



**BASIN ELECTRIC
POWER COOPERATIVE**

A Touchstone Energy® Cooperative 

Load Incentive Rate

October 27, 2021

Discussion Topics

Load Incentive Rate
proposed revisions

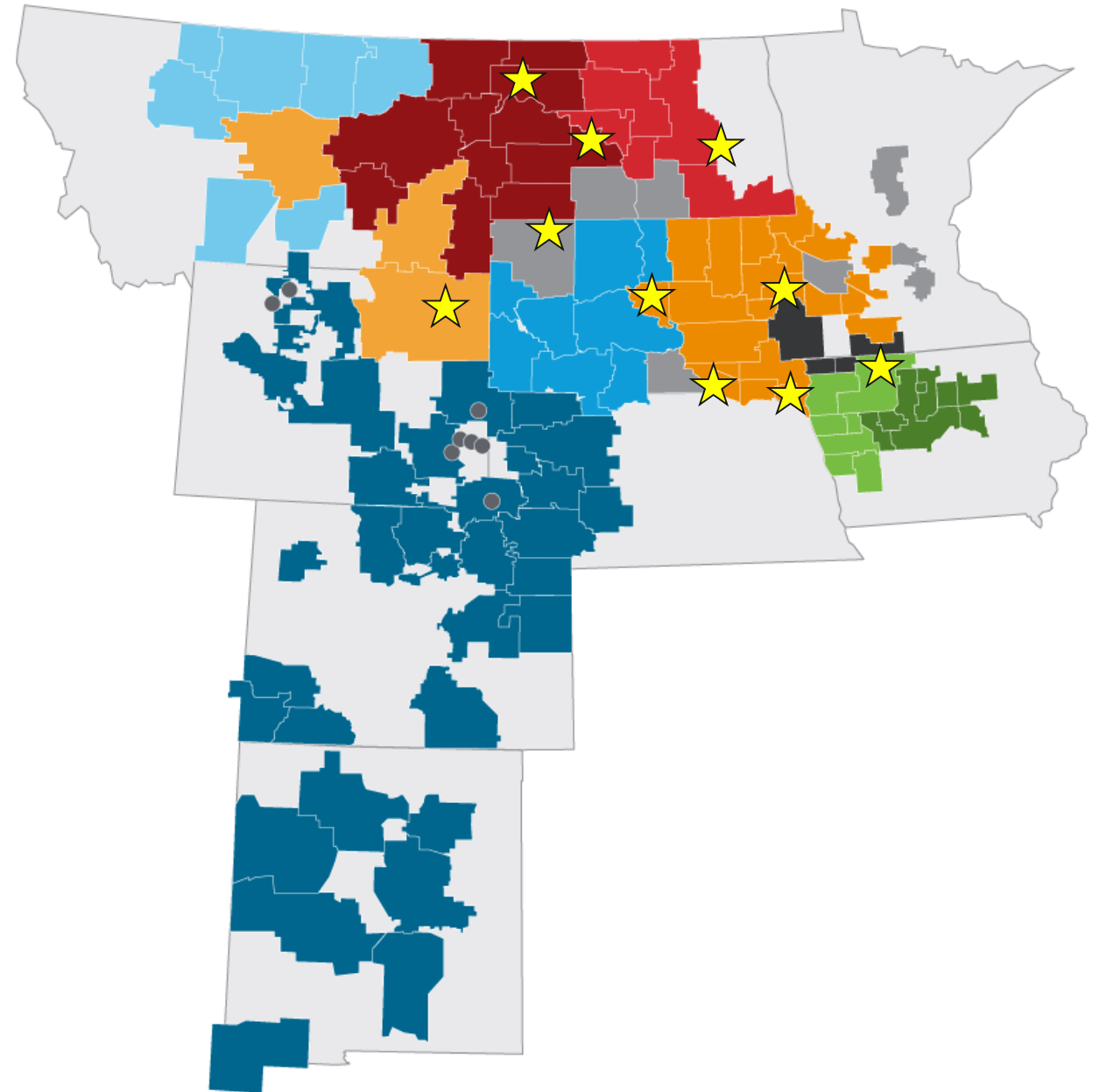
Other Discussions
in the Membership

Known Bitcoin & Data Center Discussions

Initially looking for \$15-20/MWh
power supply

Just before China Exit looking for
\$30-35/MWh
power supply

Now hearing they are locating in
areas with \$40-48/MWh
power supply



Load Incentive Rate Proposed Revisions



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Load Incentive Rate

Approved in August 2021

- Loads greater than 1 MW
 - New Loads
 - Change of ownership and expansion of existing load does not constitute new load.
 - Available Five Year Term after COD, but not longer than 2030
 - Discounted Demand Price (\$11/kW-mo)
 - Billed at the time of the loads NON-CP
 - Limited Member mark up for discounted term
 - Full Rate after 5 years
 - No Patronage for discounted rate
 - Subject to the Basin Electric Board's approval

**\$48/MWh at
90% LF**

Received

Load Incentive Rate Application

- Large Multi-Building Data Center and Office Complex
- 7/1/2022 through 6/30/2027
- 600MW
 - Staged as SPP AQ studies and needed transmission system improvements can support load growth.
 - Desire: 100 MW July 2022
100 MW Nov 2022
100 MW Mar 2023
100 MW July 2023
100 MW Nov 2023
100 MW Mar 2024

**Requires Board
Approval to Proceed**

Intent of Load Incentive Rate

Help facilitate the Distribution Cooperative Members ability to obtain long-term service with ultimate retail load consumers.

The Rate Schedule indicates, if it were not for this Load Incentive Rate, the load would not be developed and served by the Membership.

It is also noted in the Rate Schedule, that each application will be reviewed on a case by case basis for consistency and value to the cooperative.

