

Renewable Energy Report 2019

wind



12.33%

solar

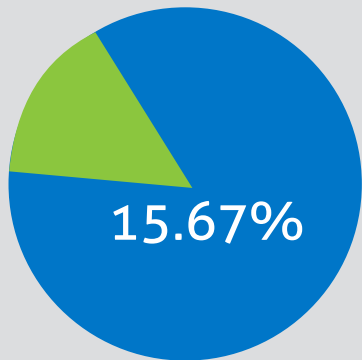


0.22%

landfill gas



3.11%



overall system consists of renewable energy resources

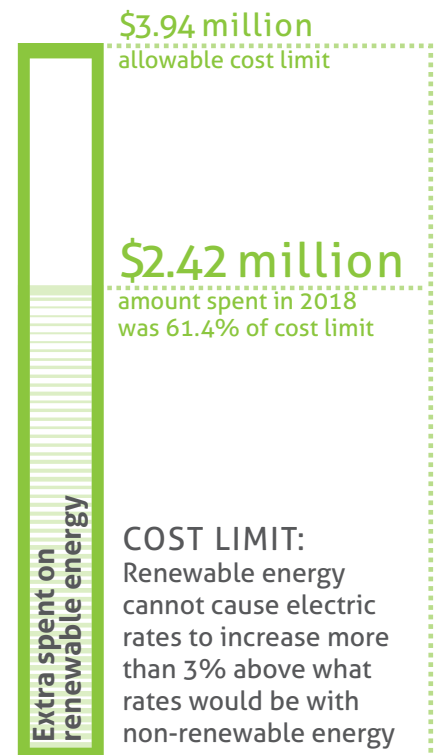
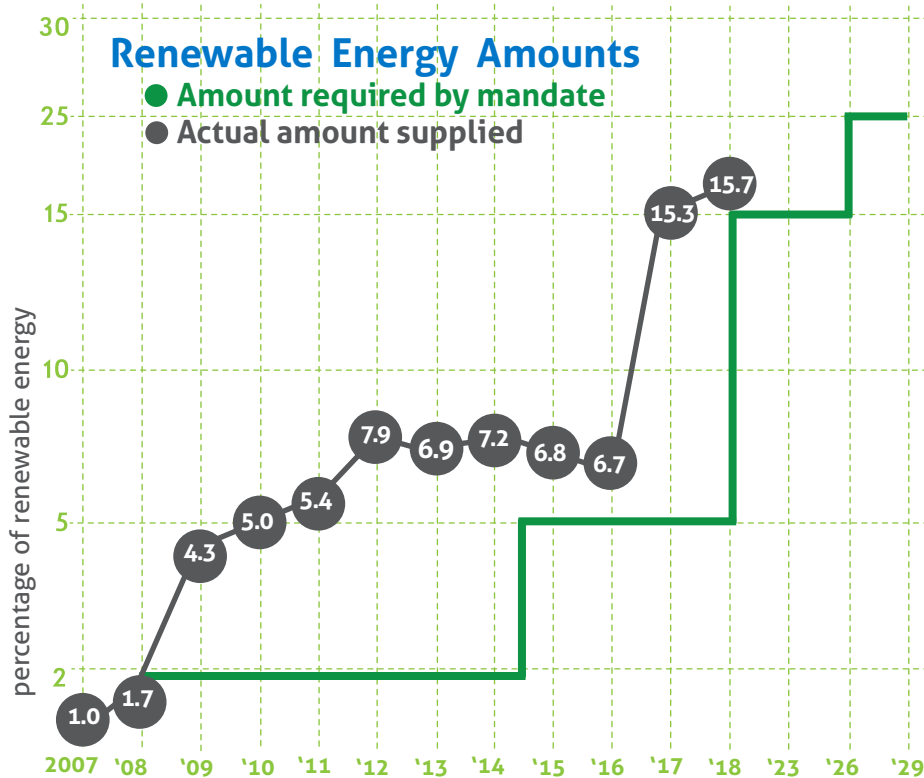


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2019 Renewable Energy Report

Columbia Water & Light

In November 2004, Columbians approved a renewable energy ordinance for the city's power supply portfolio. The ordinance mandates Columbia Water & Light purchase increasing levels of energy from renewable resources. Each year, the utility is required to submit a plan outlining compliance with the ordinance. The Water & Light Advisory Board and the Environment and Energy Commission review the report before it goes to the Columbia City Council for a public hearing.

Renewable Energy Overview

In 2018, Columbia generated 15.67% of the electric portfolio from renewable sources. The renewable portfolio comes from wind (12.33%), landfill gas (3.11%) and solar (0.22%). The total amount exceeds the requirement for 2018 of 15% by 0.67%. The additional cost is 61.44% of what is allowed by the renewable energy ordinance. City also operates residential, commercial, and industrial demand side management (energy efficiency) programs for the purpose of reducing overall energy demand. Information on available city demand side management programs can be found at <http://columbiapowerpartners.com>.

2018 Renewable Energy Sources/Costs

Columbia system load: 1,253,276 megawatt hours (MWH) Renewable energy total: 196,361 megawatt hours or 15.67%

- Bluegrass Ridge wind energy: 0.95% of electric system @ \$69.35/MWH
- Crystal Lake wind energy – Contract 1: 2.62% of electric system @ \$45.08/MWH
- Crystal Lake wind energy – Contract 2: 6.76% of electric system @ \$20.12 /MWH
- Jefferson City landfill gas: 1.87% of electric system @ \$52.96 /MWH
- Columbia landfill gas: 1.24% of electric system @ \$54.87/MWH
- Free Power Solar: 0.02% of the electric system @ \$54.95/MWH
- Net metered customer production: 0.17% of the electric system. The average retail rate for net metered energy is undetermined at this time, pending an analysis through the IRP process.
- Columbia Water & Light solar production: 0.03% of the electric system @ \$62.30/MWH
- North Dakota Wind RECs: 1.99% of the electrical system @ \$26.01 /MWH

2018 Renewable Energy Supply Activities

- There was a 27.3% increase in the rated capacity of customer installed photovoltaic systems from 2017 to 2018.
- On December 8, 2018 a fire, caused by a leak in the lubrication system of Landfill Gas Generator #3, caused substantial damage to that unit. The repair of this unit is expected to take 6 to 9 months. Because of this, the combined output for the Columbia landfill generator is expected to be less than normal for calendar year 2019.
- The City of Columbia is moving forward with a project to bring 10 MW of solar energy into its distribution system. In February of 2018 the City entered into a purchase power agreement with Truman Solar LLC for the purchase of energy generated from a 10 MW solar array attached to the City's 13.8 kV distribution system. The City is in the process of extending two feeders from its Rebel Hill substation to be able to receive this energy. The commercial operation date is December 31, 2019. The City may see some energy from this new resource in 2019 but expects that the full impacts of this new resource will not be realized until 2020.
- A short term purchase of 25,000 MWHs of Renewable Energy Credits (REC) from a wind farm in North Dakota was made to ensure compliance with Chapter 27-106 of the City's code of ordinances. In 2018 the City was a net purchaser of energy from the MISO market in excess of 25,000 MWHs. The City will assign the RECs purchased from the North Dakota wind facility to 25,000 of the MWHs that the City purchased from the MISO energy market.

Renewable Energy Ordinance Requirements

According to the current standards, the city shall generate or purchase electricity generated from eligible renewable energy sources at the following levels: 2% of electric retail usage by December 31, 2007, 5% of electric retail usage by December 31, 2012; 15% of electric retail usage by December 31, 2017; 25% of electric retail usage by December 31, 2022, and 30% of electric retail usage by December 31, 2028.

The renewable energy ordinance was revised by the Columbia City Council on January 6, 2014 to increase the required amounts of renewable energy in the future. The full text of the Renewable Energy Standard and the approved list of renewable resources are listed in the appendix of this report.

City Council approved changes to ordinance 27-106 on Dec. 3, 2018 to replace “electric retail sales” with “electric retail usage,” and “electricity purchased” with “electricity produced.”

2018 Renewable Energy Production Amounts

Month	Columbia Load	Bluegrass Wind MWH's	Crystal Lake Wind Contract 1 MWH's	Crystal Lake Wind Contract 2 MWH's	Columbia Landfill MWH's	Jeff City Landfill MWH's	Free Power Solar MWH's	Net Meter Solar MWH's	Columbia Solar MWH's	North Dakota Wind RECs MWH's	Total Renew MWH's	YTD Annual % of System
1-18	113,783	1,442	3,931	9,684	1,463	1,852	16.67	111.55	25.57	25,000	43,526	38.25%
2-18	94,959	1,050	2,743	6,899	1,470	1,782	14.82	102.85	21.74	-	14,083	27.60%
3-18	93,030	1,525	3,419	9,083	1,868	2,052	18.81	134.59	27.75	-	18,127	25.10%
4-18	87,303	1,252	3,209	8,422	1,779	1,858	27.69	200.88	40.27	-	16,789	23.78%
5-18	106,787	646	2,184	5,778	1,534	1,907	34.49	224.35	43.73	-	12,352	21.15%
6-18	120,263	933	2,853	7,268	1,190	1,821	34.66	229.46	44.39	-	14,373	19.35%
7-18	126,035	335	1,852	4,806	940	1,824	36.78	245.09	46.42	-	10,086	17.43%
8-18	123,712	796	1,390	3,598	966	1,886	31.30	237.63	40.08	-	8,945	15.97%
9-18	105,292	724	2,546	6,536	845	2,200	28.30	235.03	38.50	-	13,153	15.59%
10-18	89,827	966	2,140	5,621	1,309	2,059	22.08	194.60	32.13	-	12,343	15.44%
11-18	93,526	1,072	3,321	8,386	1,537	2,092	12.28	99.10	15.69	-	16,534	15.62%
12-18	98,758	1,186	3,280	8,687	643	2,127	12.22	98.96	15.01	-	16,049	15.67%
Total	1,253,275	11,927	32,867	84,767	15,544	23,460	290	2,114	391	25,000	196,361	15.67%
% of System	-	0.95%	2.62%	6.76%	1.24%	1.87%	0.02%	0.17%	0.03%	1.99%	-	-

Note: Energy production amounts are listed in megawatt hours (MWH)

Costs of Renewable Energy

As outlined in Section 27-106(b) of the Renewable Energy Standard ordinance, renewable energy cannot cause electric rates to increase more than 3% above what rates would be with non-renewable energy. The 3% impact on rates limit is determined as 3% of total revenue from regulated rate sources. An outside utility consultant was hired in 2014 to review the cost impact of renewable energy. A copy of this report can be found in the appendix.

