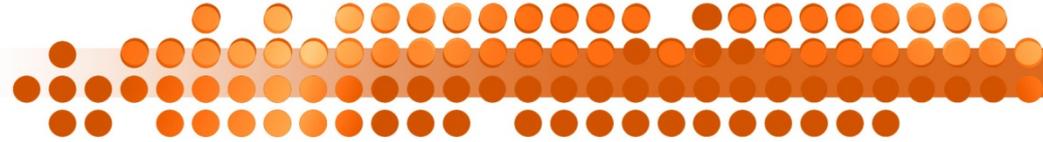


Renewable Energy Options For Non-Residential Customer



Nebraska Wind Conference - October, 2012



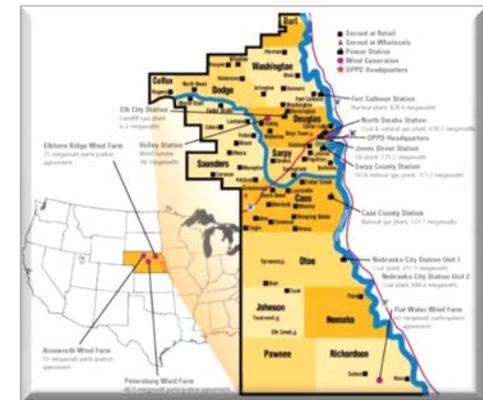


Disclaimer

- OPPD Staff thoughts on potential new green rate options
 - Not board approved at this time
- Developed at the request of customers
 - Developed for discussion purposes only

OPPDs Renewable Energy Goal

- 10% of our Retail Sales from Renewable Sources by 2020
 - Approximately 400 MWs of renewable generating capacity
- Currently OPPD is about half way to our Goal



Options

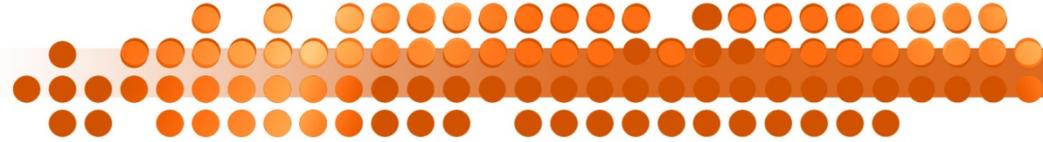
- Today OPPD offers two options for customers
 1. Green Rate
 2. Renewable Energy Certificates
- At the request of several larger customers OPPD is considering two additional options
 3. Renewable portfolio
 4. Specific wind resource



Existing Green Options

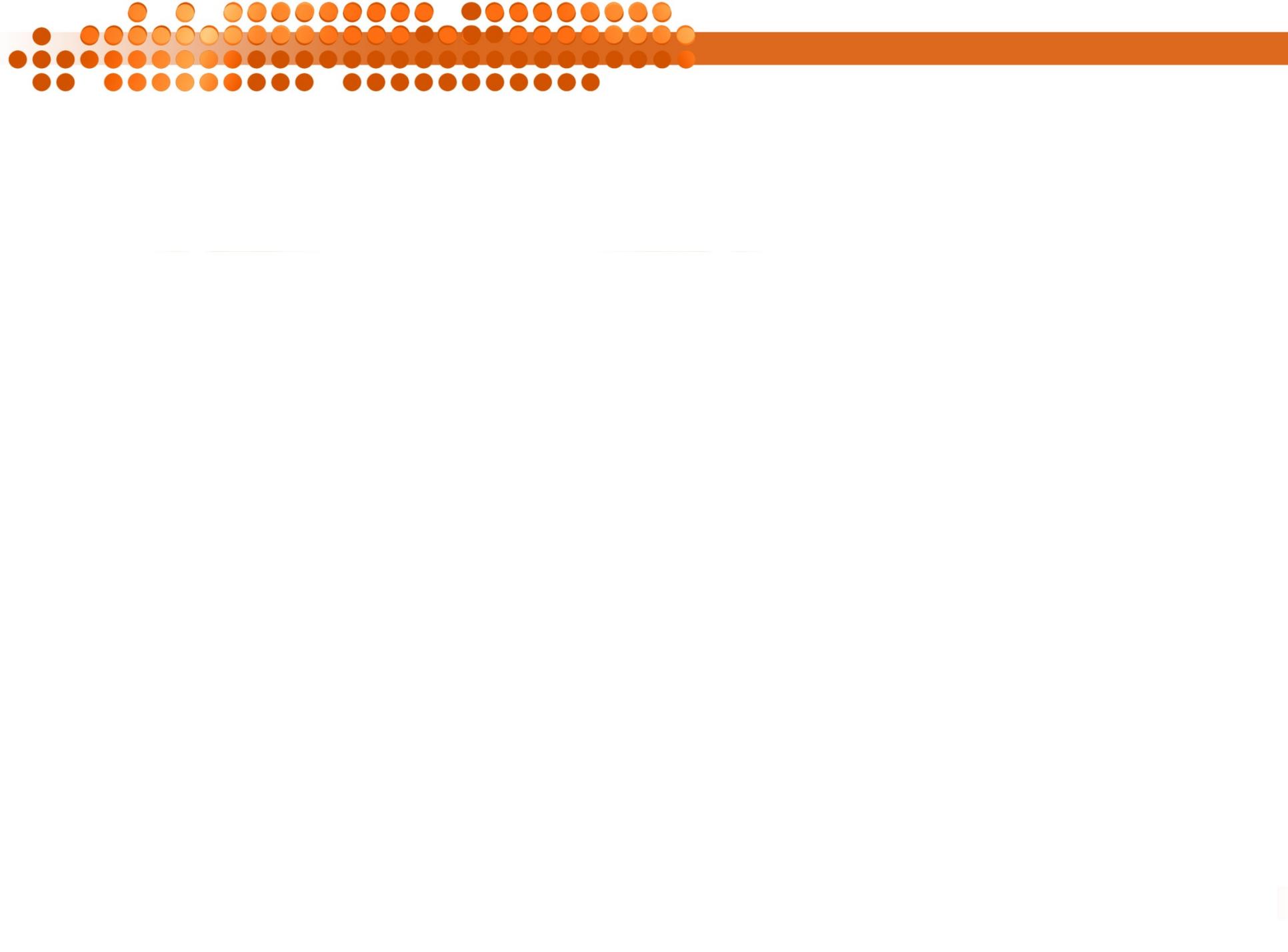
- Green Power – Rate 463B
 - Available to non-residential customers at the following levels:
 - 25%, 50%, or 100% of energy needs
 - 3.0 cents per kWh
 - Funds OPPD’s renewables
 - Does not apply to specific renewable resources
 - Currently about 15 customers on this rate
- Renewable Energy Certificates
 - Guarantees that a like amount of energy is produced with renewable resources
 - Only available to customers who purchase over 1,000,000 kWh annually
 - Every resource is from Nebraska
 - 1 year contract. Limited amounts available