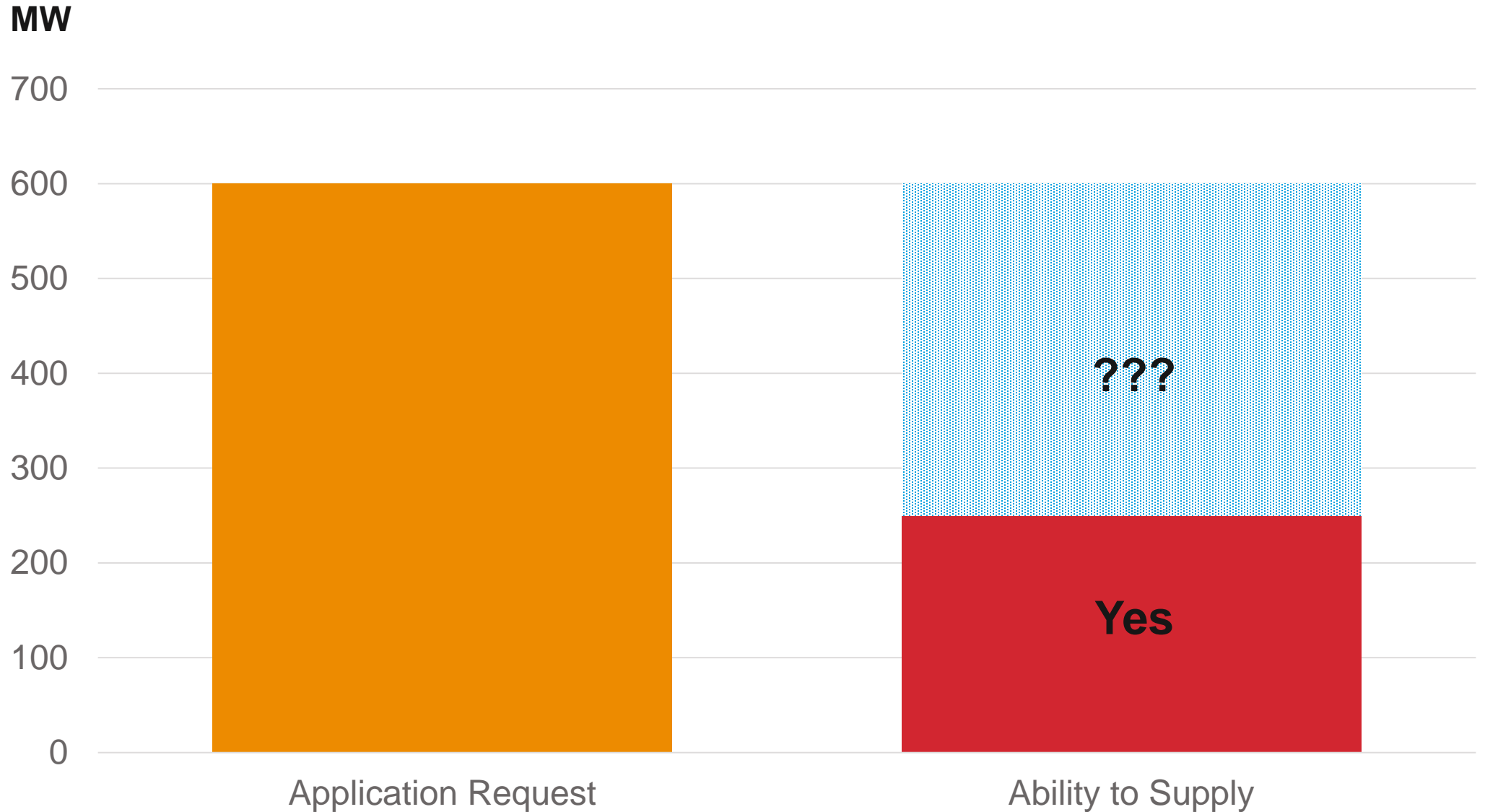
Recent Activity

- October Board action to removed the 2022 Incentive Rate Changes previously approved in August from the 2022 Rate Schedule A
- File 2022 Rate Schedule A
 - Maintain 2021 Rate Schedule A Load Incentive Rate language
- Discuss revisions to the Load Incentive Rate with the Membership

Rate Approval Criteria

- BEPC ability to economically serve during the discount period:
 - Transmission Delivery
 - Resource availability and cost
- Likelihood of continued electric service beyond the discounted service period

Ability to Supply???



Proposed Additions

2022 Incentive Rate

**\$48/MWh at
90% LF +
PCA with
the total
power cost
capped at
Base Rate
Average
Sale Rate**

- Loads greater than 1 MW
 - New Loads
 - Change of ownership and expansion of existing load does not constitute new load.
 - Available Five Year Term after COD, but not longer than 2030
 - Discounted Demand Price (\$11/kW-mo)
 - Power Cost Adjustment during discounted time period
 - Billed at the time of the loads NON-CP
 - Limited Member mark up for discounted term
 - Full Rate after 5 years
 - No Patronage for discounted rate
 - Subject to the Basin Electric Board's approval
 - Adopt criteria that will be utilized in approval process
 - Ability to economically serve during discount period
 - Likelihood of continue electric service beyond the discount period

