

# RATE RIDER EDI (ECONOMIC DEVELOPMENT INCENTIVE)



By order of the Alabama Public Service Commission dated February 1, 2022 in Docket # U-5017.

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## AVAILABILITY

Available to qualifying Industrial and Commercial Customers, as those classifications are described in Company's Rules and Regulation for Electric Service, who enter into a Contract for Electric Service ("Contract") and a Rate Rider EDI Incentive Agreement ("Rider Agreement") prior to June 1, 2024, for service within the interconnected system of the Company. Details for eligibility are set forth below. Service under this Rate Rider, including all line extensions and service connections required to serve Customer, is subject to rules and regulations approved by the Alabama Public Service Commission, including the Company's Rules and Regulations for Electric Service.

## APPLICABILITY

Service will be governed by the terms and conditions of the Contract, the Rider Agreement and this Rate Rider. Failure to abide by or otherwise satisfy any applicable requirements of the Contract, a Rider Agreement, or this Rate Rider may affect Customer's eligibility for an incentive or otherwise result in termination of service under this Rate Rider.

Service under this Rate Rider is applicable only to Customer's separately metered premise served under Rates BTAL, HLF, LPL, LPLE, LPLM, FMTU, PMTU, SCGTU and TXTU; or, for separately metered incremental electric vehicle charging load ("Fleet EV Load"), Rate BEVT. For any of these rates, their successors in function shall be the applicable rate, as determined by the Company.

Service under this Rate Rider shall not be combined with Rate Riders CRI, CTD, MA, ML or XLTC.

## INCENTIVES

A qualifying Customer that enters into a Contract and a Rider Agreement reflecting incremental load (i.e., new customer load or additional load by an existing customer) at a qualifying premise will be eligible to receive the following annual incentives over a prescribed period (the "Incentive Period"), commencing with the completion of any Load Build-Up Period:

- (1) At Customer's election, the Contract shall be for a minimum initial term of ten or six years, subject to the requirements under the applicable rate. For a ten-year term, the corresponding Incentive Period shall be five years; for a six-year term, the corresponding Incentive Period shall be three years. Forfeiture of any incentive as provided in this rate rider does not relieve Customer of its obligations under the Contract including, but not limited to, the commitment to the minimum term set forth in the Contract.

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- (2) For all years of an Incentive Period, Customer's base rate charges related to the incremental load shall be discounted to an amount equivalent to one hundred ten percent (110%) of the estimated marginal cost of serving Customer's incremental load over such Incentive Period, subject to the limitations in Item (4) below.
- (3) The determination of Company's estimated marginal cost to serve Customer's incremental load during the Incentive Period shall be based on Customer's specific service characteristics (including, but not limited to, location, load and load shape).
- (4) Annual incentives as a percentage of base rate charges shall be capped as follows:

<b>Incentive Period Year</b>	<b>Ten-Year Contract Term - Maximum Discount</b>	<b>Six-Year Contract Term - Maximum Discount</b>
1	45%	30%
2	35%	25%
3	30%	15%
4	25%	--
5	15%	--

As used herein, the term "base rate charges" means all charges on Customer's bill for electric service relating to the incremental load, as specified in the Contract, except charges pursuant to Rate ECR, Rate Rider NDR, adjustments under Rate T, applicable revenue taxes and any applicable surcharges or reserves.

During the term of the Contract, the incentive under this Rate Rider is waived and will not apply in any month in which the Customer is charged the Minimum Billing under the applicable rate. No incentive shall result in a monthly bill to Customer that is less than the Minimum Bill required under the rate for electric service specified in the Contract.

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## REQUIREMENTS, CONDITIONS AND LIMITATIONS

The incentives provided under this Rate Rider are applicable as follows:

### New Customer Load

- (1) Incremental metered load of at least one thousand kilowatts (1,000 kW) at a new premise not currently served by Company; or
- (2) Incremental metered load of at least 1,000 kW at an existing premise served by Company that is currently vacated or has been vacated by a customer not affiliated with the Customer applying for incentives under this Rate Rider.