The City of Columbia has a fiscal year that does not match the calendar year outlined in the Renewable Energy Standard. Renewable energy costs for this report include information from January through September of the prior fiscal year and October through December of the current fiscal year. For calendar year 2018, the additional cost to address the renewable portfolio requirement was \$2,424,545 and the limit was \$3,945,932 as outlined in the following tables. The additional money spent on renewable energy was 61.44% of what was allowed according to the ordinance. From calendar year 2017 to calendar year 2018, the total amount of renewable energy increased by 12,575 megawatt hours, or 6.84%

Summary of changes for 2018:

- Decreased renewable energy production from local landfill resources and wind energy from the Crystal Lake Wind Contract. Both of these decreases have been attributed to unusual weather events in 2018.
- An increase in the energy for the Columbia load. In 2018 the City used 82,820 more MWHs than it did in 2017.
- A short term purchase of Renewable Energy Credits (REC) from a wind farm in North Dakota.

Impact of 2018 Renewable Energy Portfolio

Renewable Resource	Total 2018 MWH's	Additional Cost/(Savings) Per MWH	Total Impact on Rates
Bluegrass Ridge Wind (Associated Electric)	11,927	\$43.74	\$521,686.98
Crystal Lake Wind Contract 1 (NextEra)	32,867	\$25.37	\$833,835.79
Crystal Lake Wind Contract 2 (NextEra)	84,767	\$0.41	\$34,754.47
Columbia Landfill	15,544	\$23.20	\$360,620.80
Jefferson City Landfill (Ameresco)	23,460	\$24.38	\$571,954.80
Free Power Photovoltaic Production	290	\$16.62	\$4,819.80
Net Metered Photovoltaic Production	2,114	NA	NA
Columbia Water & Light Solar Production	391	\$23.97	\$9,372.27
North Dakota Wind RECs	25,000	\$3.50	\$87,500.00
Total Renewable Resource Impact on Rates			\$2,424,544.91

Maximum Renewable Portfolio Cost Calculations

Revenue Source	January – September (FY18)	October – December (FY19)
Residential	\$44,972,222	\$12,335,111
Commercial/Industrial	\$56,479,155	\$17,744,594
Total Revenue During Calendar Year 2018		\$131,531,083
3% Impact Limit on Rates		\$3,945,932

Calculating Renewable Energy Costs

Chapter 27-106 of the City Code of Ordinances indicates contains the following requirement:

“Renewable energy shall be added up to these kilowatt hour levels only to the extent that it is possible without increasing electric rates more than three (3) percent higher than the electric rates that would otherwise be attributable to the cost of continuing to generate or purchase electricity generated from one hundred (100) percent non-renewable sources.”

A renewable energy impact methodology is needed to assess compliance with this requirement. Below is the approach and details used by the proposed renewable energy impact methodology:

- Start with total cost of renewable resource
- Subtract the capacity value
- Determine the difference between the renewable resource cost and Water & Lights’ cost of avoided production from the non-renewable resource.
- Add the cost of any congestion and losses for each renewable resources relative to Water & Lights’ load
- Multiply by the production from the renewable resource
- For 2018 the Follow Factors have been established
 - Columbia’s Non-Renewable Avoided Cost - \$22.51/MWH
 - The Production weighted price of Columbia’s MISO Load Node for Wind Production - \$25.10/MWH

Resource	A Resource Cost (\$/MWH)	B Capacity Component (\$/MWH)	C Energy Component (\$/MWH)	D Energy Impact (\$/MWH)	E Resource MISO LMP (\$/MWH)	F Cong. & Loss Cost (\$/MWH)	G Energy Impact w/ C&L (\$/MWH)	H Production (MWH)	Renewable Cost Impact (\$)
Bluegrass Ridge Wind	\$69.35	\$3.10	\$66.25	\$43.74	NA	NA	\$43.74	11,927	\$521,686.98
Crystal Lake C1 Wind	\$45.08	\$3.10	\$41.98	\$19.47	\$19.20	\$5.90	\$25.37	32,867	\$833,835.79
Crystal Lake C2 Wind	\$20.12	\$3.10	\$17.02	(\$5.49)	\$19.20	\$5.90	\$0.41	84,767	\$34,754.47
North Dakota Wind RECs	\$26.01	\$0.00	\$26.01	\$3.50	NA	NA	\$3.50	25,000	\$87,500.00
Columbia Landfill Gas	\$54.87	\$9.16	\$45.71	\$23.20	NA	NA	\$23.20	15,544	\$360,620.80
Jefferson City Landfill Gas	\$52.96	\$6.07	\$46.89	\$24.38	NA	NA	\$24.38	23,460	\$571,954.80
Free Power PV	\$54.95	\$15.82	\$39.13	\$16.62	NA	NA	\$16.62	290	\$4,819.80
Customer Generated PV (Net Meter)	NA	\$15.82	NA	NA	NA	NA	NA	2,114	NA
CWL Generated PV	\$62.30	\$15.82	\$46.48	\$23.97	NA	NA	\$23.97	391	\$9,372.27
								196,360	\$2,424,544.91

- Column A - Total cost of the Renewable resource
- Column B- Amount of total cost that is determined to be providing capacity value, see Utility Financial Solutions, Rate Impacts on Renewable report in the appendix
- Column C- Amount of total cost that is determined to be providing energy value (Column A minus Column B)
- Column D- Cost impact of the renewable resource energy above the incremental cost of Water & Lights non-renewable resource cost (Column C minus - \$22.51)
- Column E- Production weighted MISO LMP at the point of resource connection to the MISO system
- Column F- Resource congestion and losses as compared to Water & Lights’ load
 - Wind Resources (\$25.10 minus Column E)
- Column G- Energy Impact plus congestions and losses for the resource (Column D plus Column F)
- Column H- Resource Annual Production
- Renewable Cost Impact – Column G times Column H

2018 Renewable Energy Portfolio Details

Bluegrass Ridge Wind Energy

Columbia started receiving wind power from turbines near King City, Missouri on September 5, 2007. The Columbia contract is for one ninth of the electric output from the Bluegrass Ridge Wind Farm from Associated Electric Cooperative. At the maximum output, Columbia Water & Light could receive up to 6.3 megawatts. In 2018, Columbia received 11,927 megawatt hours of power from this contract or 0.95% of the electric system total. The amount of wind energy Columbia receives is variable. There is a fixed transmission cost for this energy, so it is more expensive when less energy is received. The average cost for 2018 for wind power from the Bluegrass Ridge Wind Farm was \$69.35 per megawatt hour.

North Dakota Wind Energy

A short term purchase of 25,000 MWHs of Renewable Energy Credits (REC) from a wind farm in North Dakota was made to ensure compliance with Chapter 27-106 of the City's code of ordinances. In 2018 the City was a net purchaser of energy from the MISO market in excess of 25,000 MWHs. The City assigned the RECs purchased from the North Dakota wind facility to 25,000 of the MWHs that the City purchased from the MISO energy market.

Crystal Lake Wind Energy

In 2012, Columbia Water & Light began a 20-year contract for energy produced from 21 megawatts of wind generation at the Crystal Lake III Wind Energy Center located in Hancock County, Iowa. The University of Missouri purchased half of the energy from the City of Columbia contract. This arrangement can be terminated by either party at any time.

In late 2016, Columbia Water & Light established a second contract with NextEra Energy Resources to receive additional energy from the Crystal Lake III Wind Energy Center located in Hancock County, Iowa. In January 2017, Columbia Water & Light began receiving energy produced from 27 megawatts of wind generation. In 2023, the second contract amount will increase to the energy produced from 45 megawatts of wind generation. While the University of Missouri is not participating in the second contract, Columbia Water & Light did agree to provide the University with a blended cost based on the weighted average cost of the two contracts.

Both contracts require Columbia Water & Light to pay for deemed energy. Deemed energy is energy that would have been produced had Columbia Water & Light not requested production curtailment due to a negative Locational Marginal Price (LMP). A negative LMP means that Columbia Water & Light would be paying the energy market to take the energy. For the original contract, Columbia Water & Light currently requests curtailment at negative twenty dollars (-\$20.00). The fixed cost of the wind energy delivered to Columbia, from the original contract, will remain at \$45.00 for the rest of the contract. The second contract includes a deemed energy credit and therefore Columbia Water & Light currently requests curtailment at negative ten dollars (-\$10.00). The second contract has an annual price escalation of 2%. The initial charge per MWH was \$19.55. The second contract will end in 2032, which coincides with the ending of the first contract.

In 2018, the utility received 32,867 megawatt hours from the original contract which represents 2.62% of the electric system total. The total cost of energy, including deemed energy, was \$45.08 per megawatt hour.

In 2018, the utility received 84,767 megawatt hours from the second contract. This represents 6.76% of the electric system total. The total cost of energy, including deemed energy was \$20.12 per megawatt hour.

Columbia Landfill Gas

The Columbia Landfill Gas Energy Plant was constructed in 2008 using the gas created from decomposing waste at the landfill. The amount of energy received from the Columbia Landfill Gas Energy Plant is fairly consistent aside from times when there is routine maintenance work. The plant can currently generate 3.1 megawatts of renewable power. In 2018, the landfill gas plant produced 15,544 megawatt hours of energy at a cost of \$54.87 per megawatt hour which was 1.24% of Columbia's energy system total.

Units 1 & 2 received a major engine replacement in the spring of 2017. Air permitting work required for the installation of a fourth engine is completed. The fourth and final generator for the existing building design at the Columbia Biogas to Energy plant, located at the Columbia landfill, has been funded, and is expected to be installed after a study regarding Renewable Natural Gas is completed. All of the units were and will be paid for from bond funding.

On December 8, 2018 a fire, caused by a leak in the lubrication system of Landfill Gas Generator #3, caused substantial damage to that unit. The repair of this unit is expected to take 6 to 9 months to complete. Because of this, the combined output for the Columbia landfill generator is expected to be less than normal for calendar year 2019.

Jefferson City Landfill Gas

Columbia Water & Light has a 20-year power purchase agreement with Ameresco for 3.2 megawatts of energy from the landfill gas plant at the Jefferson City landfill. Columbia started receiving energy from the plant in April 2009. The total amount of energy received in 2018 was 23,460 megawatt hours which is 1.87% of the electric system total. The utility paid \$52.96 per megawatt hour for the electricity. Both Columbia and Jefferson City are located within the MISO territory so transmission fees do not substantially change the cost of the energy.