*See Draft Rate
Schedule Redlines*

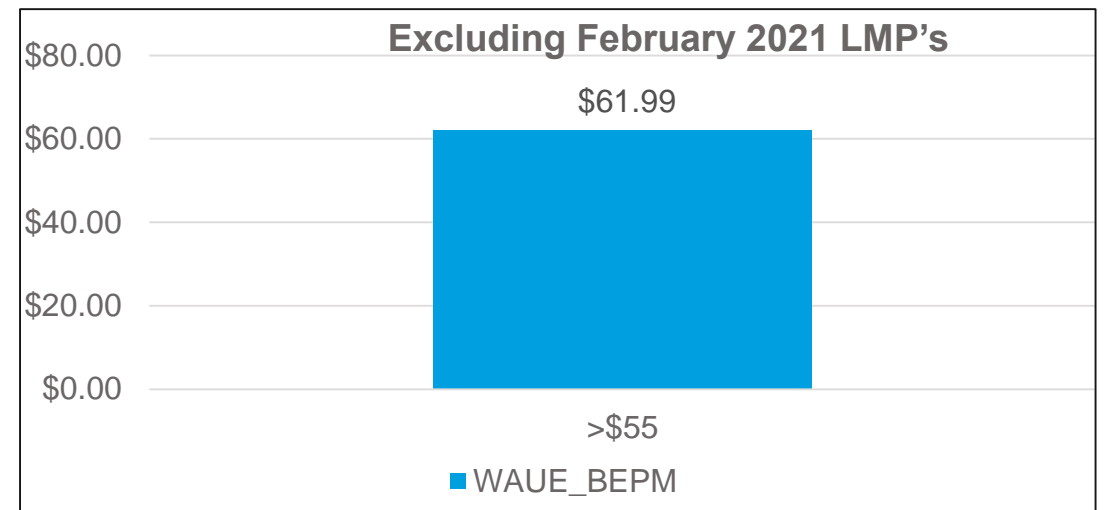
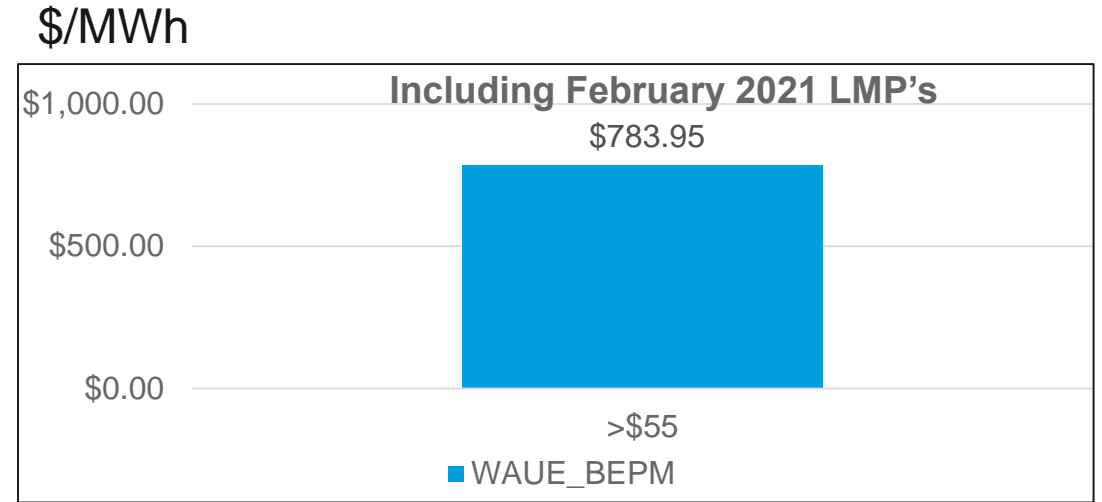
Power Cost Adjustment

- During discounted time period, the energy sales would be subject to a power cost adjustment if the average daily on peak market price is above \$55/MWh
- Power cost adjustment determined by subtracting \$55/MWh from the average daily on peak market price for each day of the month that the average daily on peak market price is above \$55/MWh, and assessed to the daily energy deliveries
 - Data source of the daily on peak market price to be determined at time of application
- The resulting average rate the load pays at the end of the calendar year cannot exceed the average of the Base Demand and Energy Rate that the load would have paid if it was not receiving a discount

Days and Average Pricing of PCA (2020-YTD)

# of Days Prices >\$55		
Including February 2021		
Generation/Load Location	2020	2021
WAUE_BEPM	0	17

# Days Excluding Prices >\$55		
Excluding February 12 th -19 th , 2021		
Generation/Load Location	2020	2021
WAUE_BEPM	0	7



Next Steps

- Bring proposed Rate Schedule revisions, comments, and application back to the Board in November for potential action.
- Approve 250 MW of Incentive Rate Application at November Board.
- File addendum to the 2022 Rate Schedule A to address revisions to the 2022 Load Incentive Rate.
- Take actions to add some additional amount of surplus capacity to the BEPC resource portfolio.