### Additional Customer Load

An incremental metered load addition of at least 1,000 kW above Customer's existing contracted capacity for service by Company to an existing premise, as a result of an expansion by Customer of its electric service requirements. Customer must achieve and maintain the required incremental load above historical demand and corresponding energy, as determined by the Company, consistent with the Annual Energy Threshold specified in the Rider Agreement.

### Fleet EV Load

An incremental metered load addition of at least two hundred fifty kilowatts (250 kW) of Fleet EV Load, which for purposes of this Rate Rider shall be only that incremental load associated with the charging of electric vehicles owned or operated by Customer at the premise, excepting de minimis utilization by other electric vehicles permitted on the premise by Customer.

### Compliance

If the Customer's annual energy usage is less than eighty-five percent (85%) of the Annual Energy Threshold specified in the Rider Agreement for any two years of a 5 year Incentive Period or any one year of a 3 year Incentive Period, then service under this Rate Rider shall immediately terminate. For example, if the Customer's annual energy usage is not at least eighty-five percent (85%) of its Annual Energy Threshold during years 1 and 3 of a five-year Incentive Period, then the Rider Agreement will terminate at the end of year 3 and the Customer will forfeit eligibility for incentives in years 4 and 5.

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## Non-Qualifying Loads

The following customer loads are not eligible for the incentives provided under this Rate Rider:

- (i) Loads associated with a change in ownership or location of an existing premises or customer; however, if a change in ownership occurs after the Customer enters into a Contract under this Rate Rider, the successor Customer may fulfill the balance of the Contract with an appropriate assignment;
- (ii) Loads associated with the relocation or replacement of existing equipment previously served by Company; and
- (iii) Loads associated with the renewal of service following service interruption or reduction, for reasons such as equipment failure, temporary plant shutdown, strike, economic conditions or an acceptable Force Majeure event (as that term is defined in the Rider Agreement).

## Miscellaneous

The Rider Agreement is attached to this Rate Rider as Attachment A.

For Customers who take service under Rate Rider RGB, the minimum demand threshold must be met through Supplementary Power only.

In addition to the Load Build-Up period prescribed by Section 7.3 of the Company's Rules and Regulations for Electric Service, a Customer receiving service under this Rate Rider whose operations require the installation and testing of equipment and mechanical processes as part of an initial start-up phase will be permitted up to six (6) additional months of Load Build-Up.

If Customer has entered into a ten-year Contract, a sixth Incentive Period Year will be available if Customer's energy usage is, on average across the entire Incentive Period, equal to or greater than one hundred ten percent (110%) of its average energy threshold (as specified in the Rider Agreement), and Customer agrees to an extension of the Contract by an additional year. If Customer so agrees, Customer's base rate charge for the sixth year of the Contract shall be discounted to an amount equivalent to one hundred ten percent (110%) of the estimated marginal cost of serving Customer's incremental load during that sixth year, provided the incentive as a percentage of the base rate charges shall not exceed fifteen percent (15%).

**ATTACHMENT A  
RATE RIDER EDI INCENTIVE AGREEMENT**

This **RATE RIDER EDI INCENTIVE AGREEMENT** (“Rider Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, (“Effective Date”) between **ALABAMA POWER COMPANY**, an Alabama corporation with offices at 600 18th Street North, Birmingham, Alabama 35203 (“Company”) and \_\_\_\_\_, a \_\_\_\_\_ corporation (“Customer”). Company and Customer are collectively referred to herein as the “Parties,” and individually referred to herein as a “Party.”