Wood Fuel at the Columbia Power Plant

Columbia Water & Light burned waste wood along with coal at the local power plant from 2008 until September 2015. Columbia stopped burning coal and waste wood due to new federal emission regulations and the age of some of the equipment. Columbia Water & Light continues to investigate biomass alternatives for the Municipal Power Plant and will present any new options to the Water & Light Advisory Board, the City Council and customers in the future.

Free Power

The Columbia City Council approved a lease agreement with the Free Power Company, Inc. in December 2010 for the electricity generated from photovoltaic modules at \$54.95 per megawatt hour. In 2018, Free Power solar projects produced 290 megawatt hours which are 0.02% of Columbia's electric portfolio. The systems are located at the Transload Facility and are rated at 0.33 megawatts. Columbia Water & Light is only paying for the electricity generated from the panels.

Net Metered Customer Production

The Columbia City Council passed an ordinance in 2007 to allow customers to enter into a net metering agreement with Columbia Water & Light. During 2018, there was an increase in customers installing their own photovoltaic systems from 152 to 181 and the rated capacity grew from 1.486 megawatts to 1.891 megawatts. In 2018, the amount of energy sold to the electric utility 777 MWH of 2,114 MWH estimated to have been generated. Net-metered production represented 0.17% of Columbia's electric portfolio in 2018. City Council approved changes to ordinance 27-106 on Dec. 3, 2018 to replace "electric retail sales" with "electric retail usage," and "electricity purchased" with "electricity produced."

A net metering arrangement keeps track of both the amount of electricity provided by the utility to the customer and the amount of electricity provided by the customer to the utility. At the end of the month, the customer is billed for the difference or the 'net' amount of electricity used over the month. Columbia Water & Light credits the net metering customer's account for the electricity provided to the Columbia system at the following rates:

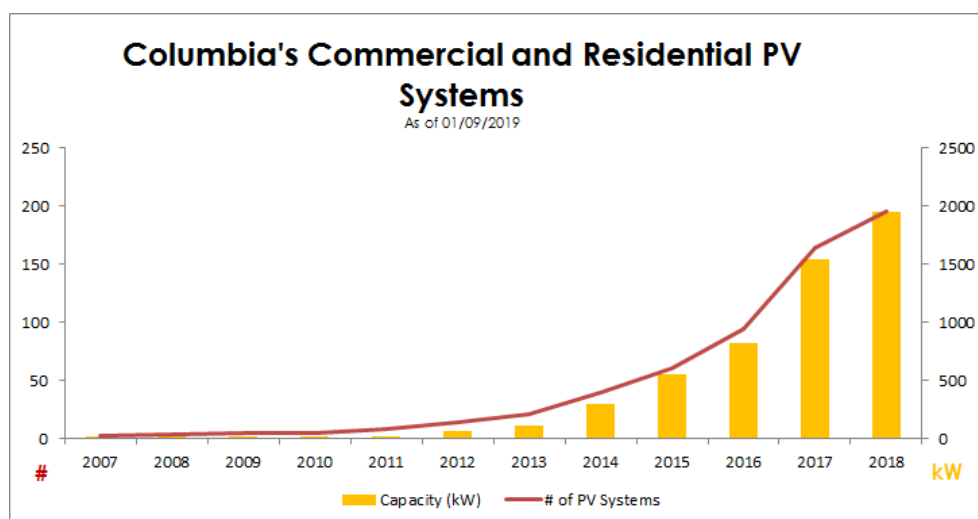
- Solar: For the purchase of energy and renewable energy credits, solar customer-generators shall receive credit per kWh equal to the customer's current applicable rate schedule. For the purchase of energy with the customer-generator retaining the renewable energy credits, the customer-generator shall receive credit per kWh equal to the rate per kWh defined in section 27-120(c)(2).
- Other: For non-solar renewable generated energy, the customer shall receive a credit based on the avoided average energy market price at the Columbia pricing node, and the associated PILOT assessment will be deferred.

An Interconnection and Net Metering Agreement must be in place for the customer to receive a credit for the energy they deliver to Columbia Water & Light. For billing periods in which the net energy is less than zero, credits for the amount of net energy will be applied to the account. Credits can be carried over and applied to the next billing cycle.

Columbia Water & Light Solar Projects

Columbia Water & Light started the Solar One program in November 2008 as a way for customers to have an affordable way to invest in local solar energy projects. In October of 2017 Solar One Program was discontinued. Solar One helped the community start developing local projects which led to Columbia receiving national attention for being a supporter of solar energy. Energy for the Solar One program was partially generated through 10-year power purchase agreements with two local businesses. Some of the energy is also produced at the solar electric field on Bernadette. The Bernadette site was expanded by Columbia Water & Light staff members in 2015. In order to keep the cost down for this 267.8 kilowatt project, Columbia Water & Light employees were used to install the panels. These solar resources produced 391 megawatt hours or 0.03% of the electric portfolio at a cost of \$62.30 per megawatt hour.

A community solar project is being developed by the utility which will enable Columbia Water & Light customers to receive part of the solar energy output to power their homes and businesses.



COMPLETED Commercial and Residential		
Year	# of PV Systems	Capacity (kW)
2007	2	4
2008	3	6
2009	5	10
2010	5	10
2011	8	21
2012	14	60
2013	21	114
2014	40	299
2015	60	554
2016	94	815
2017	164	1539
2018	195	1945

1/9/2019

Renewable Energy Education

Advancing Renewables in the Midwest

On April 18 and 19, 2018, the 13th annual Advancing Renewables in the Midwest conference hosted 168 attendees. Dr. Holmes Hummel, founder of Clean Energy Works gave the keynote address on the PAYS program, an innovative finance mechanism that would allow utilities to invest and recover costs for energy upgrades in order to drop upfront expenses. How to plan for increased renewable usage, and how to make renewable energy and energy efficiency affordable and accessible for everyone, were key themes at the conference. The conference was hosted by Columbia Water & Light, the University of Missouri's School of Natural Resources and the Missouri Department of Economic Development. The 2019 conference will be held at the University of Missouri on April 2-3.

Civic and Environmental Group Outreach

In 2018, Columbia Water & Light staff presented information about Columbia's renewable energy portfolio and the availability of net metering to customers at MU's OSHER, Earth Day, the Sustainable Living Fair, the Parks and Recreation Department's Family Fun Fests, and other events, nearly 3,000 attendees were able to receive information about installing

solar systems from utility representatives. Paid advertising was also placed to inform customers about the availability of solar rebates, low-interest loans and net metering agreements.

K-12 Educational Programs

Renewable energy is often a focus of outreach efforts in the local public and private schools along with public events. In 2018, approximately 5,000 young people learned about the impact and importance of the City of Columbia's Renewable Energy Ordinance. All physics students at Battle High School learned about solar water heating and electricity as part of the Bottle Battle engineering project. In September, Columbia Water & Light educators presented three hands-on activities at Jefferson Middle School covering to basic circuits, solar electricity, and energy efficiency. Throughout the summer, W&L staff provided a solar-powered cooling station to community members at Lunch in the Park. Presentations at Fun City Youth Academy and Adventure Club also focused on the value of energy efficiency and renewable energy.

Future Renewable Energy Production

The fourth and final generator for the existing building design at the Columbia Biogas to Energy plant, located at the Columbia landfill, has been funded, and is expected to be installed after a study regarding Renewable Natural Gas is completed.

In December 2018, the City Council approved an amendment to a purchase power agreement and a solar interconnection agreement with Truman Solar, LLC for the purchase of energy from a 10 MW solar facility to be constructed by Truman Solar. The facility will be connected to Columbia Water & Light's Rebel Hill substation with a scheduled commercial operation date of December 31, 2019. Construction of the solar field and the electric lines is scheduled to begin in spring 2019. The solar installation is expected to produce 23,000 MWH's in its first year of operation.

In June 2017, the City Council approved a contract with the Missouri Joint Municipal Electric Utility Commission (MJMEUC) for the purchase of 35 MW of wind energy from western Kansas. Delivery of this energy depends upon the construction of the Grain Belt Express Clean Line transmission line and a converter station in northeast Missouri, with a projected delivery date starting in 2021. Additionally, a second contract amount will increase to the energy produced from 45 megawatts of wind generation by Crystal Lake III in 2023.

Columbia Water & Light continues to develop a potential project to convert assets at the Municipal Power Plant to use 100% biomass fuel. The required air permit has been approved by the Missouri Department of Natural Resources and a scope of work and preliminary cost estimate for the project has been developed. The Biomass Conversion Project could potentially supply 18.3 MW of dispatchable capacity and 82,000 to 106,000 MWH's of biomass fueled energy per year. The project will be evaluated as part of the electric utility's upcoming Integrated Resource and Master Plan process.

Based on a system energy requirement of 1,262,000 MWH's and similar renewable energy production levels, it is estimated that over 15% of Columbia's electric portfolio will come from existing renewable resources in 2019.

2019 Estimated Renewable Portfolio

	Location	Amount of Energy	% of Portfolio	Cost
Bluegrass Ridge	King City, MO	13,000 MWH	1.03%	\$67/MWH
Crystal Lake Contract #1	Hancock County, IA	34,000 MWH	2.69%	\$45/MWH
Crystal Lake Contract #2	Hancock County, IA	97,000 MWH	7.69%	\$19.75/MWH
Jefferson City landfill gas	Jefferson City, MO	22,000 MWH	1.74%	\$53/MWH
Columbia landfill gas	Columbia, MO	22,000 MWH	1.74%	\$55/MWH
Free Power Solar	Columbia, MO	300 MWH	0.02%	\$55/MWH
Net Metered Customer Production	Columbia, MO	3,000 MWH	0.24%	NA
West Ash Solar Field	Columbia, MO	400 MWH	0.03	\$62/MWH
Total	-	191,700 MWH	15.19%	-

The amount of energy is measured in megawatt hours (MWH)

Appendix

Historical Renewable Energy Data

2005 Renewable Energy

The first renewable energy was delivered to Columbia through a short-term contract for landfill gas energy from Illinois.

2007 Renewable Energy Production Amounts

Columbia started receiving wind energy from Bluegrass Ridge.

Month	Total System MWH	Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Total Renew MWH	Monthly % of System	Annual % of System
9-07	104,618	592	-	-	-	592	0.6%	-
10-07	91,357	1,030	-	-	-	1,030	1.1%	-
11-07	84,135	1,153	-	-	-	1,153	1.4%	-
12-07	97,985	969	-	-	-	969	1.0%	-
TOTAL	378,095	3,744	-	-	-	3,744	-	-

The amount of energy is measured in megawatt hours (MWH)

2008 Renewable Energy Production Amounts

The initial phase of the landfill gas to energy project was completed in Columbia. The Columbia Power Plant started burning waste wood along with coal. The Solar One program was launched. Cracked blades on the wind turbines lowered production amounts by approximately 5,557 megawatt hours over 9 months. Solar energy amounts were not included in the totals due to the small amount.

