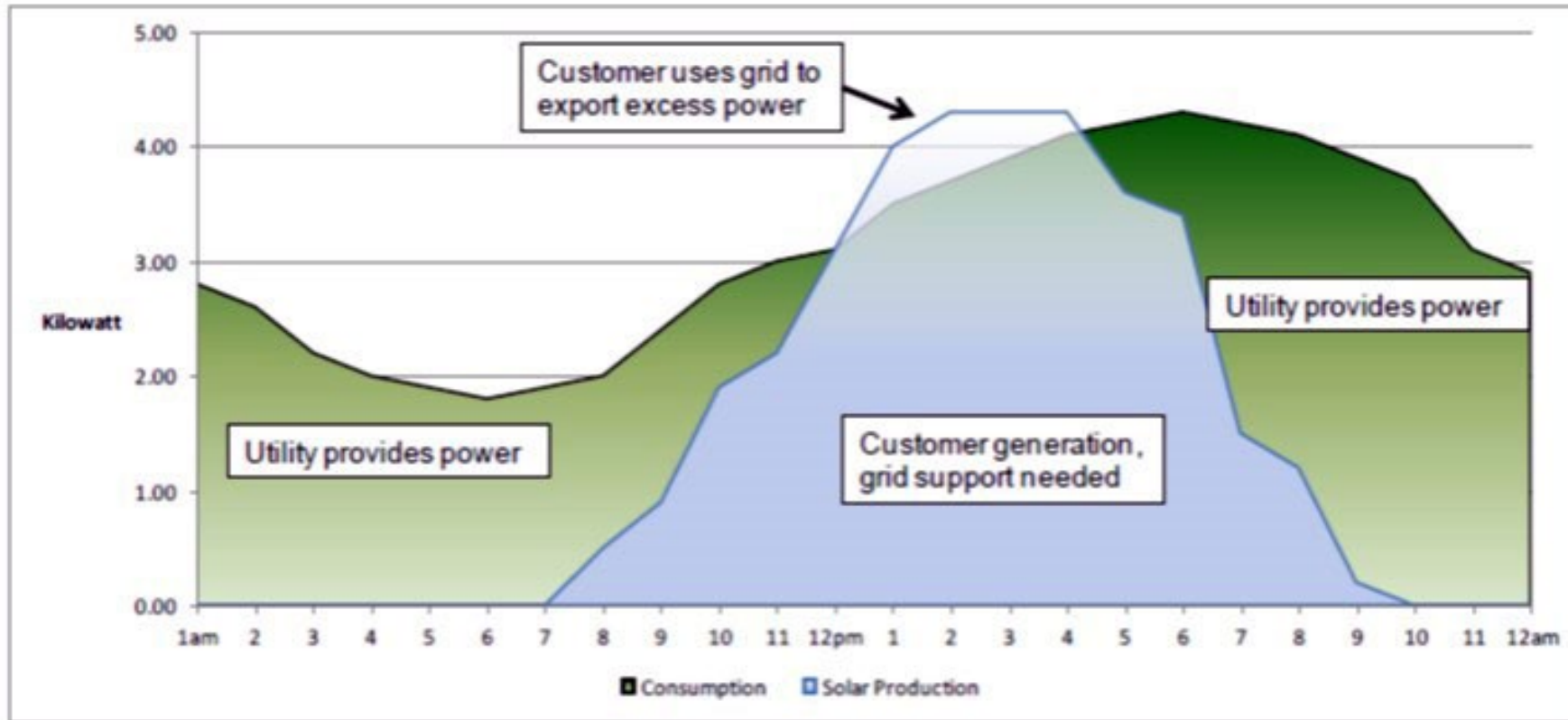
- Requirements
- Process
- How to apply



More information available on Appalachian Power's website
<https://www.appalachianpower.com/clean-energy/renewable/solar/>

