Explanation of Statement of Power and Energy Delivery From Municipal Energy Agency of Nebraska (Service Schedule M Participants)

Municipal Energy Agency of Nebraska (MEAN) provides Total Requirements Participants (Participants) with bulk power services according to signed service contracts. Participants receive a Statement of Power and Energy Delivery From Municipal Energy Agency of Nebraska (monthly statement) each month. The monthly statement is separated into five parts – Demand (Participant Peak), Energy (Usage), MEAN Billing, Agent Agreements (Pass Through), and Adjustments and Other Billed Expenses. The MEAN Billing section is separated into three different parts – Fixed Cost Recovery Charge, Energy and Emerging Technologies. The Agent Agreements (Pass Through) section includes pass through costs for Transmission and Western Area Power Administration (WAPA).

The following items are included on Page 1 of the monthly statement:

**Demand (Participant Peak)**

Total (or Peak) Demand is the greatest number of kilowatts (kW), measured on an hourly basis, used between 8:00 a.m. (HE9) and 10:00 p.m. (HE22) on all days except Sundays, New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. This total (non-coincident peak) demand is also referred to as peak load. The Total Demand is labeled **Total kW**. The associated **Peak Day** and **Peak Hour** are also shown on the top of page one of the monthly statement. For Participants with Western Area Power Administration (WAPA) allocations, total kW is reduced by the Participant’s monthly firm WAPA Demand Allocation to arrive at **MEAN kW**.

MEAN Participants that receive WAPA firm electric service allocations (WAPA Demand and WAPA Energy) may receive such allocations from the following WAPA regions: WAPA-Upper Great Plains (WAPA-UGP), WAPA-Loveland Area Projects (WAPA-LAP), WAPA-Salt Lake City Area Projects (WAPA-SLCA), or in some cases both WAPA-LAP and WAPA-SLCA.

Renewable distributed generation (DG) production output from Participant owned resources or End User owned resources is included in the determination of Total Demand. Only grandfathered resources, as defined in MEAN’s Renewable Distributed Generation Policy, are excluded. Please refer to the Renewable Distributed Generation Policy for further discussion of renewable distributed generation.

**MEAN kW** is used to calculate the allocation factor applied to the total Fixed Cost Recovery Charge to determine each Participant’s Fixed Cost Recovery Charge. The allocation factor is based on a three-year historical average non-coincident monthly peak demand (or MEAN kW), by Participant. The annual period used in the allocation calculation is October through September.
Energy (Usage)
Total Energy is the amount of kilowatt hours (kWh) used by the Participant during the month including energy from the Participant’s outlet meters and owned generation. This amount is labeled **Total kWh** on the monthly statement. Total kWh also includes Distributed Generation Excess Energy for Participants who have qualifying DG resources. Please refer to the *Renewable Distributed Generation Policy* for further discussion of renewable distributed generation.

For Participants with WAPA allocations, total kWh is reduced by the Participant’s monthly WAPA Energy Allocation (kWh). Total kWh is also reduced by monthly Contracted Wind (kWh) for those Participants who have Agreements for Wind-Generated Energy Purchases to arrive at **MEAN kWh**.

For Participants who have qualifying DG resources, MEAN kWh is further reduced by DG Excess Energy to arrive at **MEAN kWh less DG Energy**.

The following items are included on Page 2 of the monthly statement:

**MEAN Billing**

**Fixed Cost Recovery Charge (FCRC)** is the Participant’s monthly share of certain fixed costs related primarily to MEAN’s ownership of generation, contracted purchase of generating capacity, and the operation of MEAN. See Section 17.4 of MEAN’s Financial and Administrative Policies and Guidelines for more information.

The monthly Fixed Cost Recovery Charge for each Participant is shown on Attachment 1 of *Municipal Energy Agency of Nebraska Total Power Requirements Schedule M Exhibit B – Schedule of Rates and Charges* (Schedule of Rates and Charges). Refer to *Schedule of Rates and Charges*, Section 3, paragraph 3.01 for further explanation.

At least annually, the MEAN Board of Directors reviews and approves MEAN’s rates and charges (generally in January for rates effective April 1). The rates and charges established are budgeted to yield operating revenues sufficient, together with other revenues of MEAN, to pay operating expenses including aggregate debt service, satisfy debt covenants and obligations, pay for capital expenditures, provide for an adequate rate stabilization fund, and provide for sufficient cash reserves in accordance with policies approved by the MEAN Board of Directors.

**Energy** within the MEAN Billing section includes the following different categories:

For those Participants who have Agreements for Wind-Generated Energy Purchases, **Contracted Wind** equals the amount of Contracted Wind (kWh) detailed on page 1 of the monthly statement multiplied by the Wind Rate approved by the MEAN Board of Directors.