Month	System Total MWH	Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Solar MWH	Total Renew MWH	Monthly % of System	Annual % of System
1-08*	102,167	1,080	-	-	-	-	1,080	1.1%	1.1%
2-08*	95,852	671	-	-	-	-	671	0.7%	0.9%
3-08*	89,178	798	-	-	-	-	798	0.9%	0.9%
4-08*	83,215	782	-	158	-	-	940	1.1%	0.9%
5-08*	85,467	485	-	185	-	-	670	0.8%	0.9%
6-08*	104,001	321	672	802	-	-	1,795	1.7%	1.1%
7-08*	116,895	250	874	594	-	-	1,718	1.5%	1.1%
8-08*	111,956	229	1,279	821	-	-	2,329	2.1%	1.3%
9-08*	92,891	539	1,204	765	-	-	2,508	2.7%	1.4%
10-08	83,693	1,169	998	243	-	0.265	2,410	2.9%	1.5%
11-08	82,509	646	1,216	-	-	0.362	1,862	2.3%	1.6%
12-08	98,719	1,205	1,039	334	-	0.294	2,578	2.6%	1.7%
TOTAL	1,146,543	8,128	7,282	3,902	-	1	19,313	-	-

The amount of energy is measured in megawatt hours (MWH)

2009 Renewable Energy Production Amounts

Columbia started receiving landfill gas energy from Jefferson City.

Month	System Total MWH	Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Solar MWH	Total Renew MWH	Monthly % of System	Annual % of System
1-09	101,445	979	1,167	853	-	0.369	2,999	3.0%	3.0%
2-09	83,491	933	1,043	670	-	0.459	2,646	3.2%	3.1%
3-09	84,038	2,807	1,236	146	-	0.643	4,189	5.0%	3.7%
4-09	80,857	3,208	1,216	0	1,220	0.610	5,644	7.0%	4.4%
5-09	84,508	2,696	1,083	379	1,427	0.807	5,585	6.6%	4.8%
6-09	104,689	761	1,181	75	1,711	0.831	3,728	3.6%	4.6%
7-09	106,500	480	1,145	175	1,583	0.812	3,383	3.2%	4.4%
8-09	107,081	691	1,113	102	1,729	0.746	3,635	3.4%	4.2%
9-09	89,941	533	402	576	1,590	0.606	3,101	3.4%	4.1%
10-09	83,335	1,279	44	854	1,769	0.373	3,946	4.7%	4.2%
11-09	79,725	1,439	695	76	1,849	0.356	4,059	5.1%	4.3%
12-09	99,645	992	551	1,265	1,352	0.221	4,160	4.2%	4.3%
TOTAL	1,105,255	16,798	10,876	5,171	14,227	7	47,079	-	-

The amount of energy is measured in megawatt hours (MWH)

In 2008, the amount of wind energy Columbia received was low due to some of the turbine blades cracking. Due to this shortfall of energy, Associated Electric Cooperative provided the first 6.3 MW of energy produced from the wind farm for March, April and May of 2009 and again in January, February and March of 2010.

2010 Renewable Energy Production Amounts

Three additional solar projects were added to the Solar One program. The amount of wind energy Columbia received was low due to some of the turbine blades cracking. Due to this shortfall of energy, Associated Electric Cooperative provided the first 6.3 MW of energy produced from the wind farm for March, April and May of 2009 and again in January, February and March of 2010.

Month	System Total MWH	Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Solar MWH	Total Renew MWH	Monthly % of System	Annual % of System
1-10	106,770	2,088	1,090	1,119	982	0.233	5,279	4.9%	4.9%
2-10	92,910	2,132	1,112	734	1,656	0.352	5,634	6.1%	5.5%
3-10	86,980	3,327	1,219	623	2,002	0.539	7,172	8.2%	6.3%
4-10	80,544	1,798	1,151	368	1,914	0.694	5,232	6.5%	6.3%
5-10	90,412	1,018	1,135	-	2,212	0.735	4,366	4.8%	6.0%
6-10	114,129	746	1,253	367	1,846	0.781	4,213	3.7%	5.6%
7-10	123,263	523	1,127	495	1,556	0.741	3,702	3.0%	5.1%
8-10	128,815	688	911	773	1,890	0.819	4,263	3.3%	4.8%
9-10	95,840	1,154	832	804	1,744	1.372	4,535	4.7%	4.8%
10-10	83,554	1,107	966	690	2,037	1.335	4,801	5.7%	4.9%
11-10	81,674	1,691	1,196	866	2,058	1.262	5,812	7.1%	5.1%
12-10	100,461	1,068	1,060	593	1,811	0.541	4,533	4.5%	5.0%
TOTAL	1,185,352	17,340	13,052	7,432	21,708	9	59,541	-	-

The amount of energy is measured in megawatt hours (MWH)

2011 Renewable Energy Production Amounts

Columbia started receiving solar energy through a contract with the Free Power Company.

Month	System Total MWH	Bluegrass Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Solar MWH	Total Renew MWH	Monthly % of System	Annual % of System
1-11	104,370	1,050	1,255	950	2,018	0.7	5,274	5.1%	5.1%
2-11	89,644	1,369	1,043	1,305	1,931	1.2	5,649	6.3%	5.6%
3-11	88,683	1,358	1,269	1,380	2,220	1.9	6,229	7.0%	6.1%
4-11	79,860	1,646	1,187	985	1,685	2.4	5,505	6.9%	6.2%
5-11	88,794	1,363	1,301	-	2,099	2.8	4,766	5.4%	6.1%
6-11	111,595	1,312	771	814	1,510	3.2	4,410	4.0%	5.7%
7-11	137,604	631	1,133	1,389	1,632	3.3	4,788	3.5%	5.2%
8-11	124,170	531	1,116	1,929	1,956	3.0	5,535	4.5%	5.1%
9-11	90,389	874	604	1,350	1,679	2.7	4,510	5.0%	5.1%
10-11	84,257	1,260	1,344	497	1,870	2.4	4,973	5.9%	5.2%
11-11	81,591	1,968	1,299	37	2,033	1.1	5,338	6.5%	5.3%
12-11	92,894	1,407	1,362	1,182	2,215	3.0	6,170	6.6%	5.4%
TOTAL	1,173,851	14,769	13,684	11,818	22,848	28	63,148	-	-

The amount of energy is measured in megawatt hours (MWH)

2012 Renewable Energy Production Amounts

Columbia started purchasing wind energy from Crystal Lake

Month	System Total MWH	Bluegrass Wind MWH	Columbia Landfill MWH	Waste Wood MWH	Jeff City Landfill MWH	Crystal Lake Wind MWH	Solar MWH	TOTAL Renew MWH	Monthly % of System	Annual % of System
1-12	97,016	1,764	1,260	1,201	2,219	-	5.7	6,450	6.6%	6.6%
2-12	87,788	1,352	1,261	1,129	2,057	1,496	8.7	7,303	8.3%	7.4%
3-12	86,349	1,730	1,442	693	1,661	8,646	19.6	14,192	16.4%	10.3%
4-12	81,262	1,331	1,334	-*	1,887	9,014	21.2	13,584	16.7%	11.8%
5-12	99,813	1,323	1,218	-*	1,749	7,483	28.5	11,791	11.8%	11.8%
6-12	111,843	1,218	1,227	-*	1,658	2,177	29.3	6,310	5.6%	10.6%
7-12	137,598	734	1,328	542	1,551	935	27.8	5,118	3.7%	9.2%
8-12	120,822	661	1,326	1,234	1,719	873	28.4	5,841	4.8%	8.6%
9-12	93,415	756	1,140	722	1,476	885	31.1	5,010	5.4%	8.3%
10-12	86,334	1,418	1,156	443	1,890	1,576	23.0	6,506	7.5%	8.2%
11-12	83,778	1,324	1,300	-*	1,702	1,467	27.9	5,821	6.9%	8.1%
12-12	94,136	1,246	1,248	-*	1,860	1,447	19.8	5,821	6.2%	7.9%
Total MWH	1,180,154	14,844	15,240	5,964	21,429	35,998	271	93,746	-	-
% of Total	-	1.26%	1.29%	0.51%	1.82%	3.05%	0.02%	7.94%	-	-

The amount of energy is measured in megawatt hours (MWH)

*Waste wood was not used at the Columbia Power Plant while it was down for maintenance and during a condition assessment in the spring and during

the fall so natural gas was used to generate electricity.

2013 Renewable Energy Production Amounts

Installed a third generator at the Columbia Landfill Gas Energy Plant

Month	System Total MWH	Bluegrass Wind MWH	Crystal Lake Wind MWH	Jeff City Landfill MWH	Columbia Landfill MWH	Waste Wood MWH	Free Power Solar MWH	Net Metered & Solar One MWH	TOTAL Renew MWH	Monthly % of System	Annual % of System
1-13	101,588	1,492	3,038	1,723	1,196	71	23.99	5.55	7,549	7.43%	7.43%
2-13	90,544	1,392	1,418	1,817	964	1,194	27.26	6.31	6,819	7.53%	7.48%
3-13	95,182	1,334	1,740	1,650	803	280	31.37	7.54	5,846	6.14%	7.04%
4-13	84,918	1,360	2,771	2,050	743	688	36.24	10.82	7,659	9.02%	7.49%
5-13	92,147	13,006	2,454	1,803	923	986	41.09	11.95	7,525	8.17%	7.62%
6-13	103,711	1,093	1,898	1,561	1,201	694	46.59	13.30	6,506	6.27%	7.38%
7-13	115,604	667	1,846	1,498	1,194	1,086	49.21	14.29	6,355	5.50%	7.06%
8-13	118,489	534	1,189	2,035	984	1,161	48.02	13.18	5,964	5.03%	6.76%
9-13	103,749	775	2,023	2,010	1,017	1,115	43.12	11.74	6,994	6.74%	6.76%
10-13	88,624	1,309	1,756	1,938	1,576	652	36.74	10.72	7,278	8.21%	6.89%
11-13	88,152	1,561	1,845	1,942	1,557	0*	25.33	7.59	6,938	7.87%	6.97%
12-13	105,775	1,162	2,213	1,813	1,168	1,044	15.33	6.79	7,422	7.02%	6.97%
Total MWH	1,188,483	13,985	24,189	21,840	13,326	8,971	424.29	119.77	82,855	-	-
% of Total	-	1.18%	2.04%	1.84%	1.12%	0.75%	0.04%	0.01%	6.97%	-	-

*Waste wood was not used at the Columbia Power Plant in November while it was down for regular maintenance.

