

2019 Information for Co-Generators

The following is set out for members interested in co-generation, with respect to what they would receive for excess power they produce and deliver to Midland Power's system. Midland Power plans to update this information within the first quarter of each calendar year. Midland Power would be happy to address any questions you might have concerning the service and interconnection arrangements we can make, to assist you in your co-generation project.

Facilities with a design capacity of more than 100kW: The price(s) for purchases from QFs with a design capacity above 100 kW will be negotiated on a case-by-case basis.

Corn Belt: For Midland Power's service territory for which power is obtained from Corn Belt Power Cooperative (Corn Belt), excess power is purchased by arrangement with Corn Belt pursuant to a waiver obtained from the Federal Energy Regulatory Commission (FERC). Corn Belt's Avoided Cost Rate is 2.277 cents per kWh for energy during the year 2019. Corn Belt has indicated this figure is subject to periodic review and revision.

CIPCO: For Midland Power's service territory for which power is obtained from Central Iowa Power Cooperative (CIPCO), excess power is purchased by Midland Power (no waiver having been obtained from FERC). As a result, excess power of a co-generator (with 100 kW capacity or less) is presently purchased by Midland Power for 2.9337 cents per kWh for energy during the summer months (June, July, and August). During the winter months (September through May) Midland Power will pay 2.9337 cents per kWh delivered.

Optionally, Members in Midland Power's service territory for which power is obtained from CIPCO may elect to sell their excess power at the following avoided cost rates shown on the attached Exhibit A.

For members in the CIPCO portion of Midland Power's service territory, we would wish to set out the following information with respect to the rates at which Midland purchases energy and capacity from CIPCO:

29.337 mills per kWh for energy,
and
\$7.49/kW/month for a seasonal demand charge and \$7.48/kW/month for a monthly demand charge.

- A. Seasonal Demand: Seasonal Demand shall be defined as the average of the six monthly clock hour demands of the Member (Midland Power) occurring in the most recent months of December, January, February, June, July and August which are recorded on the same day as the dispatch system peak as determined by the IPL/CIPCO Control Center and coincident with the highest recorded IPL/CIPCO system demand excluding contract customer demand as appropriate during the period starting at 4:01 P.M. and ending at 9:00 P.M.
- B. Monthly Demand: Monthly Demand shall be defined as the clock hour demand of the CIPCO Member (Midland Power), coincident with the time of the CIPCO monthly peak demand excluding contract customer demands as appropriate during the period starting at 4:01 P.M. and ending at 9:00 P.M.

EXHIBIT A (CIPCO Options)

Option 1: As Available Energy¹ – The prices in the following table reflect combined payments for energy and capacity.						
		2019-2024 Projected				
All hour pricing: (\$/kWh)	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Summer (June, July, August)	\$0.02720	\$0.02645	\$0.02622	\$0.02667	\$0.02571	\$0.02696
Winter	\$0.02731	\$0.02616	\$0.02578	\$0.02569	\$0.02595	\$0.02699
		2019-2024 Projected				
With time-of-use metering: (\$/kWh)	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Summer (June, July and August)						
On-Peak	\$0.03508	\$0.03379	\$0.03290	\$0.03401	\$0.03239	\$0.03442
Off-Peak	\$0.02019	\$0.02010	\$0.02010	\$0.02015	\$0.01977	\$0.02032
Winter (September through May)						
On-Peak	\$0.03331	\$0.03144	\$0.03088	\$0.03132	\$0.03114	\$0.03240
Off-Peak	\$0.2210	\$0.02161	\$0.02137	\$0.02072	\$0.02148	\$0.02231

¹All prices and estimated projections to be reviewed at least annually. If renewable energy credit (REC) acquisition is desired, noting this in an agreement and adding \$0.00175/kWh to purchase price is recommended.

Option 2: As Available Energy and Capacity: (\$/kWh)¹ – The prices in the following table reflect separate payments for energy and capacity.						
		2019-2024 Projected				
Load profile metering required:						
Summer (June, July, & August)	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
On-Peak (kWh)	\$0.03288	\$0.03266	\$0.03252	\$0.03354	\$0.03196	\$0.03355
Off-Peak (kWh)	\$0.02019	\$0.02010	\$0.02010	\$0.02015	\$0.01977	\$0.02032
Winter (September through May)						
On-Peak (kWh)	\$0.03106	\$0.03030	\$0.03048	\$0.03085	\$0.03070	\$0.03151
Off-Peak (kWh)	\$0.02210	\$0.02161	\$0.02137	\$0.02072	\$0.02148	\$0.02231
Capacity (\$/kW delivered)						
Summer (kW/MO) (June, July, & August)	\$2.77	\$1.40	\$0.49	\$0.59	\$0.54	\$1.10
Winter (kW/MO) (September through May)	\$2.77	\$1.40	\$0.49	\$0.59	\$0.54	\$1.10

<u>Energy Time Period Definitions</u>
MISO Planning Year: June through May
Winter: kWh delivered September through May.
Summer: kWh delivered June, July and August.
On-Peak Period: Weekday hours starting at 6:00 a.m. and ending at 10:00 p.m. Central Prevailing Time (CPT) (excluding holidays of New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day falling on a weekday. However, in the event that they fall on a Sunday, the “NERC Additional Off-Peak Holiday” is celebrated the Monday immediately following that Sunday. If these days fall on a Saturday, the “NERC Additional Off-Peak Holiday” remains on that Saturday.)
<u>Capacity Period Definitions²</u>
Winter: kW delivered September through May.
Summer: kW delivered June, July and August.
² For capacity payment to be available, qualifying facility must generate at the time of the CIPCO monthly billing peak (60-minute clock-hour demand).

CIPCO has indicated that all of the aforementioned figures are subject to periodic review and revision.