



Quarterly Energy Cost Adjustment (ECA) and Transmission Cost Recovery Factor (TCRF)

Current Policies and Rates

- Energy Cost Adjustment
 - Provides a buffer +/- \$10,000,000 ECA Account balance
 - \$0.0462/kWh
- Transmission Cost Recovery Factor (No Changes Recommended)
 - \$0.0176/kWh
 - \$5.02/kW
 - \$6.95/kVA



ECA Adjustments

- Purchase Power costs vary substantially throughout the year
- One year of ECA monthly reviews and looking out 24 months, provides better insight into a more appropriate buffer amount
- More appropriate buffer would be +/- \$20,000,000 based on 60 days of Average Purchase Power Expense
- Maintain current ECA rate of \$0.0462/kWh



New ECA Schedule (Large Load)

- Energy Cost Adjustment
 - Purchase Power costs and volumes vary substantially between Purchase Power for the system and Purchase Power for Large Loads such as Core
 - Recommend creating an ECA unique to Large Loads
 - Large Loads will be defined as those loads who have a single metering point of 20 MW or greater
 - ECA LL will have the same review cycle as the system ECA of monitoring monthly and adjusting quarterly when necessary.
 - The buffer will be set at \$0 to \$20,000,000
 - The forecast period will be 12 months with a 24-month outlook
 - Initial ECA LL will be set to \$0.0515/kWh



ECA and TCRF Forecasted Account Balances

ECA Account Balance Forecast		
Month	Year	Maintain Rate
		\$ 0.0462
Jun	2025	\$ 17,092,147
Jul	2025	\$ 16,520,346
Aug	2025	\$ 11,292,468
Sep	2025	\$ 9,463,218
Oct	2025	\$ 9,935,213
Nov	2025	\$ 10,370,110
Dec	2025	\$ 10,621,261
Jan	2026	\$ 9,649,737
Feb	2026	\$ 10,048,407
Mar	2026	\$ 11,016,933
Apr	2026	\$ 12,208,074
May	2026	\$ 13,723,120

TCRF Account Balance Forecast		
Month	Year	Maintain Rate
		\$ 0.0176
Jun	2025	\$ (922,987)
Jul	2025	\$ 578,118
Aug	2025	\$ 2,207,078
Sep	2025	\$ 1,418,063
Oct	2025	\$ 4,295,332
Nov	2025	\$ 4,282,412
Dec	2025	\$ 4,277,543
Jan	2026	\$ 4,514,389
Feb	2026	\$ 4,727,694
Mar	2026	\$ 4,685,817
Apr	2026	\$ 4,576,009
May	2026	\$ 4,605,191

Recommendation

DME General Manager and Finance Department recommendation (Effective July 1, 2025)

- ECA
 - Maintain current ECA at \$0.0462
 - Amending the ordinance to +/- \$20,000,000
- TCRF
 - No requested changes for next quarter
- ECA for Large Loads
 - Create new Schedule ECA LL
 - Reviewed monthly adjusted quarterly when necessary
 - \$0 - \$20,000,000
 - Initial rate set at \$0.0515/kWh



Questions?