2014 Renewable Energy Production Amounts

Month	System Total MWH	Bluegrass Wind MWH	Crystal Lake Wind MWH	Jeff City Landfill MWH	Columbia Landfill MWH	Waste Wood MWH	Free Power Solar MWH	Net Metered MWH	Solar One MWH	TOTAL Renew MWH	Monthly % of System	Annual % of System
1-14	113,677	1,882	2,794	1,917	1,418	428	25.2	7.79	2.77	8,475	7.45%	7.45%
2-14	101,423	1,006	2,295	1,825	1,597	1,078	26.55	7.18	2.42	7,837	7.73%	7.58%
3-14	93,794	1,640	2,640	1,461	1,638	566	43.29	13.66	4.24	8,006	8.54%	7.87%
4-14	82,590	1,594	1,989	1,905	1,004	-	38.84	13.25	3.84	6,548	7.93%	7.88%
5-14	96,277	1,042	2,151	1,490	957	-	48.49	18.57	4.43	5,712	5.93%	7.50%
6-14	108,638	875	1,653	1,864	811	1,380	43.25	17.1	4.22	6,648	6.12%	7.25%
7-14	109,772	694	1,703	2,001	1,633	1,316	51.86	20.11	4.82	7,424	6.76%	7.17%
8-14	120,073	518	917	1,808	1,871	1,085	44.17	18.46	4.35	6,266	5.22%	6.89%
9-14	95,125	675	1,253	1,813	1,953	159	39.48	17.59	3.64	5,914	6.22%	6.82%
10-14	84,624	1,266	1,882	1,954	1,903	129	32.75	15.22	3.29	7,185	8.49%	6.96%
11-14	91,886	1,866	3,344	2,049	1,662	0	24.30	16.66	2.62	8,964	9.76%	7.19%
12-14	98,873	841	2,675	1,956	1,819	110	14.66	10.68	1.40	7,428	7.51%	7.22%
Total MWH	1,196,752	13,899	25,295	22,043	18,266	6,251	433	176	42	86,405	-	-
% of Total	-	1.16%	2.11%	1.84%	1.53%	0.52%	0.04%	0.01%	0.00%	7.22%	-	-

2015 Renewable Energy Production Amounts

Month	System MWH's	Bluegrass Wind MWH's	Crystal Lake Wind MWH's	Columbia Landfill MWH's	Jeff City Landfill MWH's	Free Power Solar MWH's	Net Meter Solar MWH's	Columbia Solar MWH's	Total Renew MWH's	YTD Annual % of System
1-16	106,439	1,244	2,587	1,242	2,200	23.48	31.37	25.79	7,354	6.91%
2-16	94,654	1,452	2,901	976	1,981	25.66	39.84	28.46	7,404	7.34%
3-16	85,957	1,360	2,848	1,060	1,830	30.34	51.64	32.83	7,213	7.65%
4-16	83,451	1,567	3,317	1,143	1,775	41.75	76.16	44.29	7,964	8.08%
5-16	90,312	754	2,136	884	2,025	45.05	83.19	46.99	5,975	7.79%
6-16	121,086	697	1,938	598	1,952	49.25	94.10	51.14	5,380	7.10%
7-16	126,177	671	1,348	703	2,172	40.95	82.02	44.66	5,061	6.55%
8-16	121,427	531	1,162	1,684	1,796	34.90	73.30	40.64	5,322	6.23%
9-16	107,419	917	2,350	1,220	1,804	36.44	75.66	43.71	6,447	6.20%
10-16	89,128	1,137	2,341	1,805	2,142	26.46	56.90	33.53	7,542	6.40%
11-16	83,060	1,251	2,627	1,491	1,931	21.57	48.19	27.45	7,397	6.59%
12-16	104,028	1,119	3,315	1,343	2,083	14.86	41.58	23.27	7,939	6.68%
Total	1,213,138	12,700	28,871	14,149	23,691	391	754	443	80,998	-
% of Total	-	1.05%	2.38%	1.17%	1.95%	0.03%	0.06%	0.04%	6.68%	-

2016 Renewable Energy Production Amounts

Month	System MWH's	Bluegrass Wind MWH's	Crystal Lake Wind MWH's	Columbia Landfill MWH's	Jeff City Landfill MWH's	Waste Wood MWH's	Free Power Solar MWH's	Net Meter Solar MWH's	West Ash Solar MWH's	Solar One MWH's	Total Renew MWH's	YTD Annual % of System
1-15	105,552	1,501	2,777	1,605	2,024	982	28.06	21.39	-	2.92	8,942	8.47%
2-15	101,106	1,039	2,784	1,744	1,910	127	25.83	16.82	-	2.52	7,649	8.03%
3-15	90,810	1,193	2,384	1,650	1,879	-	36.35	34.00	-	3.83	7,180	7.99%
4-15	81,568	1,233	1,175	1,475	2,094	-	38.90	37.68	-	3.97	6,058	7.87%
5-15	90,340	1,035	2,316	1,040	2,157	-	40.28	40.59	-	4.16	6,633	7.77%
6-15	107,377	748	1,329	1,020	1,620	-	40.25	37.73	-	3.77	4,799	7.15%
7-15	122,348	455	1,291	1,003	2,009	595	43.87	43.38	-	4.29	5,445	6.68%
8-15	114,671	549	1,779	927	1,996	812	43.11	44.61	4.28	4.39	6,160	6.50%
9-15	106,316	978	2,041	958	1,965	338	42.30	40.74	40.24	4.13	6,408	6.44%
10-15	86,400	1,140	2,609	1,122	1,986	-	33.50	34.32	33.02	3.44	6,961	6.58%
11-15	84,283	1,676	2,798	818	1,914	-	23.54	24.38	23.90	2.52	7,281	6.74%
12-15	94,107	1,400	2,603	997	2,225	-	17.45	18.24	17.86	1.99	7,280	6.82%
Total	1,184,878	12,947	25,889	14,359	23,779	2,854	413	394	119	42	80,796	-
% of Total	-	1.09%	2.18%	1.21%	2.01%	0.24%	0.03%	0.03%	0.01%	0.00%	6.82%	-

Note: Energy production amounts are listed in megawatt hours (MWH)

2017 Renewable Energy Production Amounts

Month	Columbia Load	Bluegrass Wind MWH's	Crystal Lake Wind Contract 1 MWH's	Crystal Lake Wind Contract 2 MWH's	Columbia Landfill MWH's	Jeff City Landfill MWH's	Free Power Solar MWH's	Net Meter Solar MWH's	Columbia Solar MWH's	Total Renew MWH's	YTD Annual % of System
1-17	103,317	1,041	3,023	7,946	1,094	1,921	11.23	11.80	15.63	15,064	14.58%
2-17	84,331	1,287	3,821	9,821	1,075	1,365	22.87	29.77	27.92	17,449	17.33%
3-17	87,865	1,461	3,968	10,176	1,306	2,171	26.75	39.64	32.21	19,180	18.76%
4-17	83,932	1,336	3,175	7,699	168	1,503	30.69	50.99	37.40	14,000	18.28%
5-17	90,845	1,154	2,785	7,285	1,859	1,310	40.32	75.59	47.52	14,556	17.82%
6-17	108,284	918	2,303	6,713	1,847	1,871	41.56	72.20	50.19	13,816	16.84%
7-17	126,747	533	1,350	4,226	1,949	1,952	40.15	57.88	49.49	10,158	15.21%
8-17	109,516	377	1,329	4,140	1,913	1,965	32.63	66.83	44.49	9,867	14.35%
9-17	102,229	743	2,355	7,374	1,623	1,834	30.76	67.86	43.47	14,071	14.29%
10-17	89,532	1,626	3,459	11,032	1,331	1,652	20.35	67.17	29.66	19,217	14.94%
11-17	83,094	1,310	3,391	10,716	1,232	1,820	16.57	41.31	26.02	18,553	15.51%
12-17	100,764	1,381	3,161	10,020	1,279	1,881	14.55	60.41	22.97	17,820	15.70%
Total	1,170,456	13,167	34,120	97,148	16,676	21,245	328	674	427	183,785	-
% of System	-	1.12%	2.92%	8.30%	1.42%	1.82%	0.02%	0.06%	0.04%	15.70%	-

Note: Energy production amounts are listed in megawatt hours (MWH)

City of Columbia Ordinance Section 27-106: Renewable energy standard

(a) The city shall generate or purchase electricity generated from eligible renewable energy sources at the following levels:

- (1) Two (2) percent of electric retail usage (kWhs) by December 31, 2007;
- (2) Five (5) percent of electric retail usage (kWhs) by December 31, 2012;
- (3) Fifteen (15) percent of electric retail usage (kWhs) by December 31, 2017; and
- (4) Twenty-five (25) percent of electric retail usage (kWhs) by December 31, 2022.
- (5) Thirty (30) percent of electric retail usage (kWhs) by December 31, 2028.

(b) This renewable energy shall be added up to these kilowatt hour levels only to the extent that it is possible without increasing electric rates more than three (3) percent higher than the electric rates that would otherwise be attributable to the cost of continuing to generate or purchase electricity generated from one hundred (100) percent non-renewable sources (including coal, natural gas, nuclear energy and other nonrenewable sources).

(c) Eligible renewable energy generation may be provided by wind power, solar energy, bio-energy sources or other renewable sources which meet the environmental criteria approved by the city council after review by the environment and energy commission and the water and light advisory board. Electricity purchased from on-site renewable energy systems owned by Columbia Water & Light customers ("net metering") may be included within the calculation of the levels required in subsection (a).

(d) Renewable energy generation sources located within Missouri may receive referential consideration in the selection process.

(e) Each year prior to February 1, the water and light department shall publicly release a renewable energy plan detailing a proposal for how the city would comply with this section during the following year. The plan will explain the city's due diligence in pursuing renewable energy opportunities and detail all cost assumptions and related utility rate calculations, except with regard to confidential information that may be withheld pursuant to state law. The plan will then be reviewed by the environment and energy commission and water and light advisory board and submitted to the city council for approval following a public hearing.

(Ord. No. 18196, § 1, 8-16-04; Ord. No. 21935, § 1, 1-6-14)

Editors Note: Ord. No. 18196, passed by city council on Aug. 16, 2004, called for election; said ordinance was passed by the voters on Nov. 2, 2004.

