

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 31, 2022

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APPLICATION OF

RAPPAHANNOCK ELECTRIC COOPERATIVE

CASE NO. PUR-2022-00081

For extension of the Peak Time Rebate
Pilot Program

ORDER

In its Final Order in Case No. PUR-2019-00217, the State Corporation Commission ("Commission") approved a request by Rappahannock Electric Cooperative ("REC" or "Cooperative") for approval of a voluntary two-year peak time rebate pilot program ("Pilot Program").¹ On May 17, 2022, REC filed an application in the present docket for a one-year extension of the Pilot Program ("Application").² The Cooperative further requested expedited consideration and approval of its Application.³

According to REC, the Pilot Program is designed to reduce demand through economic incentives that encourage customer behavioral changes.⁴ REC states that the Pilot Program has reduced its capacity obligations as determined by the five coincident peak hours within PJM Interconnection, L.L.C. ("PJM 5-CP Hours"), resulting in a reduction of the Cooperative's wholesale power costs.⁵ Through extension of the Pilot Program, the Cooperative seeks to incent

¹ See *Application of Rappahannock Electric Cooperative, For approval of a peak time rebate pilot program*, Case No. PUR-2019-00217, 2020 S.C.C. Ann. Rept. 397, Final Order (Mar. 13, 2020).

² Application at 1.

³ *Id.*

⁴ *Id.* at 3.

⁵ *Id.* at 2, 5.

load reduction during potential PJM 5-CP Hours during the 2022 summer cooling season that begins on June 1, 2022, and ends on September 30, 2022, by: (i) notifying Pilot Program participants in advance of potential peak periods; (ii) requesting that participants reduce energy consumption during designated hours in the potential peak periods ("Peak Events"); and (iii) rewarding those participants who do so by way of billing credits for each kilowatt-hour ("kWh") of reduction during Peak Events.⁶ REC is proposing to use a credit of \$0.75 per kWh for the extended third year of the Pilot Program.⁷ The Cooperative asserts that participants will never be required to curtail usage and will not be penalized if they choose not to curtail usage.⁸

REC states it will determine a participant's energy reduction during a specific Peak Event by comparing the amount of electricity used by the participant during the Peak Event to the amount of electricity the participant normally would use during those hours of the day ("Baseline").⁹ The Cooperative asserts that it will calculate the participant's Baseline by using their typical energy consumption during the same hours of the previous ten days, excluding weekends, holidays, and days on which other Peak Events occurred.¹⁰

To participate in the third year of the Pilot Program, a customer must: (i) be a resident in a single-family home, multi-family home, apartment, or manufactured home; (ii) be served by Schedule A-1 (Residential and Church Service); (iii) be enrolled as a MyRECSmartHub user;

⁶ *Id.* at 2-3. REC states that the bill credit will be on the same bill as the Peak Event with which the credit is associated, which would typically be the following month's bill. Further, the number of credits a participant receives would be tied to the amount of energy the participant reduces during identified Peak Events. *Id.* at 4.

⁷ *Id.* at 5.

⁸ *Id.* at 4.

⁹ *Id.*

¹⁰ *Id.* at 4-5.

(iv) be able to receive short message service (SMS) texts, emails, or push notifications from REC or MyRECSmartHub via smartphone or computer; and (v) not be a participant in REC's Smart Response A/C Switch Program or Wi-Fi Thermostat Pilot Program.¹¹ REC states that participation by eligible customers is voluntary, there are no fees to enroll or participate, and participants may elect to withdraw from the Pilot Program at any time without penalty.¹²

REC asserts that there is a minor modification concerning the notification of Peak Events in the third year of the Pilot Program.¹³ In years one and two of the Pilot Program, the Cooperative provided notification of a Peak Event to participants on the day prior to the event. In the third year, REC proposes to provide notification to participants on the day of the Peak Event.¹⁴ According to REC, the purpose of this change is to help the Cooperative identify the notification periods that result in the greatest participation.¹⁵

REC claims the Pilot Program was fully subscribed in year two of the program, and it intends to solicit former active participants to enroll in the third year of the program.¹⁶ To educate and inform potential participants, the Cooperative states it will provide them with information that includes a complete description of how the Pilot Program will function, how

¹¹ *Id.* at 7-8.

¹² *Id.* at 7.

¹³ *Id.* at 10.

¹⁴ *Id.* REC states that for typical Peak Events occurring weekdays at or after 2 p.m., it proposes to provide participants with notifications no later than 12 p.m. on the day of the event. For non-typical Peak Events that occur prior to 2 p.m., the Cooperative proposes to provide participants with at least two hours' notice. *Id.* at 10-11.

¹⁵ *Id.* at 11.

¹⁶ *Id.* at 7.

credits will be measured and applied to a participant's bill, and which months the Pilot Program will be utilized.¹⁷

REC states that its experience with, and evaluation of, the Pilot Program will provide valuable information to assess the effectiveness of the pilot, determine whether it might be appropriate to offer a peak time rebate program going forward, and, if so, whether there should be any modifications.¹⁸ The Cooperative further proposes to submit to Commission Staff ("Staff") an annual report that provides the same information that REC provided for years one and two of the Pilot Program.¹⁹

NOW THE COMMISSION, having been informed by its Staff that Staff does not oppose extension of the Pilot Program as set forth in the Application, including the limited modifications proposed thereto, finds that the Application should be granted. We further find that, as part of the information REC provides to potential participants to educate and inform them about the Pilot Program, the Cooperative should specifically identify the proposed modification to the notification of Peak Events. Additionally, as part of the annual report that REC provides to Staff, the Cooperative should describe in detail what effects, if any, the modification to the notification of Peak Events had on the participation in, and results of, the Pilot Program. Finally, any further requested extensions to the Pilot Program shall be filed a minimum of three (3) months prior to the date by which approval is requested.

Accordingly, IT IS ORDERED THAT:

(1) The Pilot Program is approved as set forth herein.

¹⁷ *Id.* at 8.

¹⁸ *Id.* at 9-10.

¹⁹ *Id.* at 10.

(2) The Pilot Program extension is approved effective June 1, 2022.

(3) The Cooperative forthwith shall file a revised Schedule PTR and supporting workpapers with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance, as is necessary to comply with the directives set forth in this Final Order. The Clerk of the Commission shall retain such filings for public inspection in person and on the Commission's website: scc.virginia.gov/pages/Case-Information.

(4) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.