

Wright-Hennepin Cooperative Electric Association (WH)

Wholesale Power Supplier Avoided Costs

Estimated average incremental energy costs from Basin	\$0.0157/kWh
---	--------------

From Basin’s 2018 Rate Book- This would be WHE’s avoided cost- We would just want to use the numbers in the table (MISO block) and not include any of the Basin language. Systems over 150 kW – negotiated.

**BASIN ELECTRIC’S POLICY FOR ADMINISTERING THE
PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978
(PURPA)**

The Public Utility Regulatory Policies Act (PURPA) requires that electric utilities must purchase power produced from Qualifying Facilities (QF’s) at their avoided cost. Avoided cost is the incremental cost an electric utility that, but for the purchase from the qualifying facility, such utility would generate itself or purchase from another source.

Per the Basin Electric Board action in August 2017, the Board closed the Renewable Resource Pass Through Rate and such qualifying projects will be addressed under the PURPA Rate. As a result, Basin Electric will purchase 100% of the output of new Member-owned renewable projects that are less than or equal to 150kW at Basin Electric’s PURPA Rate. Such Member-owned purchases shall not exceed 7MW in total. The Basin Electric purchase price and billing mechanisms for the Member-owned renewable projects will be in accordance with the PURPA Billing/Meter subsection 2 provisions.

Basin Electric, its generation and transmission (G&T) members, and its distribution cooperative members, together represent one cooperative system owned and controlled by the consumers to provide them with electrical power at cost. The avoided costs that occur when this three tier cooperative system purchases QF generation is equal to Basin Electric’s reduced power production costs and the reduced transmission and distribution line losses associated with delivering the generation to load. This concept reflects the criteria described in FERC Order 69.

The below rates are valued at the point of delivery:

Rates

1. QF generation with a capacity rating of more than 50 kW but less than 150 kW

Power Supply Planning Area	Capacity (\$/kw-mo.)	Energy (Mill/kWh)
MISO	0	15.7 OR the Real Time Hourly LMP price
SPP	0	22.5 OR the Real Time Hourly LMP price
NW Energy	0	23.4
CUS/PAC	0	12.3