

STANDARD PRICING SCHEDULE: NEBO
NET ENERGY BILLING OPTION

STATE OF OKLAHOMA

**STANDARD RATE SCHEDULE FOR NET ENERGY BILLING OPTION (NEBO) FOR
PRODUCERS OF 300 kW OR LESS**

EFFECTIVE IN: All territory served.

DEFINITIONS:

Net Energy - for the purpose of the NEBO, net energy shall be defined as the difference of energy produced by the site specific net energy producing facility less the energy consumed by the customer located at that same site.

Avoided Energy Cost – for the purpose of the NEBO, the Avoided Energy Cost(s) for each monthly period will be based on the Day Ahead (“DA”) Locational Marginal Prices (“LMP”) for the same period from the Southwest Power Pool (“SPP”) Integrated Marketplace (“IM”).

From June 1 through September 30, On-Peak Avoided Energy Cost shall be calculated by taking the arithmetic average of the hourly DA energy settlement LMPs for the on-peak hours of the billing period. In addition, Off-Peak Avoided Energy Cost shall be calculated every month by taking the arithmetic average of the hourly DA settlement energy LMPs for the Off-Peak hours of the billing period. On-Peak and Off-Peak periods shall be defined as follows:

On-Peak Hours: From June 1 through September 30, beginning each day at 2:00 p.m. through 7:00 p.m. local time, excluding Saturdays, Sundays, Independence Day (as observed) and Labor Day.

On-Peak Hours (for Public School Rates Only): From June 1 through September 30, beginning each day at 3:00 p.m. until 7:00 p.m. local time, excluding Saturdays, Sundays, Independence Day (as observed) and Labor Day.

Off-Peak Hours: All hours not defined as On-Peak hours.

Cogenerator (OAC 165:40-1-2) – is a producer qualified under Section 201 of the Public Utility Regulatory Policies Act of 1978 as a cogeneration facility. A facility's power production capacity:

- (A) Must be used to produce both electrical and useful thermal energy for industrial commercial, heating or cooling purposes, through the sequential use of energy.
- (B) Must meet the applicable standards as to fuel use and efficiencies.
- (C) Shall be qualified by FERC.

Rates Authorized by the Oklahoma Corporation Commission:

Public Utilities Division Stamp

(Effective)	(Order No.)	(Cause/Docket No.)
October 1, 2022	728277	PUD 202100164
January 1, 2020	705867	PUD 201900065
October 1, 2019	702531	PUD 201800140
May 1, 2017	662059	PUD 201500273

APPROVED
September 30, 2022
DIRECTOR
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Small power producer (OAC 165:40-1-2) – a facility qualified under Section 201 of the Public Utility Regulatory Policies Act of 1978 as a small power production facility.

AVAILABILITY: NEBO customers must take service under their applicable standard TOU rate schedule (excluding other rates such as VPP, Flex, and RTP). Annual customer usage as determined by the annual billing period before the customer became a NEBO customer shall be used in the initial determination of the applicable standard TOU tariff used for the customer's billing. Customers shall also have installed a Net Energy producing facility and signed a Standard Electricity Purchase Agreement for Small Power and Cogeneration Facilities with the Utility. Such facilities must be located on the customer's premise and be intended to offset only the energy that would have otherwise been provided by the retail electric supplier to the customer during the monthly billing period at that location. Customer's usage may not be aggregated from multiple usage points to qualify for kWh offsets under this tariff. Within a monthly billing period, the amount of energy produced from the net energy producing facility in excess of the energy consumed by the NEBO customer on the same site shall be credited, or paid, in dollars in the next billing period(s), at the price of OG&E's Avoided Energy Cost.

Customers may not take service under this tariff and simultaneously take service under the provisions of any other alternative source generation or co-generation tariff.

OG&E retains the right to limit the total number of Net Energy installations on any individual distribution circuit or individual distribution substation due to possible operational concerns.