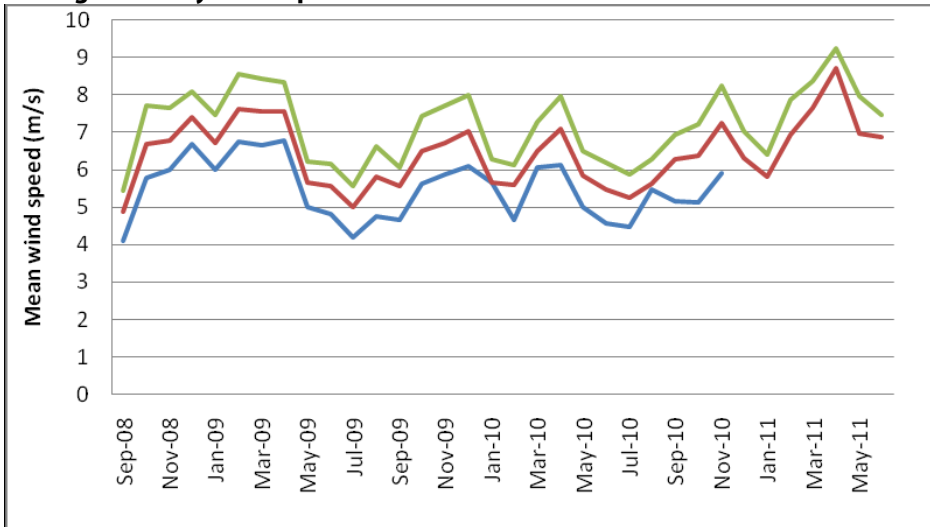
Secs. 27-107--27-110. Reserved.

Columbia Wind Speed Study

The University of Missouri’s Atmospheric Sciences Department collected wind speed data for the City of Columbia at the KOMU tower on Columbia’s south side from 2008 through 2011. The anemometers are no longer collecting accurate data so the study was ended.

The data was collected to evaluate the wind speeds for utility scale wind generation in Columbia. The site for the anemometers was placed in an open area of land with minimal obstructions at two different heights. In each case it can be seen that the average annual wind speed observed at the tower sites is significantly lower than that estimated in the AWS Truewind map of Missouri. The difference is of the order of 0.7 meters per second at the 70 meter level and 0.4 meters per second at the 100 meter level. These differences are similar to those found at other sites around the state.

Average Monthly Wind Speed at Each Anemometer



The green line represents observations at 147 meters, the red line is for 98 meters, and the blue line shows the measurements at 68 meters.

68 Meter Tower: As time goes on the instruments suffer declining performance and those operating at the 68 m height became too inconsistent to determine accurate observations in December 2010.

Note: One meter equals 3.28 feet, one meter per second equals 2.237 miles per hour.

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT
RATE IMPACTS ON RENEWABLES
JANUARY 26, 2015

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COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

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COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

INTRODUCTION

This report was prepared to provide guidance on the valuation of renewable generation for the Columbia Water and Light (CWL) Electric Department. In 2004, the City passed a renewable energy ordinance setting goals for renewable energy production. The ordinance was modified in 2014 and established the following renewable energy goals:

- 15% of electric retail sales from renewables by December 31, 2017
- 25% from renewables December 31, 2022
- 30% from renewables by December 31, 2028

To minimize rate impacts on customers that could result from investments in renewable generation, the City's ordinance required that rates would not increase by greater than 3% due to the potentially higher cost. The electric department periodically produces a report detailing the cost to purchase renewables with a comparison of the cost to purchase energy from the market.

In 2013, the Columbia Water and Light's Electric Department produced 82,855 megawatt hours from renewable generation accounting for 6.97% of the total energy consumed by the Columbia Water and Light Ratepayers. The renewable production as a percent of total City production is listed below:

1. Wind accounted for - 3.2% of total energy production
2. Landfill Gas – 3.0%
3. Waste wood – 0.75%
4. Solar - 0.04%
5. Net Metered Solar from customer installed solar units - .01%

Review of Current Methodology

To determine the cost for renewables and the impact on ratepayers, CWL uses a combination of market prices of electricity and avoided cost. The table below is the 2013 cost and credits for renewables used by CWL. (The values vary slightly from 2014 Renewable Energy Report due to rounding)

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Table One – Rate Impacts on 2013 Rates Using Current Methodology

2013 Report Values								
	Blue Grass - Wind	Crystal Lake - Wind	Jefferson City Land Fill	Columbia Landfill	WasteWood	Solar - Free Power	Net Metered Solar One	Total
mWh's Produced	13,985	24,189	21,840	13,326	8,971	424	120	82,855
Value per mWh	32.59	18.30	54.88	54.88	54.25	36.47	36.81	40.25
Value- Total	455,771	442,659	1,198,579	731,331	486,677	15,474	4,409	3,334,899
Cost - mWh	67.76	56.76	53.05	47.38	38.11	54.95	94.40	54.16
Total Cost	947,624	1,372,968	1,158,612	631,386	341,885	23,315	11,306	4,487,095
Total Value	\$ 491,852	\$ 930,309	\$ (39,967)	\$ (99,945)	\$ (144,792)	\$ 7,841	\$ 6,898	\$ 1,152,196
2013 North American Renewable Registry Membership								\$ 14,000
2013 Photovoltaic Rebates to Customers								43,305
2013 Capacity Credit for Wind Resources								(6,570)
Total Impact on 2013 Rates								\$ 1,202,931

To determine the value to CWL each resource was classified based on production characteristics into base load and intermittent units to assign a value to the resource.

Units considered base load:

- o Columbia landfill gas plant
- o Jefferson landfill gas plant contract

Units considered intermittent

- o Bluegrass Ridge wind
- o Crystal Lake wind
- o Net metered customer production
- o Free Power
- o Solar One

Units (Fuel) considered load following

- o Waste wood

The table below shows the cost of each resource, value of the resource and how the valuation was determined.

Table Two – Resource Valuation Current Methodology

Resource	Cost	Value	Valuation
Columbia landfill gas plant	47.38	54.88	Average cost of base load non-renewable
Ameresco landfill gas plant contract	53.05	54.88	Average cost of base load non-renewable
Bluegrass Ridge wind	67.76	32.59	LMP - Market Prices
Crystal Lake wind	56.76	18.30	LMP - Market Prices
Free Power	54.95	36.47	LMP - Market Prices
Solar One	94.40	36.81	LMP - Market Prices
Wastewood	38.11	54.25	Cost of Fuel

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EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Summary of Scope of Services

Utility Financial Solutions completed a review of the current methodology to identify the potential value of renewables. The following analysis was completed:

1. Reviewed methodologies used by Public Service Commissions
2. Analyzed system loads and profiles
 - a. Identified actual time peak demands occurred on the system for each month and each season
 - b. Identified potential time that peak demands have potential to occur (On Peak hours)
3. Analyzed wind and solar production from for each resource
 - a. Identified production of each unit at time CWL’s peak occurred
 - b. Identified production of each unit during on-peak hours of system
4. Valuation of capacity from renewables
5. Identified capacity value of each renewable resource
6. Presented results to Board of Directors for review and comment

Revenue methodologies used by Public Service Commissions

In June, 2014 UFS reviewed scope of services and valuation methods used by the Minnesota Public Service Commission and potential areas of valuation that may not be present in the existing methodology. A copy of this presentation is included as Appendix One to this report.

CWL’s system load profiles

UFS analyzed the hourly loads for 2013 to identify the time of the system peaks and the area that potential peaks could occur.

Table Three - CWL’s MWH’s, peak demand of system, date and time of peak demand

DISTRIBUTION SYSTEM (Using 2013 system data)									
Month	Assigned Season	MWhs in Month	Peak Demand Month (MW)	Days in Month	Hours in Month	Monthly Load Factor	System Peak Hour	System Peak Date	System Peak Day
January	W	98,583	162.20	31	744	82%	19	1/14/2013	Monday
February	W	86,756	152.40	28	672	85%	19	2/13/2013	Wednesday
March	W	85,661	138.40	31	744	83%	20	3/4/2013	Monday
April	INTER4	82,583	141.00	30	720	81%	21	4/21/2013	Sunday
May	INTER4	91,298	174.20	31	744	70%	17	5/28/2013	Tuesday
June	INTER2	107,496	213.00	30	720	70%	17	6/22/2013	Saturday
July	S	121,129	229.00	31	744	71%	17	7/31/2013	Wednesday
August	S	119,144	230.20	31	744	70%	17	8/5/2013	Monday
September	INTER2	95,866	179.00	30	720	74%	17	9/4/2013	Wednesday
October	INTER4	85,679	165.00	31	744	70%	16	10/1/2013	Tuesday
November	INTER4	83,816	155.60	30	720	75%	18	11/27/2013	Wednesday
December	W	93,769	164.60	31	744	77%	19	12/4/2013	Wednesday
TOTAL		1,151,800	2,105	365	8,760				

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

CWL’s average usage by hour and season was identified to determine when peaks could occur and the on-peak period that will be used to identify the peak production of wind and solar.

Table Four hourly CWL usages by season and hour

Hour	AVERAGE MWh BY SEASON			
	S	W	INTER2	INTER4
1	135.26	110.71	117.51	99.72
2	126.42	107.74	109.97	95.74
3	120.02	106.18	104.80	92.50
4	116.13	105.62	101.45	90.79
5	114.40	106.82	100.26	91.18
6	116.70	111.94	102.83	95.06
7	122.65	123.20	111.03	104.91
8	133.21	131.28	121.82	113.61
9	145.14	132.89	131.08	118.90
10	157.88	133.69	140.72	122.93
11	169.49	134.40	150.12	126.85
12	179.15	133.14	157.01	128.74
13	186.32	131.17	161.85	129.04
14	192.87	129.46	166.96	129.74
15	197.35	127.73	170.08	129.80
16	200.48	127.10	172.50	129.90
17	202.36	129.95	174.07	131.27
18	200.48	137.15	172.01	133.13
19	196.20	141.26	168.69	133.40
20	188.85	140.48	165.46	132.50
21	185.42	138.92	162.42	132.85
22	178.21	133.58	155.89	127.73
23	163.05	124.54	142.54	117.44
24	147.34	115.66	128.31	106.81

S = Summer (July, August)

W = Winter (December, January, February, March)

Inter 2 – (June, September)

Inter 4 – Valley period (April, May, October, November)

Determination of on peak hours

The analysis of hourly system data identified the following on-peak hours:

