



**BASIN ELECTRIC  
POWER COOPERATIVE**

A Touchstone Energy® Cooperative 

# **Rate Component Discussion for 2023**

October 27, 2021

# Rate Component Discussion for 2023

- Rate Hearing Process ?
- Do we want to move the Demand Rate
- Interruptible Type 2 alternative
  - RTO Directed Demand Response
  - FERC Order 2222
    - Member decision if aggregation will be allowed
- Large Load Incentive Rate
- Other?

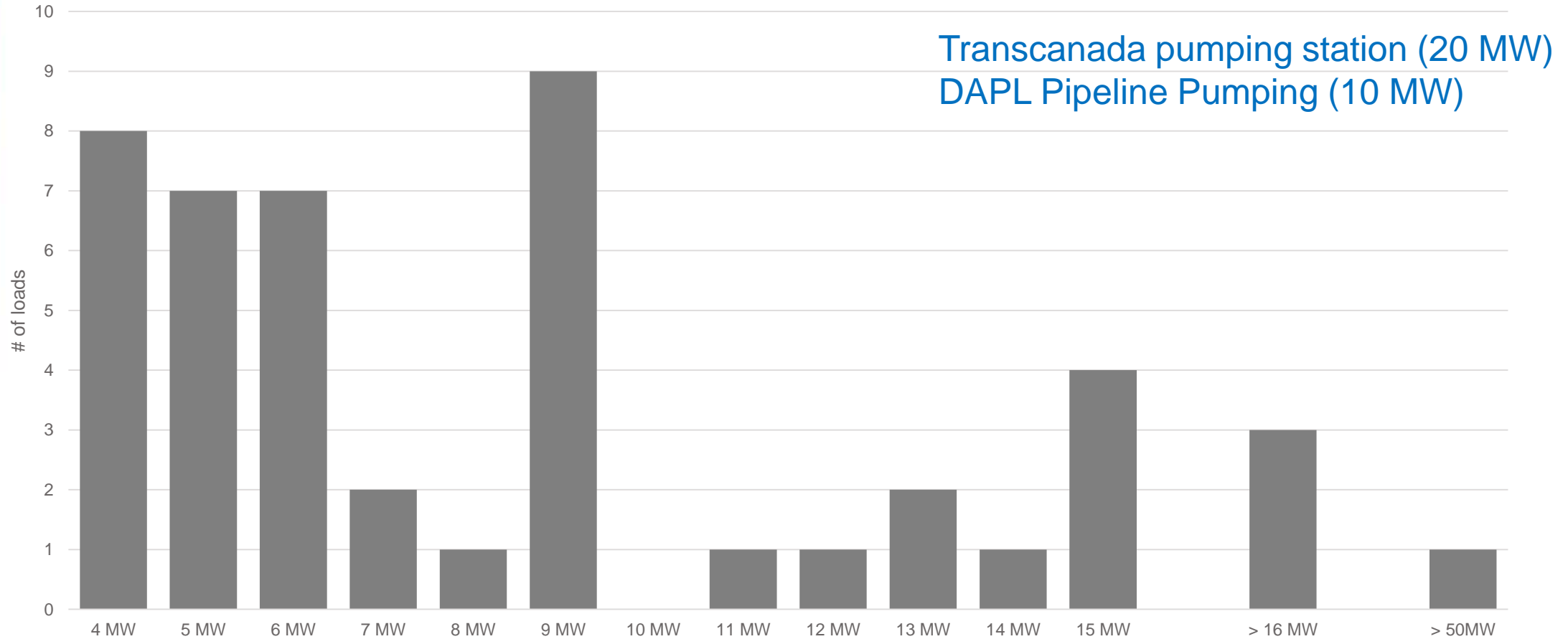
# Large Load Incentive Rate



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# Load Incentive Concept for Discussion

Large Loads with BEPC Membership



Transcanada pumping station (20 MW)  
DAPL Pipeline Pumping (10 MW)

- Cargill Corn Sweetener
- Renville Sibley Sugar Beet
- 3 plants @ one site

# Large Load Incentive Rate

## Proposed New Incentive Rate

- Loads greater than 50 MW
  - New Loads that bring significant support service load (~50 employees)
    - Change of ownership and expansion of existing load does not constitute new load.
  - Negotiated market based rate approved by the Board at the time of application
    - Transmission/Ancillary Service component
    - Capacity component
    - Energy component
    - Admin and a mark-up component
  - Limited Member mark up
  - Negotiated Term
  - Financial Security likely will be required
  - No Patronage for discounted rate
  - Final Agreement requires Board Approval
  - If BEPC has excess capacity and energy available in a planning area for more than five years from COD date, the significant support services would be waived during the time period in which excess occurs

***August 2021 Board Meeting it was decided to not move forward at that time for the New Large Load Incentive Rate***

# Board Feedback

- Not sure this rate adequately protects Basin Electric and the membership with no margin (i.e. Market Based Rate)
- The customers under this rate will never pay the full service rate

**From a Staff perspective, we are wondering about Project Development Risk**

# How to Address Very Large Loads?

- Example: 1,000 MW Hydrogen Production Facility
  - Develop a Market Based Rate that allows for the usage of RTO Directed Demand Response in order to avoid developing 1000+ MW of power supply
  - A facility of this size brings significant support service load to the community



# Discussion