The Net Energy Billing Option is available to all qualifying small power producers or cogenerators who:

- 1a) Are Residential, Commercial, Industrial, or Public Authority Customers and have a generator nameplate rating of 300 kW or less. The engineering evidence documenting the annual energy output calculation shall be provided at the Company's request;
- 1b) Have a generating capacity no greater than 125% of the customer's peak load. Systems that produce net excess energy with an installed capacity greater than 125% of the customer's peak load are not eligible for the NEBO tariff, said systems will be defaulted to the QF Tariff for the provision of all billing services. Customer's peak load shall initially be determined as a customer's peak demand in kilowatts for the 12 months immediately prior to requesting service under this NEBO tariff. The peak load is subject to redetermination if significant changes in customer load occur and/or if modifications are made to the customer's generating system.

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- 2) Employ equipment compatible with the particular OG&E line segment providing service to the Net Energy premise;
- 3) Sign the Company's Standard Electricity Purchase Agreement (PA) for Small Power and Cogeneration Facilities as attached to this tariff; AND
- 4) Have any Net Excess Energy system installed in a manner that provides compliance with OG&E's Distributed Resources Interconnection Standards (or its successor). Failure to provide adequate billing determinant information shall constitute sufficient grounds for refusing customer's the right to participate in billing under the NEBO tariff.

MONTHLY BILLING:

On a monthly basis, the NEBO customer shall be billed the applicable charges under their standard TOU rate schedule and any applicable rider schedules. Under NEBO, only the kilowatt-hour (kWh) portion of a customer's standard TOU bill are affected.

If the kWh supplied by the electric utility to the NEBO customer exceeds the energy provided by the net energy facility during the monthly billing period, the NEBO customer shall be billed for the net kWh supplied by the electric utility in accordance with the rates and charges under OG&E's standard applicable TOU rate schedule.

If the electricity generated by the net energy customer exceeds the electricity consumed by the net energy customer during the monthly billing period, the customer shall be credited, or paid, in dollars in the next billing period(s), at the applicable on or off-peak price of OG&E's Avoided Energy Cost.

If a NEBO Customer accumulates a credit that carries forward longer than 24 consecutive months or exceeds \$100 in total whichever comes first, OG&E or the NEBO customer may choose to process a one-time payment for that amount. If a customer transfers service, any NEBO credit amount will be transferred to that customer's new account. If a customer were to leave OG&E's system with a NEBO credit on their bill, a one-time payment will be processed as part of closing out the account.

PURCHASE PRICE:

The Company will calculate 30-day rolling average On-Peak and Off-Peak average Avoided Energy Cost rates based on the average On-peak and Off-peak SPP IM DA LMPs. The applicable 30-day average On and Off-Peak average Avoided Energy Cost rate shall correspond with the final meter reading date for a billing period.

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1. On-Peak Avoided Energy Cost shall be calculated as follows:

$$\frac{\sum_i DA \text{ Settlement Price}_i}{m}$$

Where:

$$i = 1 \dots m;$$

DA Settlement Price shall be based on the SPP DA LMP settlement for the OKGE_LA (or its successor) price node for On-Peak hours;

m = Count of On-Peak hours of the period.

2. Off-Peak Avoided Energy Cost shall be calculated as follows:

$$\frac{\sum_i DAP \text{ Settlement Price}_i}{n}$$

Where:

$$i = 1 \dots n;$$

DAP Settlement Price shall be based on the SPP DA LMP settlement for the OKGE_LA (or its successor) price node for Off-Peak hours;

n = Count of Off-Peak hours of the period.

Purchased price for Net Energy shall be credited against the time-differentiated energy portion of the customer's bill at the applicable TOU Seasonal or hourly TOU kWh pricing of the customer's Standard TOU bill.

MINIMUM BILL:

A NEBO customer's total monthly billing shall not be less than applicable franchise fees; local, state, or federal income taxes; applicable tariff or rider charges; monthly customer charges; meter charges (if any); and applicable demand charges.

TERM: One Year.

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