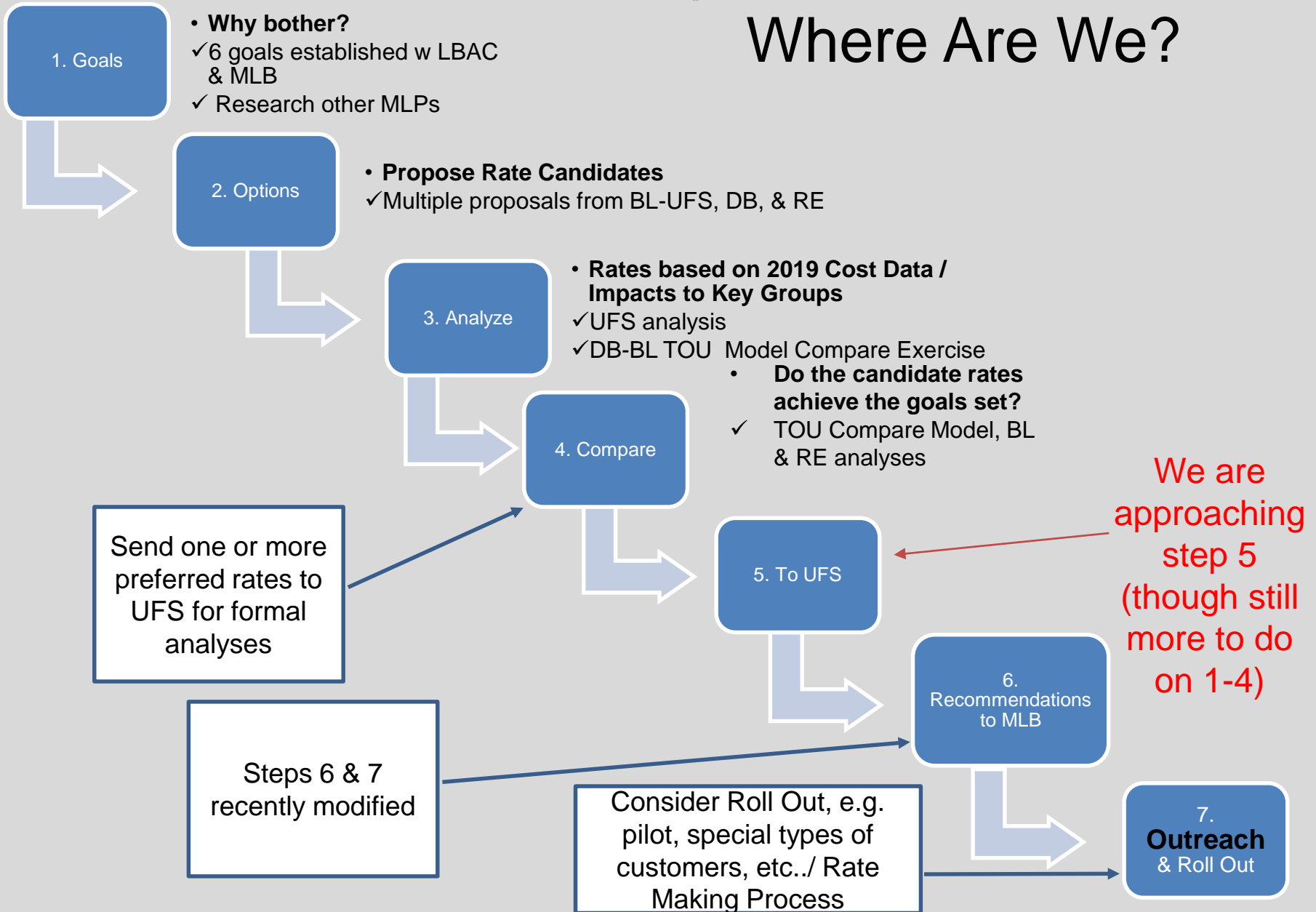


Agenda

- 1) Recap of Process- Where are We?
- 2) Research with other MLPs- Results
- 3) Review of Current Rate Scenarios
- 4) Next Steps

Updated TOU Process: Where Are We?