**RECITALS**

**WHEREAS**, Customer intends to add Incremental Load at Customer’s Facility, as those terms are defined herein; and

**WHEREAS**, Customer has agreed to take electric service from Company pursuant to a Contract for Electric Service dated \_\_\_\_\_, \_\_\_\_\_ (“Contract”); and

**WHEREAS**, in accordance with the terms of the Contract, and in consideration of Customer’s planned operations and the capacity and energy requirements associated therewith, Customer qualifies for Rate Rider EDI (Economic Development Incentive) (hereinafter “Rate Rider”), as authorized by the Alabama Public Service Commission in Docket No. U-5017 and provided more fully in this Rider Agreement; and

**WHEREAS**, Customer agrees to accept this incentive, subject to the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the above recitals and the mutual promises of the Parties set forth below, the Parties agree as follows:

1. Definitions. The following terms, whether singular or plural, shall have the respective meanings set forth below.
  - a. **“APSC”** shall mean the Alabama Public Service Commission, its staff, or any governmental authority succeeding to the powers and functions thereof.
  - b. **“Base Rate Charge”** shall be all charges on Customer’s bill for electric service under the Contract for Customer’s Incremental Load, except those charges pursuant to Rate ECR (Energy Cost Recovery), Rate Rider NDR (Natural Disaster Reserve), adjustments under Rate T (Tax Adjustment), applicable revenue taxes and any applicable surcharges or reserves.
  - c. **“Commencement Date”** shall mean the first day of the first billing cycle following the end or suspension of the Load Build-Up Period.
  - d. **“Customer’s Facility”** shall mean the premises at which Customer’s operations [are located/are planned to be located], more specifically at \_\_\_\_\_ near the town of \_\_\_\_\_ in \_\_\_\_\_ County, Alabama.
  - e. **“Energy Threshold”** shall mean Customer’s projected annual electric Energy Usage, in kWh, under the Contract during a specific year of the elected Incentive Period, as set forth in Appendix A and subject to modification only in accordance with Paragraph 9.
  - f. **“Energy Usage”** shall mean Customer’s actual electric energy usage, in kWh, under the Contract during a specific Incentive Period.
  - g. **“Incentive”** shall mean the discount applicable to the Base Rate Charge for Incremental Load provided for in the Rate Rider and set forth in Appendix A of this Rider Agreement.

- h. **"Incentive Period"** shall mean a consecutive period of either sixty (60) or thirty-six (36) billing cycles as designated in the Contract and Appendix A beginning with the Commencement Date.
  - i. **"Incremental Load"** shall mean, as applicable, the new load at Customer's Premises of at least 1,000 kW; the addition of load at Customer's Premises of at least 1,000 kW; or the addition of Fleet EV Load at Customer's premises of at least 250 kW.
  - j. **"Load Build-Up Period"** shall have the meaning set forth in Paragraph 7 of this Rider Agreement.
  - k. **"Premises"** shall have the meaning set forth in the Paragraph 4.a. of the Contract.
2. **Term.** This Rider Agreement shall be effective commencing on the Effective Date and shall continue thereafter for a period of one hundred twenty (120) or seventy-two (72) consecutive billing cycles (i.e., 10 years or 6 years, as applicable) from the Commencement Date (the **"Term"**); provided, however, that the Term will be extended one year if Customer qualifies for an Incentive in the sixth year, as provided in the Rate Rider, and gives notice to Company of its acceptance of a sixth year of incentives.
3. **Performance Requirements.** The Customer's eligibility to receive an Incentive under this Rider Agreement shall cease contemporaneously with the end of the Term or any termination of the Rider Agreement prior to such time. In addition, Customer must satisfy the following performance requirements, as applicable.
- a. **New Customer Load.** If the Customer's annual Energy Usage is less than eighty-five percent (85%) of its annual Energy Threshold specified in Appendix A to this Rider Agreement for any two years of a 5-year Incentive Period or any one year of a 3-year Incentive Period, then service under this Rate Rider shall immediately terminate. For example, if the Customer's annual Energy Usage is not at least eighty-five percent (85%) of its annual Energy Threshold during years 1 and 3 of the Incentive Period, then the Rider Agreement will terminate at the end of year 3 and the customer will forfeit eligibility for Incentive Period Years 4 and 5.
  - b. **Additional Customer Load.** If Customer is unable to maintain the projected Incremental Load above existing contracted capacity for service by Company to an existing premise and/or the annual Energy Threshold specified in Appendix A to this Rider Agreement, then service under this Rate Rider shall immediately terminate.

