

SURRY-YADKIN ELECTRIC MEMBERSHIP CORPORATION  
DOBSON, NORTH CAROLINA

RIDER EE-2023/24  
Energy Efficiency Rider

APPLICABILITY

Service supplied under the Cooperative's retail rate schedules are subject to energy efficiency adjustments for demand-side management and energy efficiency programs that the Cooperative implemented after January 1, 2007 and have been approved by the North Carolina Utilities Commission (NCUC). The energy efficiency adjustments are not included in the Cooperative's retail rate schedules and therefore, will be applied to the bill as calculated under the applicable rate.

GENERAL PROVISIONS

This Rider will recover the costs related to any energy efficiency and demand-side management programs the Cooperative implemented after January 1, 2007. In each year this Rider will include components to recover budgeted costs for demand-side management and energy efficiency programs implemented in that Budget Year, as well as net lost revenues resulting from the energy efficiency programs. Net lost revenues are revenue losses, net of the Cooperative's marginal costs avoided at the time of the lost kilowatt hour sale(s). Upon implementation, net lost revenues associated with each Budget Year will be recovered for the estimated life of the energy efficiency measure, except that the recovery of net lost revenues will end upon implementation of new rates approved by the Cooperative's Board of Directors based on a fully allocated Cost-of-Service Study or comparable proceeding.

TRUE-UP PROVISIONS

Rider amounts will initially be determined based on estimated kW and kWh impacts related to expected consumer participation in the programs, and will be trued-up as actual consumer participation and actual kW and kWh impacts are verified.

Participation true-ups: After the completion of the first year, the Rider will include a true-up of previous Rider amounts billed versus the actual costs incurred for the programs, capital costs on unrecovered program cost and actual lost revenue.

Measurement and verification true-up: Initially the demand side management and energy efficiency programs kW and kWh savings used in the calculation of this Rider will be based upon estimates arrived at from similar programs at other utilities in the Southeast. During these programs, the Cooperative will be responsible for the measurement and verification of the estimated savings. After the measurement and verification has been completed, the true-up may also include changes related to the actual verified kW and kWh savings associated with each of the programs.

DETERMINATION OF ENERGY EFFICIENCY RIDER ADJUSTMENT

The Energy Efficiency Adjustment (EEA) will be applied to the energy (kilowatt hours) billed under all the Cooperative's retail rate schedules as determined by the following formula:

$$EEA = \frac{(DSM + EE + LR + TU)}{S}$$

Where:

- DSM = Projected cost of the Cooperative's demand-side management programs for the upcoming budget year.
- EE = Projected cost of the Cooperative's energy efficiency programs for the upcoming budget year.
- LR = Projected net lost revenues associated with the kW and kWh savings as a result of the demand-side management and energy efficiency programs proposed for the upcoming budget year.
- TU = Total accumulated difference between what the Cooperative actually collected through this Rider versus what the costs the Cooperative has incurred as a result of the demand-side management and energy efficiency programs including capital costs on the unrecovered program costs, plus any differences in lost revenue collected versus incurred, for the years prior to the current year.
- S = Projected total kWh sales for the upcoming year in which the energy efficiency rider will be in effect.

ENERGY EFFICIENCY RIDER ADJUSTMENTS (EEA)

The EEA applicable to the Cooperative's designated retail rate schedules for the period July 1, 2022 through June 30, 2023, including revenue-related taxes and utility assessments is as follows:

Monthly Per Consumer Charge: \$1.17 per consumer

OPT OUT PROVISION FOR QUALIFYING NON-RESIDENTIAL CONSUMERS

The EEA increment applicable to Energy Efficiency Programs and/or Demand-Side Management Programs will not be applied to the energy charge of the applicable rate schedule for commercial/industrial consumers qualified to opt out of the programs. Consumers choosing to opt out of the programs must:

1. Certify or attest to the Cooperative that it has, or has plans for implementing alternative energy efficiency measures in accordance with quantifiable goals that meet or exceed the Cooperative's annual system-wide energy savings goals and
2. Have an electric service agreement that states that:
  - a. The establishment is classified as a "manufacturing industry" by the Standard Industrial Classification Manual published by the United States government and where more than 50% of the electric energy consumption of such establishment is used for its manufacturing processes, or
  - b. The consumer's annual energy use is anticipated to be 1,000,000 kilowatt hours or more.

The following additional provisions apply for qualifying consumers who elect to opt out:

- Qualifying consumers may opt out of the Cooperative's energy efficiency programs.
- The Consumer may not opt of the Cooperative's individual energy efficiency programs. The choice to opt out applies to the Cooperative's entire portfolio of energy efficiency programs.

If a consumer elects to participate in an energy efficiency program, the consumer may not subsequently choose to opt out of the program for a period of five (5) years or the life of the applicable measure, whichever is longer.

APPLICABLE TAXES

The total charges under the Rider will be increased by any applicable sales taxes imposed by any governmental authority.