

# Proposed Buy-Through Program

Effective January 1, 2024

Brian Koch & Adam Peterson | 9/26/2023

# Agenda

- Buy-Through Program Overview
  - Statutory/SRP Requirements
- Activities to Date
- Program Design Overview and Updates
- Buy-Through Program Implementation

# Statutory Requirements

## A.R.S. Section 30-810. Buy-through program; terms, conditions, limitations; definition

*A. On or before January 1, 2024, a public power entity that is an agricultural improvement district established pursuant to title 48, chapter 17 shall offer a buy-through program that both:*

- 1. Includes terms, conditions and limitations, including a minimum qualifying load and a maximum amount of program participation.*
- 2. Is structured to maintain system reliability and to avoid a cost shift to nonparticipating customers.*

*B. For the purposes of this section, "buy-through" means a purchase of electricity by a public power entity at the direction of a particular retail consumer, subject to the terms of the program.*

# Activities to date

DEC-MAY	JUN	JUL	AUG	SEP
<ul style="list-style-type: none"> <li>• Buy-Through Informational Session (F&amp;B)</li> </ul>	<ul style="list-style-type: none"> <li>• Buy-Through Preview – high level (Board)</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder mtg: Discussion &amp; Feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Management Presentation, Board Consultant Presentation &amp; Stakeholder Comments (Special Board)</li> </ul>	<ul style="list-style-type: none"> <li>• Last day to receive customer comments</li> </ul>
<ul style="list-style-type: none"> <li>• Buy-Through Board Consultant hiring process (Board)</li> </ul>	<ul style="list-style-type: none"> <li>• Announcement on SRPnet.com webpage</li> </ul>	<ul style="list-style-type: none"> <li>• Board Consultant Report published</li> </ul>		<ul style="list-style-type: none"> <li>• Management Final Recommendation &amp; Board Decision (Special Board)</li> </ul>
<ul style="list-style-type: none"> <li>• Buy-Through Informational Session (CUP)</li> </ul>	<ul style="list-style-type: none"> <li>• Board Consultant Informational Presentation (F&amp;B)</li> </ul>	<ul style="list-style-type: none"> <li>• Proposed Program updates</li> </ul>		
	<ul style="list-style-type: none"> <li>• Stakeholder mtg: Program Overview</li> </ul>			

# Proposed Buy-Through Program Design Overview

## Buy-through program - 200 MW of demand

- Minimum annual peak demand of 5 MW
  - Minimum average monthly Load Factor of 60%
  - Available to E-63, E-65 and E-67 customers
- 
- Allows customers to access power from the market through a trilateral arrangement with SRP, a third-party Generation Service Provider (GSP) and the customer
  - Allows customer to bypass most of SRP's FPPAM and generation charges
  - SRP will provide backup service should GSP fail to deliver

# Program Modifications Since Initial Proposal

## Updates following stakeholder sessions (as discussed during 8/10 meeting)

- Added option for SRP to allow accelerated “return to retail” and waitlist to return
- Reduced line losses from 4.14% to 3.32% for E65 and E67 customers
- Added details for enrollment process
- Changed 50MW cap to apply per-account and per-customer
- Added clarifying language throughout

## Updates based on stakeholder input provided later in the process

- Inclusion of E-63 accounts
- Added delivery point flexibility
- High Priority Transmission requirement removed

# Buy-Through Program Charges

Buy-Through Charge \$4.15 / kW – month

- Includes: Administrative Charge \$0.514  
Reserve Capacity Charge \$2.871  
ETA Charge \$0.764  
\$4.149

Energy Imbalance

Resupply Charge

FPPAM Settlement Adjustment (FSA)

# Buy-Through Program Implementation

- Initial Enrollment Period - October 2nd- December 1st
- Billing and Systems Implementation - October-December
- Program Implementation January 1, 2024



# Recommendation

In accordance with the terms discussed herein, request that the Board approve the Buy-Through Program, as detailed in the Buy-Through Program Design document provided to the Board, to be effective January 1, 2024.

**thank you!**