Notwithstanding any such termination of the Rider Agreement as provided in this Paragraph, the Contract shall continue unaffected through the end of its stated term.

4. **Contract.** Contemporaneously with the execution of this Rider Agreement, the Parties are entering into the Contract, which includes a term of at least \_\_\_\_\_ years in duration beyond any Load Build-Up Period. The term of the Contract shall include, and not be in addition to, the Term of this Rider Agreement and the Incentive eligibility afforded Customer thereunder. Should there be any conflict or inconsistency between this Rider Agreement and the Contract, the Contract terms and conditions shall govern. In the event of any conflict or inconsistency between Rate Rider EDI and either this Rider Agreement or the Contract, Rate Rider EDI shall govern.
5. **Applied Base Rate Incentive.** For each year during the Incentive Period, Company agrees to apply the Incentive to the Base Rate Charge for Incremental Load, subject to the provisions of the Rate Rider. If Customer's Energy Usage is, on average across the Incentive Period, equal to or greater than one hundred ten percent (110%) of its average Energy Threshold, Customer shall receive an incentive for the sixth year of the Contract so as to render the Base Rate Charge for Incremental Load equivalent to one hundred ten percent (110%) of the estimated marginal cost of serving Customer, provided the Incentive for the sixth year as a percentage of the Base Rate Charge shall not exceed fifteen percent (15%). If customer accepts the sixth year incentive, then the term of the Contract will be extended by one additional year.

6. Rate or Rate Rider Modification. During the Term, and prior to the commencement of an Incentive Period Year, Customer may change the electric service rate or add or change the electric service rate rider(s) under the Contract in accordance with the Company's Rules and Regulations for Electric Service and the provisions of such rates and rate riders, as applicable. In such a case, any remaining Incentives shall be updated for the subsequent Incentive Period (s) to reflect any corresponding change.
7. Load Build-Up Period. In the event Customer's operations require the installation and testing of its equipment and mechanical processes as part of an initial start-up phase, Customer's electric service charges shall be calculated in accordance with either (i.) Rate LPL for new load Customers or (ii.) Customer's existing rate for additional load Customers for a period not to exceed the first twelve (12) monthly billing cycles under the Contract (the "Load Build-Up Period"). During such Load Build-Up period, the Customer's actual measured capacity for each billing month will be billed in lieu of the rate minimum capacity provided that no such capacity billed shall be less than that billed in any preceding month during such load development period. Upon thirty (30) days' written notice to Company, Customer may request that Company end billing under this Paragraph 7 and commence billing under Paragraph 4 of the Contract. Commencement of required Term (whether 10-year or 6-year) shall not begin until after Load Build-Up Period ends.
8. Confidentiality. Any Confidential Information disclosed by one Party to the other shall not be provided to any third party without the prior written consent of the disclosing Party for a period ending three (3) years following termination of this Rider Agreement. "Confidential Information" includes this Rider Agreement and the appendices to it, written information that is clearly marked "Confidential", and oral information, identified in writing within fifteen (15) days of disclosure, by the disclosing Party as being Confidential Information. This nondisclosure obligation does not apply to information which: (a) was already possessed by the third party prior to the date hereof with no obligation of secrecy with respect thereto; (b) is independently developed by the receiving Party; (c) is or becomes generally available to the public other than as a result of the breach of this Contract; (d) is required to be disclosed by operation of law or by a court or regulatory agency having jurisdiction over the subject matter hereof; or (e) in the case of oral information, is disclosed prior to receipt of notice that the information is confidential.
9. Force Majeure. In the event Customer experiences an event of Force Majeure during the Incentive Period that impacts its Energy Usage, the Energy Threshold shall be adjusted so that the reduction in annual energy usage corresponding to the event of Force Majeure is excluded from the determination of Customer's performance relative to the Energy Threshold; provided, however, that no more than ninety (90) days of reduced energy usage shall be excluded from a single year during the Incentive Period on the basis of Force Majeure. For purposes of this Rider Agreement, Force Majeure includes any set of circumstances directly affecting Customer's premises that is beyond the reasonable control of Customer and is not caused by Customer's negligence or lack of due diligence, including flood, drought, ice, earthquake, windstorm or eruption; fire; explosion; invasion, civil war, commotion or insurrection; sabotage or vandalism; pandemic or epidemic military or usurped power; or act of God or of a public enemy. Force Majeure does not include economic hardship, the loss of Customer's market(s) or inability by Customer to sell its products or services, unless such hardship, loss or inability itself results from an event of Force Majeure.
10. Remedies. In the event of default by Customer, Company may pursue any and all judicial and administrative remedies and relief available; provided, however, that except for a breach of the conditions set forth in Paragraph 8, any monetary remedy shall not exceed an amount equal to (i) any Incentive received by Customer, and (ii) all verifiable costs and obligations incurred by Company in order to provide service to Customer, including but not limited to all investment and procurement costs associated with the generation, transmission, and distribution of electricity to Customer, with interest calculated from the Commencement Date and all expenses (including any reasonable attorney's fees) incurred by Company to enforce the rights provided by this Paragraph 10. For purposes of this Rider Agreement, an event of default occurs when Customer (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or has such petition filed or proceeding commenced against it; (iii) otherwise

