

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. 35.1 Schedule Sheet 1 of 5
Including Attachment

Replacing: Sheet No.

Entergy Arkansas, LLC
Name of Company

Kind of Service: Electric Class of Service: All

Docket No.: 18-073-TF
Order No.: 2
Effective: 2/1/19

Part III. Rate Schedule No. 35

Title: Large Cogeneration Rider (LCR)

PSC File Mark Only

35.0. LARGE COGENERATION RIDER

35.1. AVAILABILITY

To any customer who takes service under the provisions of any of the Entergy Arkansas, LLC ("EAL" or the "Company") applicable standard rate schedules and who is a qualified facility pursuant to the Arkansas Public Service Commission ("APSC") Cogeneration Rules - § 2 and desires a permanent connection with Company's system to allow for the sale of the customer's excess generation output and who has entered into a Power Purchase Agreement with Company. Customer must have installed electric cogeneration or power production facilities of 100 kW capacity or greater, the output of which is telemetered to the Entergy Dispatch Center. Such facilities must be for customer's sole use at a single location.

Not applicable to short-term or seasonal service or to purchase of customer's total output if Company is simultaneously supplying electric service.

The provisions of the applicable standard rate schedule are modified only as specified herein.

35.2. BILLING

<u>Billing Item</u>	<u>Rate</u>
Monthly Customer Charge additional to Customer Charge under the applicable standard rate schedule:	\$22.42

35.3. ENERGY PAYMENT

Energy generated by customer in excess of his own requirements and delivered into Company's system at the point of interconnection will be adjusted for losses as necessary and will be credited to the customer as described in Attachment A to this schedule. Such costs may be adjusted by contract for individual customers based on the factors specified in the APSC - Cogeneration Rules - § 3.4(e), as well as whether the customer is a qualified facility pursuant to § 2 of such Rules.

35.4. ESTIMATED AVOIDED COST FILING REQUIREMENT

The Company shall file with the APSC the estimated avoided energy costs appropriate for the time and season and voltage level at which energy is delivered not less than every two years (biannual PURPA § 210 filing or its successor).

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Original Sheet No. 35.2 Schedule Sheet 2 of 5
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35.5. CAPACITY PAYMENT

The maximum dependable output of a customer's facility will receive a capacity payment based on the \$/kW value of whatever capacity addition has been avoided. Such avoided capacity costs can be adjusted for individual customers based on the factors specified in APSC - Cogeneration Rules - § 3.4(e).

35.6. MAXIMUM GENERATION

Maximum Generation is the maximum kW, as shown by or computed from the reading of the Company's kW demand meter, for the 15-minute period of customer's maximum power delivery to the Company during the month.

35.7. OTHER PROVISIONS

35.7.1. The customer shall pay to the Company the initial and continuing cost of any additional facilities including special metering facilities which are necessary by interconnection with customer's generating facilities. Continuing costs are considered to be the operation and maintenance, taxes and replacement costs, associated with any additional facilities. The monthly charge pursuant to this § 35.7.1, will be determined by multiplying the then current percentage found in § 26.3, of Rate Schedule No. 26, Additional Facilities Charge Rider (AFCR) or § 53.3 of Rate Schedule No. 53, Additional Facilities Charge Rider – Governmental (AFCRG) if applicable, times the initial cost as modified to include costs associated with subsequent capital modifications or additions to such facilities and in the case of replacement, the excess of the cost of replacement over the original installed cost of the replaced facilities. Customer shall also pay the costs of all telemetering equipment and the monthly charge for a communication circuit between the dispatch center and customer's generating facility.

35.7.2. Unless provision is made for complete shutdown of customer's electrical power production equipment and disconnection and/or isolation from other sources of power supply during periods when service is being taken from Company, customer will install and maintain at his own expense:

- A. Protective devices necessary for the protection of his personnel and equipment;
- B. Protective devices necessary in the Company's judgment for the protection of Company's personnel, equipment and service.

These protective devices shall include but are not limited to the following functions:

- A. To automatically disconnect customer facilities when Company's service is interrupted;

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Original Sheet No. 35.3 Schedule Sheet 3 of 5
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- B. To prevent interconnection with Company's system when Company's supply line is de-energized;
- C. To protect equipment and personnel during synchronization and interconnection with Company's system;
- D. To isolate and protect customer's equipment when his generating equipment is not running.