2 Potential Options

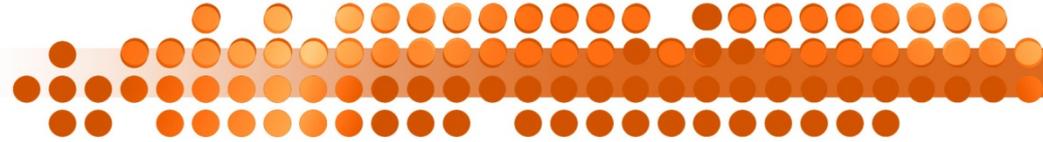
- Available to large customers over 1,000 kW of Demand
- Standard service quality and reliability
 - To the extent that wind isn't blowing 100% of the time, OPPD makes up the difference with its resources so energy is as reliable as standard service
- Customer selects any level of energy, however, there may be restrictions on the amount of energy provided depending on availability
- Rates
 - Standard electric rates apply
 - Rate adjustment adders to reflect the wind resource costs



Directed Wind Resource Option

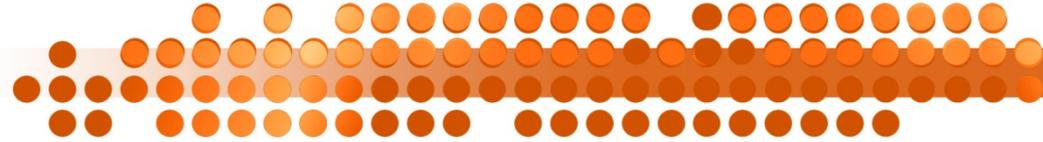
- Customer will receive wind from a specific OPPD resource
- Customer claims the REC's and OPPD will not resell the REC's
- Resource remains the same over the contract period
- 5-year contract term
- Customer pays
 - Standard rates less the standard Fuel and Purchased Power Adjustment (FPPA) plus a Directed Wind Adder
 - Fixed Price for the Directed Wind adder over the 5-year period
 - Because it's a committed resource it will require a take or pay contract
 - A minimum charge based on a minimum load factor





Rates: General Approach

- Start with the Standard Rates
- Subtract: the fuel and purchased power cost component
- Add: the cost of wind energy plus losses
- Provide credit for capacity (fixed costs) based on SPP accreditation criteria



Summary Comparison Draft Rate Options

Participation Level Examples	Approximate Bill Increase
Green Options at 50% Participation	25% - 35%
Green Options at 25% Participation	10% - 20%

Based on existing resources and cost information as of April 2012

Next Steps

- This is a draft for discussion purposes only
- We sent draft proposals to our large customers several months ago
 - We have checked in with them periodically
 - We have not received feedback from them
- We would like to incorporate their feedback in our proposed rate design
 - Refine proposal
- Eventually provide proposal to the Board for approval



**Questions or
Comments?**

