

Regional Energy Update

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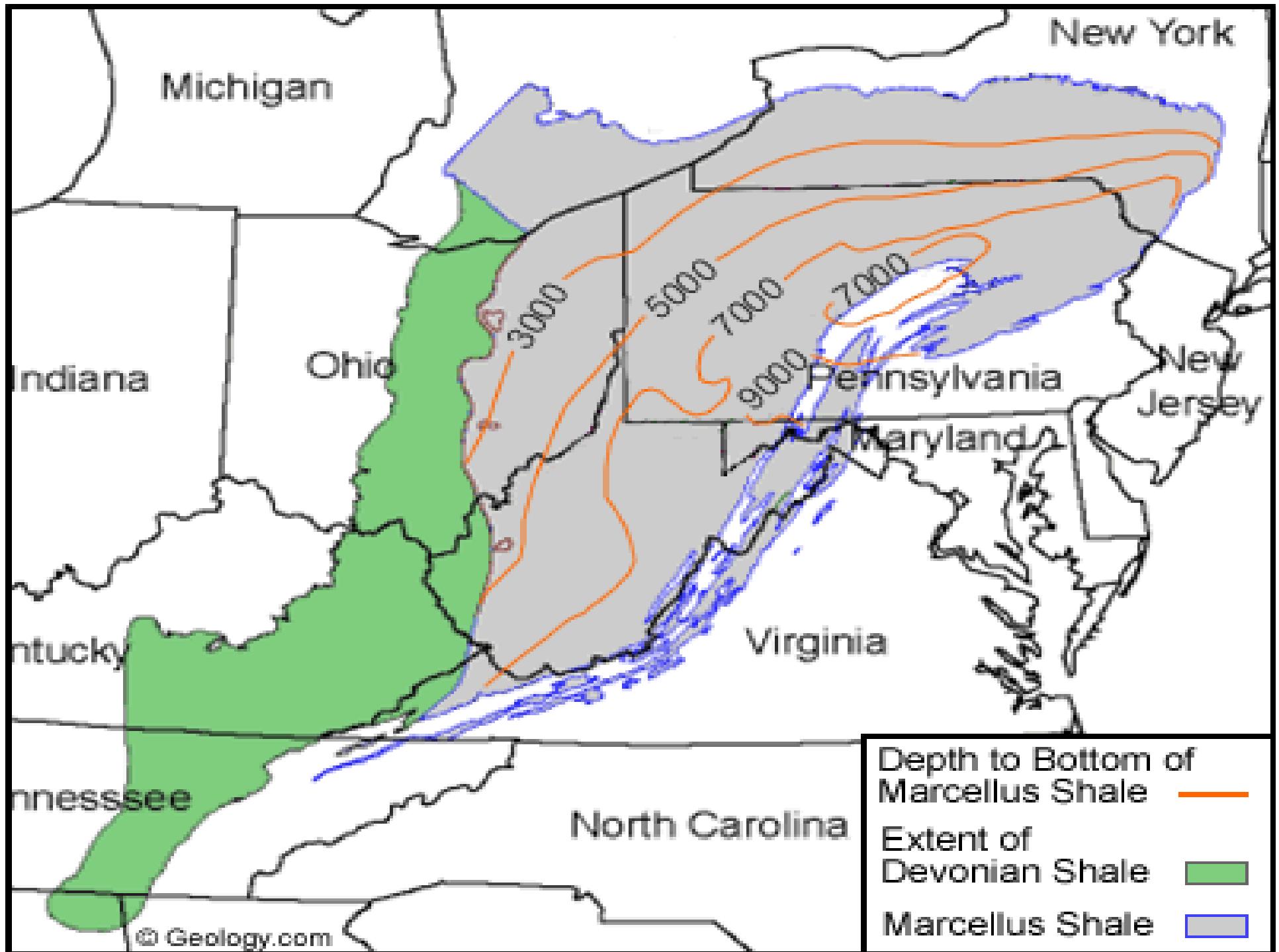