35.7.3. The customer shall hold harmless the Company from any loss due to damage or loss to customer's equipment, personnel or property arising from or in connection with interconnection with Company's system. The customer shall indemnify and keep indemnified the Company from and against all loss, damage and expense which the Company may sustain by reason of or in connection with the interconnection.

35.8. PAYMENT

The monthly payment or charge to the customer under this Rider will be handled separately from billing for any customer requirements under the standard rate schedule. If payment to the customer for capacity and/or energy deliveries to the Company during the month do not exceed the charges specified herein, payment shall be made in accordance with Rate Schedule No. 29, Charges Related to Customer Activity (CAC), § 29.19.1.

35.9. CONTRACT PERIOD

Not less than five years.

ENTERGY ARKANSAS, LLC
RIDER LCR - ATTACHMENT A
- ARKANSAS -

DEFINITIONS:

Applicable Load Zone: for BTM QFs > 20 MWs, the Load Zone created to represent the QF in the MISO settlement system; otherwise, the Load Zone created to represent the rest of EAL's retail load.

Behind the Meter (BTM) QF – a QF that has not self-registered as a generator in the MISO Commercial Model.

Financial Schedule (or FinSched): an instrument used to transfer ownership of energy within the MISO settlement system.

Hybrid QF: a QFs that register their generator(s) in the MISO commercial model and become MISO Market Participants which allows them to participate (i.e., submit offers or self-schedule) in both the day-ahead and real-time MISO markets up to the generator's maximum capacity minus the host load. Hybrid QFs are eligible for FinSched.

Load Zone: an asset in the MISO Commercial Model that is used for settlement purposes, and for which separate settlement data exists.

MONTHLY AVOIDED ENERGY COST:

The Company will use MISO settlement data to determine the Monthly Avoided Cost Energy Payment to each customer. Such monthly payment for a Customer's generated energy delivered to the Company shall be the monthly summation of each hour's product of the MWh delivered and the applicable hourly prices as reduced by any Other Market Charges included on the MISO settlement statement and Monthly Customer Charges assessed by the Company, also expressed as follows:¹

$$MP_{QF} = \left(\sum_{i=1}^n [LMP_{QF,i} \times MWh_{QF,i}] - OMC_{QF,i} \right) - MCC$$

Where:²

LMP_{QF,i} The Real Time Locational Marginal Price for hour "i" at the Applicable Load Zone for BTM QFs and generator bus for Hybrid QFs as expressed in dollars per megawatt-hour;

¹ This formula describes the components of the avoided cost rate and is presented for clarity. The actual calculation of these amounts will be made by MISO and set forth on daily settlement statements provided by MISO along with the underlying price, quantity, and charge type information.

² The terms used in the definitions in this formula are as defined in the MISO Tariff.

MWhQF,ⁱ Megawatt-hours either (1) injected by the BTM QF for hour “i” of the month or (2) excess energy scheduled by an accepted asset-sourced FinSched from the Hybrid QF to the Company, consistent with the terms and conditions of the avoided cost tariff; and

OMCQF,ⁱ Other Market Charges associated with a QF non-firm energy sale that are assessed by MISO to the Company as they appear on the MISO settlement statements, if the QF is either a BTM QF registered as a separate Load Zone or a Hybrid QF.

MCC Monthly customer service charge for administrative costs incurred directly by the Company to manage QF put.

LIMITATIONS ON THE ACCEPTANCE OF FINANCIAL SCHEDULES FROM HYBRID QFS:

The Company will confirm asset-sourced financial schedules from Hybrid QFs, provided they meet the following specifications: (a) the source, sink, and delivery point are all set equal to the Hybrid QF generator node, (b) the financial schedule is used to transfer ownership of energy in the real-time market, and (c) the amount is declared by the Hybrid QF to the Company within one hour of the operating hour and the amount does not exceed the difference between the Hybrid QF’s actual injection measured by MISO and its day ahead schedule.

The Company will also confirm asset-sourced financial schedules in an amount equal to the difference between a Hybrid QF’s actual injection measured by MISO and its day ahead schedule if the financial schedules meet the requirements of (a) and (b) above, and if the Hybrid QF makes a day ahead declaration of its intent to submit financial schedules equal to the difference between the Hybrid QF’s actual injection measured by MISO and its day ahead schedule.