



Cobb EMC's Lifestyle Rates Program

CFC RATE SOLUTIONS

For more than 30 years, CFC's Regulatory Affairs team has worked with member cooperatives to support all facets of the rate design process. Here is one co-op's story.

Overview

Cobb Electric Membership Corporation (EMC) is a 200,000-member cooperative with 9,262 miles of line serving metro Atlanta. In 2018, Cobb EMC asked CFC's Regulatory Affairs team to help it better manage peak demand and assist in an updated rate design process for the cooperative's residential members.

The resulting Lifestyle Rate program offers members different rate options based on how they use electricity. The program empowers "prosumers" to save money while helping the cooperative align cost of service with revenue collection.

A hallmark of the program is its NiteFlex® option for electric vehicle (EV) owners. Based on the specifics of Cobb EMC's system, CFC saw an opportunity to design NiteFlex as a three-period time-of-use rate—peak, off-peak and super off-peak. Members charging their EVs during super off-peak hours can utilize up to 400 kilowatt-hours (kWh) of electricity free of charge, making Cobb EMC the first cooperative in the nation to offer free overnight home charging for EVs.

Cobb's Lifestyle Rate Program

By offering five unique rate options, and the option to prepay, Cobb can better meet the needs and preferences of a diverse residential membership.

Cobb EMC promotes its rate options to members in several ways. The co-op's marketing department promotes rate options via annual targeted campaigns that leverage members' demographic data. Cobb EMC also hosts several events throughout the year where rate options are highlighted, such as Homeowners' Association meetings, solar- and EV-related events.

Cobb developed a simple online tool to assist. In addition, when members contact the co-op, member care representatives promote the NiteFlex rate to members who own EVs and the Smart Choice rate to members who want to conserve energy during peak periods.

By helping members take advantage of time-of-use rates, Smart Choice and NiteFlex, the cooperative is realizing cost savings by shifting load to off-peak periods.



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Key Takeaways

- Cooperatives can align cost of service with revenue collection by pursuing rate strategies that align consumer preferences with policy objectives based on the system's unique characteristics.
- CFC can leverage your cooperative's hourly AMI data to analyze whether consumer choice rates are having their intended effect.
- Consumer choice rates work best for larger cooperatives with diverse loads and engaged members. These systems can enjoy returns to scale on marketing, billing and administration.
- Cooperatives expecting major EV growth in their territory are encouraged to proactively consider rate and cost-of-service implications.
- CFC's Regulatory Affairs team brings broad expertise to help your cooperative position itself for long-term financial success.



Lifestyle Rate Program (Comparison Chart)

 Smart Choice	 NiteFlex®	 Even Bill	 Fixed Rate	 Standard Rate
<ul style="list-style-type: none"> Member receives "peak day" notifications and advice on conserving energy. Member is charged based on highest energy use during peak days between 2 and 7 p.m. 	<ul style="list-style-type: none"> Three-part TOU rate with incentives. Member receives up to 400 kWh of free electricity during super off-peak hours. 	<ul style="list-style-type: none"> Members can budget easily and pay a fixed charge based on their energy use habits. Charge is recalculated annually with no "true-up." 	<ul style="list-style-type: none"> 8 cents/kWh. Fixed rate is ideal for high-energy users and members who desire simplicity and comfort. 	<ul style="list-style-type: none"> The default rate is higher in the summer and lower in the winter.

Implementing Consumer Choice Rates with CFC

CFC worked with Cobb EMC to develop an overarching set of rate policy goals and establish a three-year rate strategy. The policy goals included expanding residential consumer choice regarding rates, ensuring fixed-cost recovery for the cooperative and decreasing the magnitude of any rate-related cross-subsidies of customer classes.

CFC leveraged hourly AMI data for a baseline cost-of-service study in 2018. A 2020 follow-up study indicated that Lifestyle Rates are aligning cost incurrence with cost recovery. It also confirmed members are making choices aligned with the intended outcome of the program and that subsidies between rate classes decreased.

Member Uptake and Engagement

Since program implementation, 92 percent of new members selected Cobb's new rates, with 66 percent of new members selecting the fixed rate. In 2020, the average Cobb member with a Smart Choice rate reduced their peak by 2 kW and saved \$11.10 for the next 12 months.

Members are empowered to leverage Cobb's AMI data to track and help control their energy usage—and gain the most value from their selected rate structure—via an online account management application.

Approximately 1,000 members are utilizing the NiteFlex EV rate, with around 20 new members signing up each month. In 2020, NiteFlex members saved with 2.6 million kWhs free in the super off-peak period.



CFC enhanced their cost-of-service models to include more granularity, which helped us gain more insight into our cost structures by each rate class. That helped us make informed decisions to support our goals and objectives." — Tim Jarrell, Cobb EMC Vice President of Power Supply and Planning

For additional information, or a consultation on EV rate design, reach out to our regulatory affairs team at RegulatoryAffairs@nrucfc.coop or contact your RVP.