Other Discussions in the Membership

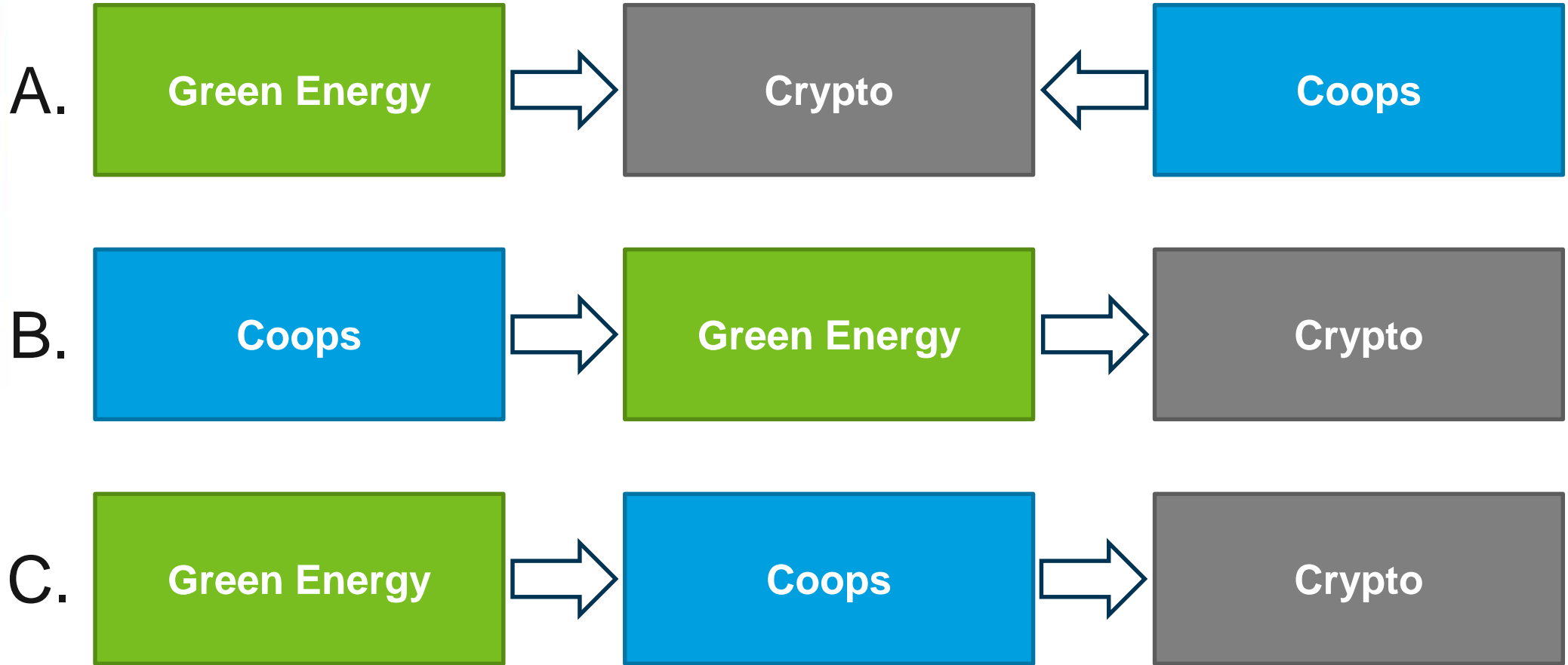


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Renewable Developers partnering up with Cryptocurrency Developers

