Today’s Topics

• Natural Gas – Chesapeake Utilities

• Electricity
  – Delmarva Power
  – DE Electric Co-op
  – DEMEC (i.e. City of Dover)

• Opportunities for savings
Natural Gas Choice

- **Chesapeake Utilities**
  - Min. of ~$40,000 per year per meter to qualify
  - Smaller gas ACs can be combined if contiguous
  - Good savings available by shopping right now
  - Be prepared for 1 or 2 additional monthly bills

- **Competitive Gas Supplier**

- **Eastern Shore Natural Gas Transmission**
  - Watch Your Units – MCFs, CCFs, Therms, etc.
  - Monthly “over/under” usage handled by Chesapeake
The Energy Market is Very Volatile

Energy prices bottomed Spring ‘12
Electric Supply Rates in DE

• Most Expensive to Least Expensive
  – Municipalities (DEMEC)
    • Not allowed to shop
    • 10% rate decrease to take affect by June 2015
  – Delmarva Power
    • Almost all customers should shop . . . most years
  – Competitive Supply Options
  – DE Electric Co-op
    • Allowed to shop but no savings
Current Business Rate Structures (Delmarva Power - DE)

• Small General Service
  – No demand charges

• Medium General Service
  – Includes demand charges
  – Most small/med. size businesses are on this rate

• Large General Service & General Service Primary
  – Just a few in Kent County
Summary of Delmarva’s “Standard Offer Supply”

Average “Price to Compare” per kWh*

<table>
<thead>
<tr>
<th>Rate Class</th>
<th>8/16/2011</th>
<th>8/15/2012</th>
<th>9/3/2013</th>
<th>Current 8/12/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Service</td>
<td>$0.112</td>
<td>$0.110</td>
<td>$0.104</td>
<td>$0.108</td>
</tr>
<tr>
<td>Small GS Non-demand</td>
<td>$0.102</td>
<td>$0.093</td>
<td>$0.084</td>
<td>$0.092</td>
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<tr>
<td>Medium GS</td>
<td>$0.081</td>
<td>$0.082</td>
<td>$0.083</td>
<td>$0.077</td>
</tr>
</tbody>
</table>

* The rates shown are averages for each rate class and exclude delivery charges and taxes – customer’s actual rates may vary based on usage.
Factors Impacting Competitive Energy Rates

• Timing – when you buy and how long you lock-in . . . *Timing trumps technique*

• Load Profile – a flatter more consistent load is less expensive than loads with significant peak demands

• Volume – a larger load will get a better price
Residential Supply Options

– Several suppliers have both fixed and floating rate options available in DE
– Check DE Public Service Commission website for list of suppliers
– Lowest Fixed Prices Today – WGES
  • 1-Year or 2-Years - $0.0999/kwhr
– Watch out for “multi-level marketing” schemes & floating/variable priced plans
Municipal Aggregation

- Included in the most recent bond bill to investigate the idea
- Initiative lead by the Secretary of State, OMB, PSC, DNREC & Office of Controller General
- Would allow cities or towns to aggregate residential & small businesses served by Delmarva Power & shop for a lower electric rate
- Customers could choose to “opt out”
- Currently happening in NJ, OH, IL, MA with mixed results
DEMEC

• Customers served by the following municipalities are not allowed to “shop”.
  – Dover, Newark, Middletown, Milford, New Castle, Smyrna, Clayton, Seaford, Lewes


• May 1, 2006 – Delmarva Power Rate Caps Expired and 100% of the Delmarva Power market opened up to competition.
DEMEC

- May 2012 – Governor’s Office and DEMEC negotiated an MOU stipulating that the DEMEC member towns will:
  - Reduce their electric rates by 10% NLT June ‘15.
  - Cap the xfer. of electric revenues to their general fund at no more than fiscal year ‘12 levels through June ’17.
  - The Governor will “actively oppose” opening up customer choice for DEMEC customers as long as the first two conditions are met.
  - Each town will develop an economic development rate.
  - The City of Dover has lowered their electric rates 10% as of today.
Other Ways to Save

• DE Sustainable Energy Utility
• www.energizeddelaware.org

• Residential Programs
  – Home Performance with ENERGY STAR
  – Starts with an Energy Audit ($100)
  – Recommended improvements may qualify for rebates of **up to $6,750** (for a limited time)
DE Sustainable Energy Utility

• Programs for Businesses
  – Efficiency Plus Business Program – loans
  – DNREC Energy Efficiency Investment Fund
  – Grants & Rebates Available for:
    • Energy Audits
    • Lighting Upgrades
    • Natural Gas Heating & Water Heating
    • Custom Measures including CHP
Demand Response

• PJM Emergency Capacity Program
  • 2-hour notice, min. 100kw load drop
  • Large customers that can drop load on a hot summer day for several hours can get paid per 100kw of load drop:
    – 2013 - $9,200 (last summer)
    – 2014 - $4,600
    – 2015 - $6,100
    – 2016 - $3,500
  • Historically, only 4 actual events have been called over the past 7 years
  • Last actual called event Sep. 11, 2013 3:00 – 6:00PM
  • DEMEC customers dispatched more than PJM
Thank You!

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