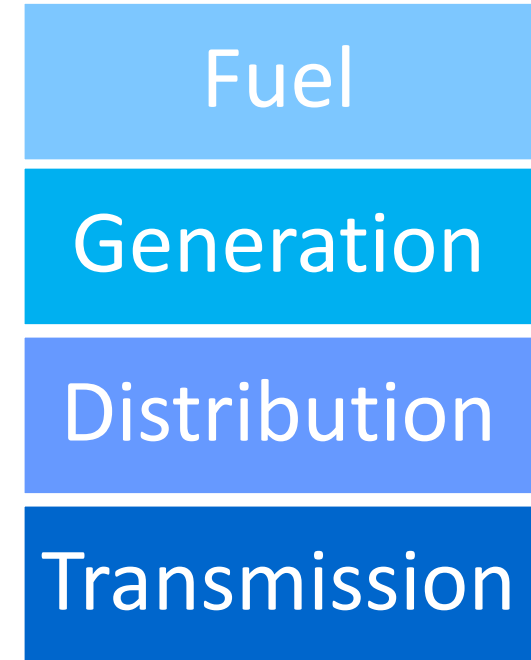
“TYPICAL” NET METERING CUSTOMER

Typical Energy Production and Consumption for a Small Customer with Solar PV



NET METERING CREDIT

- In Virginia, net metering customers receive “full” credit for energy generated
 - Policy in place since 2001
- Why does the “full” credit matter?
 - 8.5¢/kilowatt-hour
 - Estimate 50-60% of costs are fixed
- The fixed costs that a DG customer does not pay are significant, and are ultimately shifted to other customers.



- Future Net Metering (NM) proceeding
 - To be held in the 2024/2025 timeframe or when 3% of utility cap is reached
 - NM infrastructure fee
 - Evaluate NM benefit
 - Economic benefits
 - NM cap

RIDER WWS

- Wind, Water, Sunlight (WWS) Rider
 - Previously unavailable to PA customers
 - 100% renewable program provides your entire energy requirements from APCo renewable resources
 - Wind and hydro from APCo resources
 - A premium of only \$0.00425* per kilowatt-hour used
 - RECs associated with your energy usage retired on your behalf
 - Cancel whenever you want
 - Customer may sign up via Appalachian Power’s website
 - <https://www.appalachianpower.com/account/bills/programs/green-pricing/va/>



* Premium subject to change based on market conditions

OPTIONAL RIDER R.E.C.

Rider R.E.C.

- Previously unavailable to PA customers
- A more economical renewable rider REC offering when compared to Rider R.E.C.
- Less than 1% premium in standard service and one of lowest costs in nation
- Offering supported by less expensive Renewable Energy Credits
- Customer may elect REC block purchases or match monthly energy consumption
 - Block Purchase Option: \$0.10 for each 100 kWh block nominated
 - All Usage Purchase Option: \$0.0010/kWh consumed
- Customer may sign up via website
 - <https://www.appalachianpower.com/account/bills/manage/RenewableChoices/VA/SignUp.aspx?program=economy>

ADDITIONAL RENEWABLE OPTIONS

- Public Authority (PA) customers may contract with APCo for some or all of a renewable facility's output
 - May take different forms and the terms are negotiated individually
 - As resources are added to meet VCEA requirements, shares may become available



PLUG-IN ELECTRIC VEHICLES (PEV)

- Personal, commercial, and municipal electric vehicle (EV) adoption is on the rise
 - Reduces transportation costs
 - Reduces emissions
 - Downward pressure on electric rates
- Rates designed for EV charging
 - Time-of-Use Rates & Managed Charging Systems to incentivize off-peak charging
 - Off-peak charging reduces EV operation costs for individual customers and has the potential to reduce rates for all customers



PLUG-IN ELECTRIC VEHICLES (PEV)

- Customers may choose from two available options
 - Option 1 allows for a stand-alone Personal Electric Vehicle (PEV) service in addition to their existing service, billed at GS time-of-day rates.
 - Available to all Public Authority (PA) customers
 - Option 2 allows for a PEV submeter placed to separately meter PEV usage within their existing service, billed as a credit for off-peak charging or a surcharge for on-peak charging
 - Available to existing small, medium and general service customers



PUBLIC AUTHORITY - LED LIGHTS

- **Outdoor lighting service furnished in Schedule OL VA Retail**
 - For outdoor lighting to individual customers
 - Seven new LED luminaries (100W, 200W, 400W, 1000W equivalents)
 - Cobra head, postop and flood light options
 - Conversion Charge of \$113.33 for existing non-LED luminaries
 - All new installations will be LED
- **Street lighting through PA Tariff 18 Schedule SL – PA**
 - For public streets, public highways and other public outdoor areas
 - Seven new LED luminaries (100W, 200W, 400W equivalents)
 - Cobra head, postop, decorative postop and flood light options
 - Conversion Charge of \$106.53 for existing non-LED luminaries



*Examples of LED luminaries

PUBLIC AUTHORITY CONTRACT

- Contract
 - Return the signed contract by June 11, 2021
 - Questions about contract signing or questions for Steering Committee
 - Contact Sandy Harrington at sharrington@vml.org
 - Questions about DocuSign
 - Contact Meriwether Broaddus at cmbroaddus@aep.com
- Willing to host additional forums/meetings
 - Potential topics
 - Paperless Billing
 - Areas to improve the relationship

SPEAKER CONTACT INFORMATION

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