Summer – 14:00 – 19:00

Winter – 17:00 – 22:00

Inter 2 – 14:00 – 19:00

Inter 4 – 16:00 – 21:00

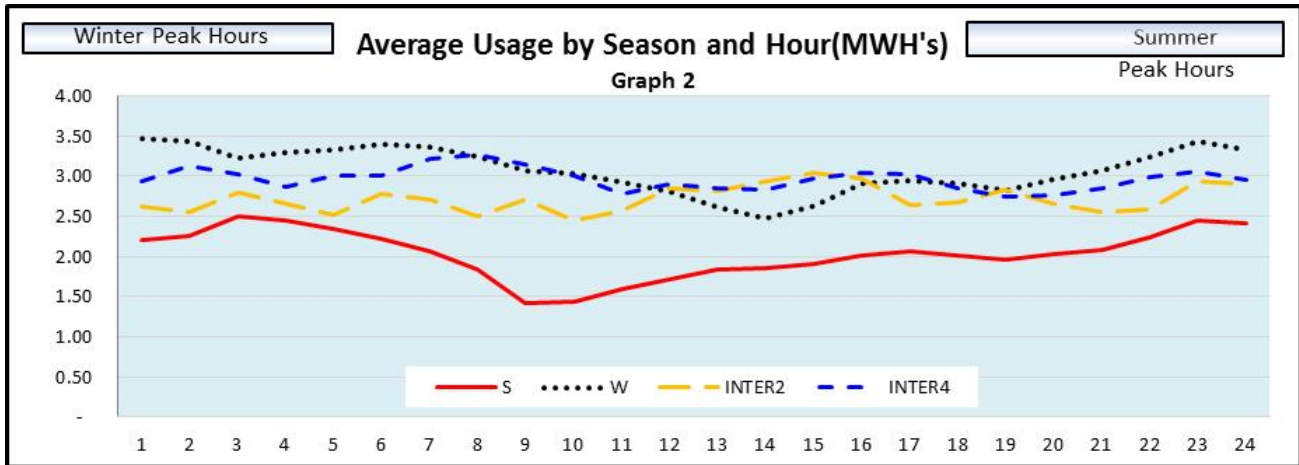
COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Analysis of Renewables Production

The hourly production for 2013 was analyzed for the wind and solar resources. The graph below is the production from Crystal Lake for each hour broken down by season.

Graph One – Hourly Wind Production – Crystal Lake



The table below is the MWH's produced each month for Crystal Lake, the peak production and the time the unit produced at its maximum capacity.

Table Five – Crystal Lake Production Characteristics

CRYSTAL LAKE (BILLED MWh)									
Month	Assigned Season	MWhs in Month	Peak Demand Month (MW)	Days in Month	Hours in Month	Monthly Load Factor	System Peak Hour	System Peak Date	System Peak Day
January	W	2,789	8.14	31	744	46%	11	1/13/2013	Sunday
February	W	2,219	8.09	28	672	41%	2	2/22/2013	Friday
March	W	1,729	8.19	31	744	28%	13	3/18/2013	Monday
April	INTER4	2,722	8.30	30	720	46%	23	4/3/2013	Wednesday
May	INTER4	2,376	8.91	31	744	36%	24	5/14/2013	Tuesday
June	INTER2	1,897	11.49	30	720	23%	9	6/5/2013	Wednesday
July	S	1,846	8.24	31	744	30%	13	7/13/2013	Saturday
August	S	1,188	8.06	31	744	20%	3	8/25/2013	Sunday
September	INTER2	2,022	8.24	30	720	34%	8	9/30/2013	Monday
October	INTER4	1,755	7.93	31	744	30%	8	10/27/2013	Sunday
November	INTER4	1,844	8.13	30	720	32%	23	11/3/2013	Sunday
December	W	2,212	8.13	31	744	37%	5	12/29/2013	Sunday
TOTAL		24,600	102	365	8,760				

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EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Graph Two – Hourly Wind Production– Bluegrass

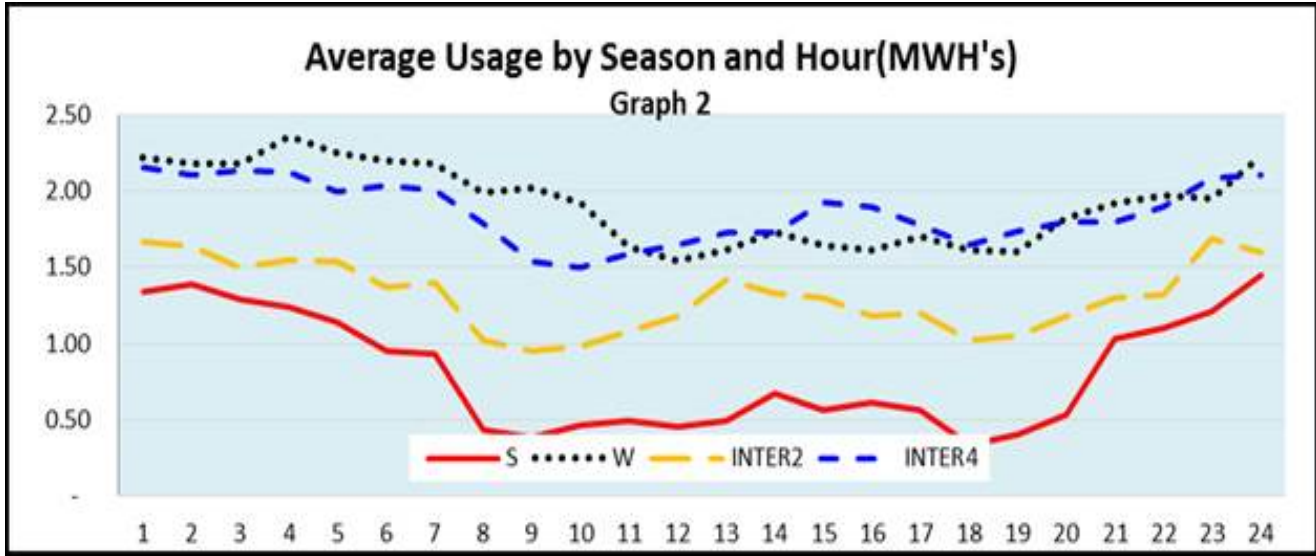


Table Six – Bluegrass Production Characteristics

BLUEGRASS WIND PRODUCTION									
Month	Assigned Season	MWhs in Month	Peak Demand Month (MW)	Days in Month	Hours in Month	Monthly Load Factor	System Peak Hour	System Peak Date	System Peak Day
January	W	1,696	6.00	31	744	38%	7	1/6/2013	Sunday
February	W	1,007	6.00	28	672	25%	24	2/11/2013	Monday
March	W	1,700	6.00	31	744	38%	18	3/3/2013	Sunday
April	INTER4	1,610	6.00	30	720	37%	16	4/3/2013	Wednesday
May	INTER4	972	6.00	31	744	22%	11	5/13/2013	Monday
June	INTER2	1,101	6.00	30	720	25%	13	6/11/2013	Tuesday
July	S	670	5.00	31	744	18%	24	7/7/2013	Sunday
August	S	540	6.00	31	744	12%	3	8/2/2013	Friday
September	INTER2	786	5.00	30	720	22%	2	9/9/2013	Monday
October	INTER4	1,311	6.00	31	744	29%	20	10/14/2013	Monday
November	INTER4	1,560	6.00	30	720	36%	11	11/3/2013	Sunday
December	W	1,168	6.00	31	744	26%	23	12/9/2013	Monday
TOTAL		14,100	70	365	8,760				

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

The wind resources were combined and the average production during on peak hours was identified and is listed in the table below:

Table Seven – Total Production Characteristics of Wind Generation

Combined Wind Production and Production at System Peak							
		Capacity Factor				Production @ System Peak	
Month	Peak	Hours	mWh Produced	100% Load Factor	Capacity Factor	Average Production during On-Peak Hours	
						Capacity Factor	Capacity Factor @ Peak
January	14.14	744	4,485	13,013	34%	4.8	27%
February	14.09	672	3,226	11,753	27%	4.8	27%
March	14.19	744	3,429	13,013	26%	4.8	27%
April	14.30	720	4,332	12,593	34%	4.7	27%
May	14.91	744	3,348	13,013	26%	4.7	27%
June	17.49	720	2,998	12,593	24%	4.0	23%
July	13.24	744	2,516	13,013	19%	2.5	14%
August	14.06	744	1,728	13,013	13%	2.5	14%
September	13.24	720	2,808	12,593	22%	4.0	23%
October	13.93	744	3,066	13,013	24%	4.7	27%
November	14.13	720	3,404	12,593	27%	4.7	27%
December	14.13	744	3,380	13,013	26%	4.8	27%

The average production from the wind units during the on peak hours was used to value the capacity component of wind generation and is listed below.

Table Seven – Average production of Wind during on peak hours

Season	Average Production
Summer	2.5 MW
Winter	4.8 MW
Inter 2	4.0 MW
Inter 4	4.7 MW

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Load Characteristics of Solar Generation.