Today's Topics

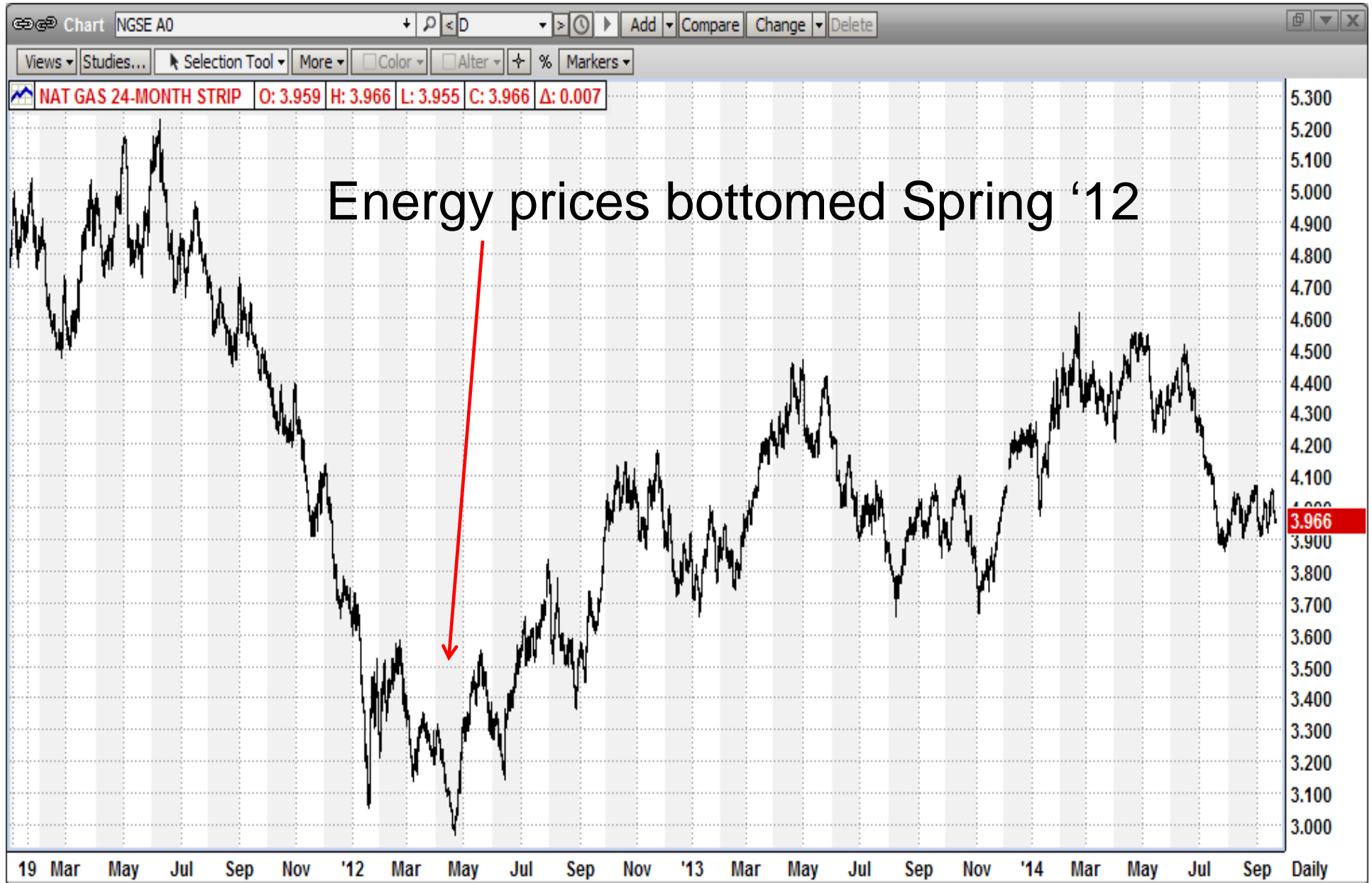
- Natural Gas – Chesapeake Utilities
- Electricity
 - Delmarva Power
 - DE Electric Co-op
 - DEMEC (i.e. City of Dover)
- Opportunities for savings

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



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*

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

* 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 web site 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
- In 1999, Delaware passed the Electric Utility Restructuring Act. Revised in 2000, and again in 2003.
- 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.energizedelaware.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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