becomes bankrupt or insolvent (however evidenced); (iv) becomes unable to pay its debts as they fall due; (v) has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) has not paid any amount due Company in accordance with the Rules and Regulations for Electric Service; or (vii) has otherwise breached a term or condition of this Rider Agreement and has not cured or is unable to cure same within ten (10) days written notice from Company.

11. Notices. Any written notices required by this Rider Agreement or the Contract shall be deemed to have been given: (i) when delivered by hand; (ii) when received by the addressee if sent by a nationally recognized overnight courier; (iii) upon receipt when mailed, by certified or registered mail, return receipt requested, postage prepaid; or (iv) by email along with verbal confirmation of such email. Such communications shall be sent to the respective Parties at the following addresses (or at such other address for a Party as may later be specified in a notice given in accordance with this Rider Agreement):

To Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Company: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Assignment. Customer shall not assign this Rider Agreement without written consent of Company.

13. Governing Law. This Rider Agreement shall be governed by, subject to, and construed in all respects in accordance with the laws of the State of Alabama, without giving effect to choice of laws or conflict of laws principles of any jurisdiction.

14. APSC Review. Each Contract conforming to the criteria specified in Rate Rider EDI and this Attachment A will be reviewed by the Alabama Public Service Commission Staff to determine compliance with the above required criteria to assure consistency with the public interest. Customer must submit a fully executed contract for electric service and Attachment A agreement no later than 30 days after the APSC initial project review. APSC shall have a period of 10 days to review all executed documents.

15. Electronic Copies; Counterparts. This Rider Agreement may be executed by facsimile or PDF (electronic copy) and in counterparts, all of which for all purposes shall be deemed to be an original and all of which, taken together, constitute one and the same instrument.

**IN WITNESS WHEREOF**, each of the Parties hereto has caused this Rider Agreement to be executed by its duly authorized representative, as of the effective date hereof.

\_\_\_\_\_

**ALABAMA POWER COMPANY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_



**RATE RIDER EDI INCENTIVE AGREEMENT  
APPENDIX A**

<b>Incentive Period Year</b>	<b>Annual Energy Threshold (kWh)</b>	<b>Five Year Incentive</b>	<b>Three Year Incentive</b>
1	TBD	TBD	TBD
2	TBD	TBD	TBD
3	TBD	TBD	TBD
4	TBD	TBD	
5	TBD	TBD	