- Proposing to co-locate at an existing (or new) wind project location
- Proposing to connect the load behind the collector substation
- Proposing to begin taking service in 2022
- Currently targeting approximately \$35/MWh (plus escalation) power supply concepts/ideas

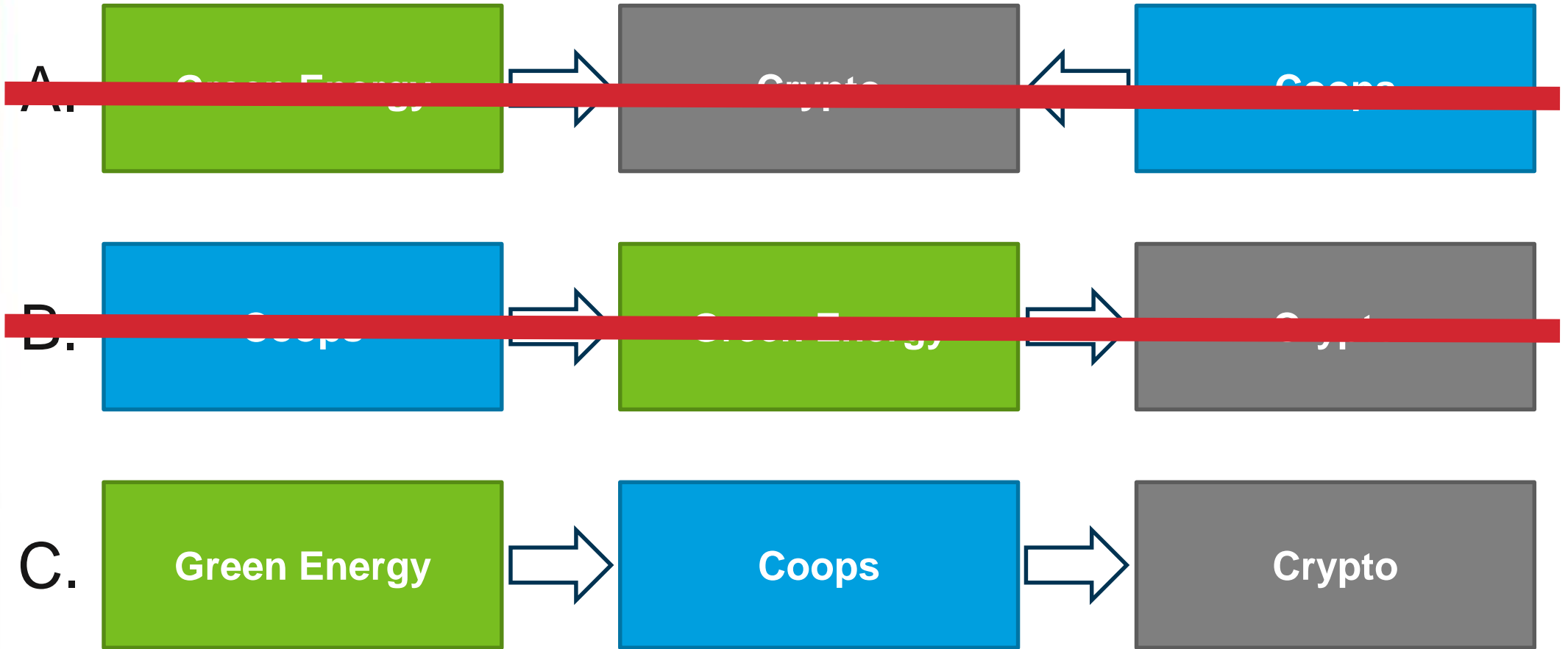
Renewable Developers partnering up with Cryptocurrency Developers



Known/Potential Issues

- All Requirements Contract
- Local service territory laws
- Ownership of wind project versus the Cryptocurrency project

Renewable Developers partnering up with Cryptocurrency Developers



Likely Current Rate Options Available

- Full Service Rate
- Standby Rate
- Load Incentive Rate
 - To the extent it meets the eligibility criteria



Discussion