

# SRP Buy-Through Program Overview

June 27, 2023

# Agenda

Welcome, Safety Minute, and Housekeeping

Introduction

Program Design

Q&A

Next Steps

# Buy-Through Program Design

Under the Buy-Through Program, participating customers will direct SRP's purchase of energy from a third-party provider for the customer's benefit and at the customer's expense.

- Designed to maintain system reliability
- Designed to avoid a cost shift to non-participating customers
- Designed to set minimum customer participation size and overall program size
- Designed to meet the January 1, 2024 start date

# Buy-Through Program Calendar

2023



Today



Development of Buy-Through Proposal

Board Consultant RFP & Selection

**Buy-Through Program**

- Jun 5 ● Buy-Through Program high level Preview (Board)
- Jun 27 ● Board Consultant Informational Buy-Through Program (Special Board)
- Jun 27 ◆ Stakeholder Engagement Session - Program Overview
- Jul 18 ◆ Stakeholder Engagement Session - Discussion & Feedback
- Jul 27 ● Board Consultant Report Issued
- Aug 10 ● Buy-Through Program Review & Stakeholder Comments (Special Board)
- Sep 26 ● Management's Recommendation & Board Decision of Buy-Through Program (Special Board)

**Implementation** ★ Jan 1 '24

# Available to E-65 and E-67 Customers

## Buy-through program - 200 MW of demand

- Minimum annual peak demand of 5 MW
- Minimum average monthly Load Factor of 60%
- Minimum 3-year notice of cancellation from program

## Customer participating load must equal 100% of annual peak demand

- Subject to 50 MW per customer cap
- Less Customer's participation in another SRP eligible program or offering

# SRP Services

- SRP will pay the GSP for energy
- SRP will issue one bill per customer account
- SRP will provide transmission within our system
- SRP will provide limited energy imbalance services (subject to terms)
- SRP will provide the Planning Reserve Margin (PRM)
- SRP will provide resupply energy should the customer's contract expire or is cancelled

# Generation Service Provider (GSP) Responsibilities

- Provide monthly schedules of hourly loads, with opportunity to update day-ahead
- Deliver firm energy to point of delivery agreed to by SRP
- Procure transmission service to delivery point
- Provide additional energy to account for losses between delivery point and customer
- Invoice SRP separately for each account served

# Customer Billing

Account will still receive one monthly bill from SRP

## Remove:

FPPAM

Generation capacity (kW and Energy)

## Add:

GSP pass through charges

Buy-Through Charge \$4.15/kW

- Administration of the program
- Maintain capacity reserves
- Early Technology Adoption

Energy Imbalance settlements

FPPAM Settlement Adjustment (FSA)

- Option to settle as a lump sum or
- 36 equal monthly credits or payments



# Basis of Buy-Through Charge

Reserve Capacity Charge	\$2.87
Early Technology Charge	\$0.76
<u>Administrative Charge</u>	<u>\$0.51</u>
Buy-Through Charge	\$4.15 / kW - month

# Energy Imbalance

- SRP will calculate energy imbalance hourly
- SRP will settle energy imbalance with the customer monthly
- Allowable hourly deviation of 15% or 2 MW (whichever is greater)
- Within allowable hourly deviation, settled at CAISO LAP price (Tier 1 imbalance)
- Exceeds allowable hourly deviation, settled at CAISO LAP price +/- 25% (Tier 2 imbalance)
- If 20% of hours in month exceed allowable deviation, “excessive imbalance”
- First “excessive imbalance” results in warning, second may result in canceling the customer participation

# Resupply Energy

- If the GSP contract expires or is terminated SRP will provide Resupply Energy
- Resupply Price = Palo Verde Peak or Off-peak Intercontinental Exchange Day Ahead index (or another comparable index selected by SRP if the foregoing index is unavailable), plus the greater of \$10 per MWh (prorated for any partial MWh) or 10% of the index price

# Cancellation

- Three years' advance notice required
- Concurrent cancellation of service contracts
- SRP will provide Resupply Energy until advance notice is met if no GSP Contract in place
- Customer may not participate in the program for one year after cancellation

**Q&A**

# Next Steps



# How to Participate

- 7/18 2-4pm – Stakeholder Engagement meeting – Discussion and Feedback
- Visit [srp.net/buythrough](https://srp.net/buythrough) to review Buy-Through documentation or register for the upcoming Stakeholder Engagement meeting
- Questions and comments taken through September 18<sup>th</sup> at:
  - [CorporateSecretary@srpnet.com](mailto:CorporateSecretary@srpnet.com) or mail to:
    - SRP Corporate Secretary  
Mail Station PAB215  
P.O. Box 52025  
Phoenix, AZ 85072
- For Instructions on how to attend or participate in SRP Board Meetings, contact the Corporate Secretary's Office at (602) 236-4398

**thank you!**