**Energy** equals the amount of MEAN kWh (or MEAN kWh less Distributed Generation for Participants having Distributed Generation Excess Energy) detailed on page 1 of the monthly statement multiplied by the MEAN Energy Charge per kWh rate approved by the MEAN Board of Directors. See Section 3.02 of the *Schedule of Rates and Charges*. 
For Participants having Distributed Generation Excess Energy, **Distributed Generation Excess Energy**
equals the amount of Distributed Generation Excess Energy (kWh) detailed on page 1 of the monthly
statement multiplied by the MEAN Energy Charge per kWh rate approved by the MEAN Board of
Directors. See Section 3.02 of the *Schedule of Rates and Charges*.

**Emerging Technologies - Landfill Gas Attributes** equals the amount of Landfill Gas Attributes for those
Participants who have Agreements for Purchase of Landfill Gas Environmental Attributes multiplied by the
Landfill Gas Energy Environmental Attribute Rate approved by the MEAN Board of Directors.

**Agent Agreements (Pass Through)**

**Transmission** and sub-transmission service charges, including applicable ancillary service charges, for delivery of
bulk power services to Participants are billed directly to MEAN. MEAN passes these costs, other than spinning
and supplemental reserves, through to Participants at the transmission provider’s then-current rate. Refer to
Section 5 of *Schedule of Rates and Charges* for further explanation. Not all participants are billed pass through
transmission costs from MEAN because some Participants elect to receive bills directly from the transmission
provider.

The **WAPA** section details the pass through of the charges for those Participants who have contracted to have
MEAN serve as a Purchasing Agent for their WAPA-LAP and/or WAPA-SLCA allocation. For those Participants
who have not contracted to have MEAN serve as Purchasing Agent, this section will show a $0 amount and the
Participant will receive the bill directly from and remit payment directly to WAPA. MEAN does not serve as a
Purchasing Agent for Participants with WAPA-UGP contracts. The Participants receive their WAPA bill directly
from WAPA-UGP and remit payment directly to WAPA-UGP.

The **WAPA Demand Charge** is calculated by multiplying the Participant’s firm WAPA seasonal contract rate of
delivery (CROD) by the applicable WAPA demand rate.

The **WAPA Energy Charge** is calculated by multiplying the Participant’s firm WAPA Energy Allocation by the
applicable WAPA energy rate.

Total WAPA Demand and Energy Allocations are found in the Participant’s WAPA FES contract along with the
Participant’s WAPA CROD.

WAPA demand and energy rates are available at:

**Adjustments and Other Billed Expenses**

This section of the statement is used for any adjustments needed to accurately bill the Participant for both
current month and prior month bulk power services. Examples of adjustments include:

- generation compensation
- energy adjustments
• administration fee
• 30.9 Credit
• Distributed Generation Excess Energy Credit (see below for further discussion)
• Pooled Energy Adjustment (PEA) (see below for further discussion)
• Customer Charge (see below for further discussion)
• other adjustments as applicable

The Adjustments and Other Billed Expenses section shows the statement “No Adjustments” in months not having any adjustments to bill.

**Distributed Generation Excess Energy Credit** - MEAN purchases the qualifying distributed generation excess energy from Participants at the applicable Avoided Cost Rate. MEAN’s standard Avoided Cost Rate applies for qualifying facilities with a design capacity of 100 kW or less. Qualifying Facilities with a design capacity of greater than 100 kW are treated on a case-by-case basis. This **Distributed Generation Excess Energy Credit** (energy adjustment) is included in the Adjustments and Other Billed Expenses section of the monthly statement. Please refer to the **Renewable Distributed Generation Policy** for further discussion of renewable distributed generation.

**Pooled Energy Adjustment (PEA)** - in accordance with Section 3.04 of the **Schedule of Rates and Charges**, MEAN has the ability to implement PEA. When actual monthly energy costs to MEAN exceed budgeted monthly energy costs, the positive difference (PEA amount) for the month is applied to MEAN Energy (MEAN kWh) for the month. When implemented, the PEA amount for each Participant is generally included on their statement the following billing month. The amount will be shown in the Adjustments and Other Billed Expenses section of the statement.

**Customer Charge** - in accordance with Section 3.03 of the **Schedule of Rates and Charges**, MEAN has the ability to implement a **Customer Charge**. Should this charge be approved by the Board of Directors and billed to the Participant, it will be shown in the Adjustments and Other Billed Expenses section of the statement.

**Distributed Generation**
This section is used to detail the **Monthly Service Fee/Tax** charged per Distributed Generation meter and the cost of Distributed Generation **Meter Equipment** purchased. These costs are billed directly to MEAN by the vendor. MEAN passes these costs through to the Participant.

**Total Amount Due**
The **Total Amount Due** shows the total amount of charges for the Participant for the month and the payment due date. Payment is due within 30 days of the **Billing Date** shown on Page 1 of the Statement. Payment via ACH is preferred as provided on the monthly statement. Payment via check payable to Municipal Energy Agency of Nebraska is also accepted.

If you have questions, please contact Candy Thomazin at 1-800-234-2595.