Recap: Goals

- 1) Align customer savings with savings for BL
- 2) Support strategic electrification
- 3) Protect low-income customers
- 4) Support energy efficiency & solar
- 5) Ensure BL revenue sufficiency & stability
- 6) Provide for easy implementation

Update on Research on Other MLPs

MLP Research

- Aim: Help with Step 1: “Why do TOU and what is feasible?”
- Interviewed 4 MLPs with Resi TOU
 - Reading
 - Concord
 - Groton
 - Glasgow, KY

Main Takeaways:

- We are on the right path
- Data analysis is challenging
- Piloting is crucial
- Savings potential and rate design are utility-specific
- Communication with customers is everything!
 - For voluntary rates, meaningful uptake entails LOTS of outreach and tailored education
 - ...likewise with actual behavior change
 - Lackluster outreach will lead to disinterest, confusion, skepticism, and even controversy

Reading

- Industrial TOU is priority
- TOU goals should include more than cost savings (eg. carbon, electrification)
- Keep rate simple
- More marketing to help voluntary uptake

Concord

- Resi TOU a newer priority, considering mandatory model
- Reduced customer bills and electrification are main objectives
- Results: EVs biggest winners so far (30-50% savings during off-peak).
- Dynamic rate design is okay
- “You get from the rate what you invest in it”

Groton

- All-in on resi TOU, moving to mandatory soon
- Cost equity and reduced peak costs are main objectives
- Results: 3% peak reductions, sees 4% possible with continued education
- Simplicity, marketing, and customer support are key

Glasgow, KY

- Path to a mandatory, pure pass-through rate has not been quick or easy. Results are worth it.
- Results: 80-90% of customers like TOU, others strongly skeptical; 20% of resi customers have opted out; vastly improved load factor after TOU, pandemic: kWh consumption down – revenue up; significant annual peak savings, resi customers on TOU at ~\$8/mo savings
- If could rewind, would handle marketing differently

APPA Papers and Webinars

Fort Collins: pilot- 1.9% overall kWh reductions, 7.5% peak reductions, \$1/month customer savings

SMUD: default TOU- 8% peak reductions, 2% opt-out rate, \$3/month customer savings during summer

→ Outreach is key

Review of Rate Proposals

Leading Scenarios

RATE Name	DESCRIPTION	RATES (\$/kWh)
UFS – Simplified 9-Hour	<ul style="list-style-type: none"> • Peak: 12 -9 PM Weekdays • All Year, Weekends & Holidays Excluded • Investigate seasonal adjustment 	Peak: \$0.32031 Off Peak: \$0.13398 On/Off Differential: 2.39 \$15.00 Customer Charge
Summer Peaker	<ul style="list-style-type: none"> • Peak: June – Sept only (1 – 7 PM), Weekends & Holidays Included • Investigate year-round pricing 	Peak: \$0.494 Off Peak: \$0.137 On/Off Differential: 3.61 Customer Charge TBD

Other Scenarios for Consideration

- UFS 9-Hour with Critical Peak- Passes TOU Compare Model, but is it too complex?

- Peak: 12 -2 PM, 7 – 9 PM
- Critical Peak: 2 – 7 PM
- All Year, Weekends & Holidays Excluded