Graph Three – Hourly Solar Production Characteristics – Quaker 10 MW Unit

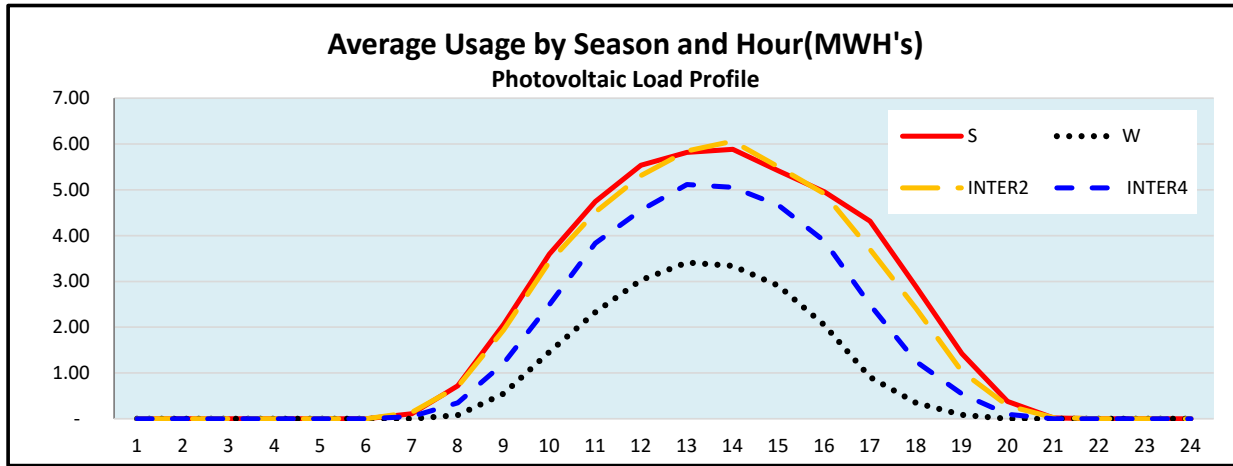


Table Eight – Quaker 10 MW Production Characteristics

QuakerSolar 10kW (2013)									
Month	Assigned Season	MWhs in Month	Peak Demand Month (MW)	Days in Month	Hours in Month	Monthly Load Factor	System Peak Hour	System Peak Date	System Peak Day
January	W	565	6.40	31	744	12%	13	1/25/2013	Friday
February	W	670	8.07	28	672	12%	13	2/19/2013	Tuesday
March	W	791	8.66	31	744	12%	15	3/20/2013	Wednesday
April	INTER4	1,217	9.04	30	720	19%	14	4/24/2013	Wednesday
May	INTER4	1,348	9.07	31	744	20%	14	5/11/2013	Saturday
June	INTER2	1,508	8.24	30	720	25%	14	6/3/2013	Monday
July	S	1,538	8.18	31	744	25%	14	7/1/2013	Monday
August	S	1,430	8.33	31	744	23%	14	8/17/2013	Saturday
September	INTER2	1,241	7.61	30	720	23%	14	9/21/2013	Saturday
October	INTER4	1,045	7.06	31	744	20%	14	10/8/2013	Tuesday
November	INTER4	733	6.60	30	720	15%	14	11/3/2013	Sunday
December	W	454	5.82	31	744	10%	14	12/31/2013	Tuesday
TOTAL		12,500	93	365	8,760				

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Load Characteristics of Solar Generation.

Graph Four – Hourly Solar Production Characteristics – Quaker 5 MW Unit

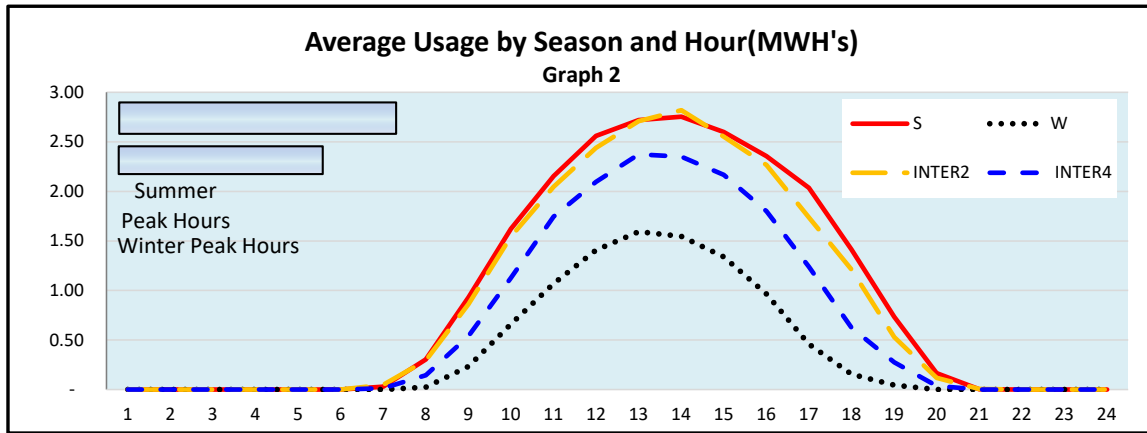


Table Nine – Quaker 5 MW Production Characteristics

QuakerSolar 5kW (2013)									
Month	Assigned Season	MWhs in Month	Peak Demand Month (MW)	Days in Month	Hours in Month	Monthly Load Factor	System Peak Hour	System Peak Date	System Peak Day
January	W	267	2.98	31	744	12%	13	1/25/2013	Friday
February	W	307	3.79	28	672	12%	13	2/19/2013	Tuesday
March	W	368	4.11	31	744	12%	15	3/20/2013	Wednesday
April	INTER4	573	4.27	30	720	19%	14	4/24/2013	Wednesday
May	INTER4	627	4.28	31	744	20%	14	5/11/2013	Saturday
June	INTER2	696	3.87	30	720	25%	14	6/3/2013	Monday
July	S	725	3.85	31	744	25%	14	7/1/2013	Monday
August	S	662	3.92	31	744	23%	14	8/17/2013	Saturday
September	INTER2	575	3.54	30	720	23%	14	9/21/2013	Saturday
October	INTER4	481	3.24	31	744	20%	14	10/1/2013	Tuesday
November	INTER4	337	3.02	30	720	15%	14	11/12/2013	Tuesday
December	W	207	2.68	31	744	10%	13	12/7/2013	Saturday
TOTAL		5,800	44	365	8,760				

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

The solar resources were combined and the average production during on peak hours was identified and is listed in the table below:

Table Ten – Total Production Characteristics of Solar Generation

Combined Solar Production and Production at System Peak							
		Capacity Factor				Production @ System Peak	
Month	Peak	Hours	kwh Produced	100% Load Factor	Capacity Factor	Average Production during On-Peak Hours	
						Capacity Factor	Capacity Factor @ Peak
January	9.37	744	832	11,160	7%	0.3	2%
February	11.86	672	977	10,080	10%	0.3	2%
March	12.76	744	1,159	11,160	10%	0.3	2%
April	13.31	720	1,789	10,800	17%	2.0	14%
May	13.35	744	1,974	11,160	18%	2.0	14%
June	12.11	720	2,204	10,800	20%	5.8	39%
July	12.03	744	2,263	11,160	20%	6.1	41%
August	12.25	744	2,092	11,160	19%	6.1	41%
September	11.15	720	1,816	10,800	17%	5.8	39%
October	10.29	744	1,526	11,160	14%	2.0	14%
November	9.62	720	1,071	10,800	10%	2.0	14%
December	8.50	744	661	11,160	6%	0.3	2%

The average production from the wind units during the on peak hours was used to value the capacity component of wind generation and is listed below.

Table Eleven – Average production of Wind during on peak hours

Season	Average Production
Summer	6.1 KW
Winter	0.3 KW
Inter 2	5.8 KW
Inter 4	2.0 KW

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Value of Renewable Capacity

CWL obtained bids on market value of capacity from 2017 – 2027 and is listed in the table below. The average value of capacity over this period was \$3.46/KW-Month when the reserve component of 14% is added the capacity value increases to \$3.94/KW-Month or \$47.33 KW Year. The current methodology used by CWL does not include a capacity component and it is recommended a capacity component be added to the renewables valuation.

Table Twelve – Capacity Value for 2017 - 2027

Year	Market Capacity Value
2017	\$ 2.50
2018	2.70
2019	2.90
2020	3.10
2021	3.30
2022	3.50
2023	3.70
2024	4.00
2026	4.30
2027	4.60
Average Value	\$ 3.46
Reserve Capacity	14%
Adjusted Capacity Value - Monthly	\$ 3.94
Annual Capacity Value	\$ 47.33

The capacity value of \$47.33 was applied to the estimated production from wind and solar during the on peak hours. The wind production at the time of the system peak for the summer was 2,497 KWH (2.5 MWH) and resulted in a value of \$118,189. When the value is divided by the total KWH production of wind resulted in a capacity value of 0.0031/kWh.

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Table Thirteen – Capacity Value of Wind Generation

Wind Capacity Value			
Estimated Production at Annual Peak of System - kW			2,497
Marginal Cost of Capacity - kW			\$ 47.33
Total Value			118,189
kWh Production			38,719,796
Capacity Value per kWh			0.0031

Solar production at the time of CWL’s peak was 6.1 KW and resulted in a value of 0.0158/kWh of solar production.

Solar Capacity Value			
Estimated Production at Annual Peak of System			6.1
Marginal Cost of Capacity			\$ 47.33
Total Value			\$ 290.09
kWh Production			18,364
Capacity Value per kWh			0.0158

These values were applied to the production of each renewable generating unit and resulted in the following modifications to adjust for capacity values.

2013 Report Values								
	Blue Grass - Wind	Crystal Lake - Wind	Jefferson City Land Fill	Columbia Landfill	WasteWood	Solar - Free Power	Net Metered Solar One	Total
mWh's Produced	13,985	24,189	21,840	13,326	8,971	424	120	82,855
Value per mWh	32.59	18.30	54.88	54.88	54.25	36.47	36.81	40.25
Value- Total	455,771	442,659	1,198,579	731,331	486,677	15,474	4,409	3,334,899
Cost - mWh	67.76	56.76	53.05	47.38	38.11	54.95	94.40	54.16
Total Cost	947,624	1,372,968	1,158,612	631,386	341,885	23,315	11,306	4,487,095
Total Value	\$ 491,852	\$ 930,309	\$ (39,967)	\$ (99,945)	\$ (144,792)	\$ 7,841	\$ 6,898	\$ 1,152,196
2013 North American Renewable Registry Membership								\$ 14,000
2013 Photovoltaic Rebates to Customers								43,305
2013 Capacity Credit for Wind Resources								(6,570)
Total Impact on 2013 Rates								\$ 1,202,931
Avoided Capacity Costs	0.0031	0.0031				0.0158	0.0158	
Capacity Value	\$ 42,688	\$ 73,835	-	\$ -	\$ -	\$ 6,702	\$ 1,892	\$ 125,117
Adjusted Value (Cost) for 3% Rate Determination								\$ 1,077,813

- 1) The value per MWH for landfill gas is based on the average production cost of existing base load generation which includes a capacity component. No changes are recommended in the valuation
- 2) Waste wood does not add capacity but replaces natural gas and the valuation is determined using the difference in the variable cost of fuel to the cost of waste wood. No changes to the existing methodology is recommended

COLUMBIA WATER AND LIGHT ELECTRIC DEPARTMENT

EXECUTIVE SUMMARY – RATE IMPACTS OF RENEWABLES

Recommendations

1. CWL should apply the following capacity values in the determination of rate impacts to customers.

Wind - 0.0031/KWH

Solar - 0.0158/KWH

2. No change from the current methodology is recommended for landfill gas and waste wood.
3. The analysis completed by UFS used the market capacity values provided by CWL. It is recommended the capacity values be periodically reviewed
4. The analysis is based on the system load profile data for 2013. System load profile data can change periodically due to addition of load or weather patterns. It is recommended CWL periodically review the load profile data to ensure the on peak hours are consistent with the hours used in this analysis.
5. The load profiles for Wind and Solar are not anticipated to change unless new technologies such as battery back-up are installed on the renewable generation. As technology changes it may have an impact on the results of this analysis
6. It is recommended CWL review this analysis every three years.