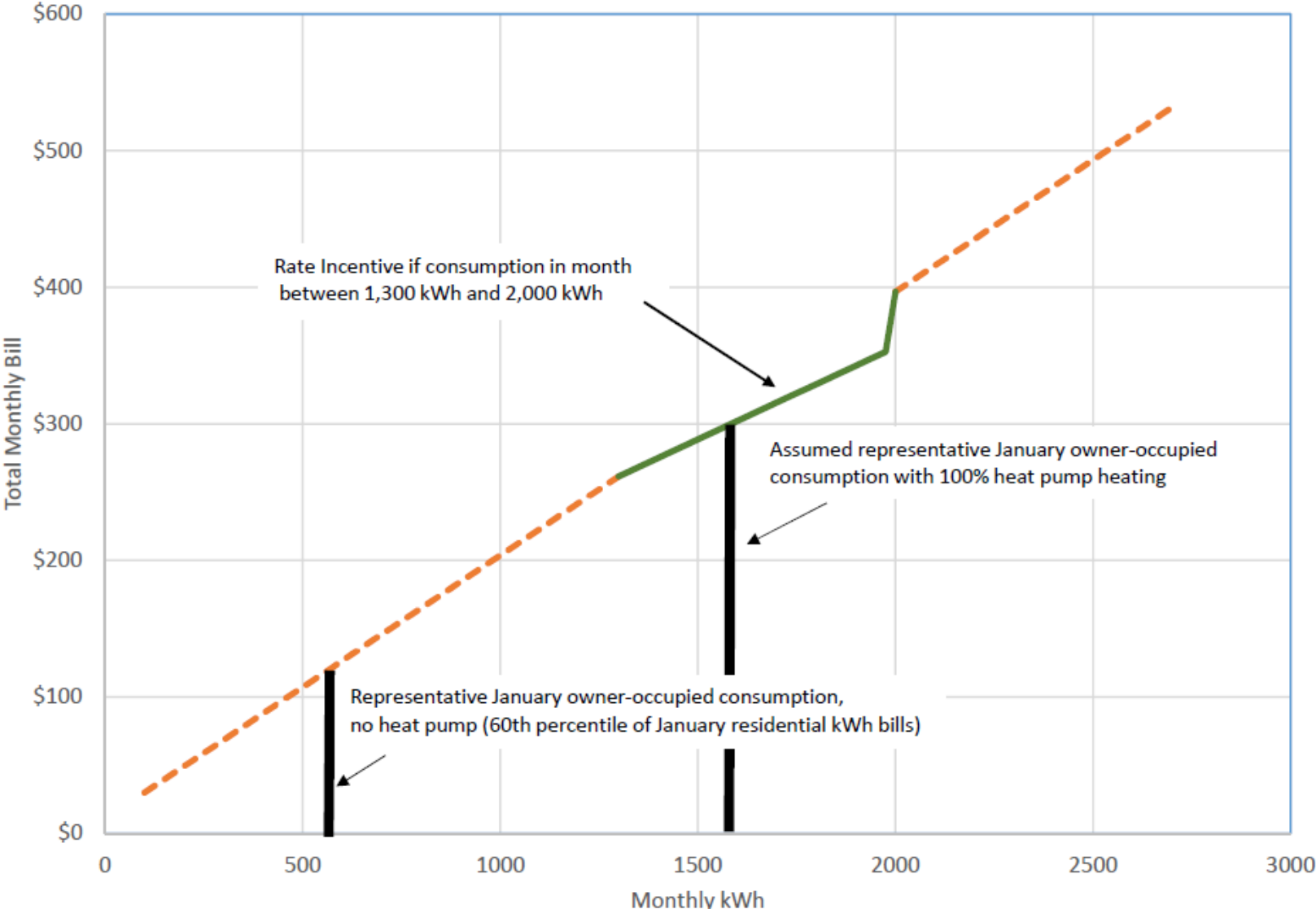
Peak: \$0.24326
Critical Peak: \$0.38198
Off Peak: \$0.13443

- New non-TOU proposal- could be done separately or in tandem with TOU, focused on electrification

New Rate A Proposal

- Non-time-variable block pricing model
- Intended to correct current Rate A electrification disincentive
 - First 1199 kWh for the month= Rate A (currently .19317)
 - Next 1200-1999 kWh= .1250 (could update annually with current avg supply costs)
 - All kWh > 2000= Rate A
 - Savings for mid-tier: 35%

Residential Rate A with Strategic Electrification Incentive



Rate Incentive if consumption in month between 1,300 kWh and 2,000 kWh

Assumed representative January owner-occupied consumption with 100% heat pump heating

Representative January owner-occupied consumption, no heat pump (60th percentile of January residential kWh bills)

Suggested Next Steps

- Chosen Scenarios to UFS
- BL Recommendations to MLB