



FERC Order 719 Opt-Out Resolution

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NPPD Board of Directors

February 8, 2024

John McClure – Executive Vice President
External Affairs & General Counsel

Pat Hanrahan – General Manager Retail Services



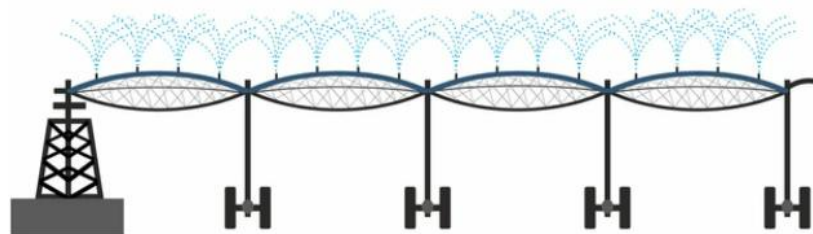
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What is FERC Order 719

- FERC Order 719 implemented 2008
- Utilize Loads as a Resource and gain revenue in the Market
- Allows for the aggregation of Demand Response resources
- Order provides Opt-Out provision for utilities that exceed 4-million megawatt-hours
 - NPPD Board is the Relevant Electric Retail Regulatory Authority (RERRA) for NPPD Retail customers
 - NPPD may offer Demand Response programs to our Retail customers
 - Opt-Out Prevents Third-Party Aggregator from offering Demand Response services to NPPD Retail customers
 - FERC Order 719 Opt-Out will extend to Demand Response aggregations within FERC 2222

What is a Demand Response Resource?

- A load that can be called upon and reduced due to system conditions



Irrigation Load Control



Industrial Processes
(Non-Firm Load)



Data Centers / Mining Facilities



HVAC Systems

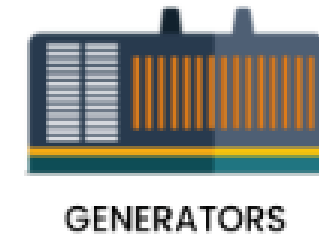
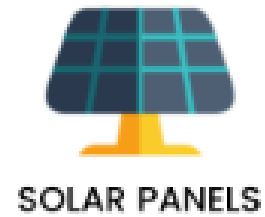
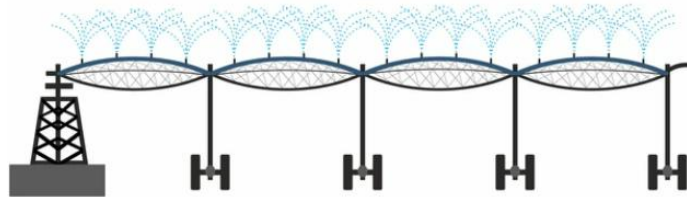


Thermostat
Water Heater

Demand Response vs. Distributed Energy Resource

Distributed Energy Resources FERC Order 2222

Demand Response FERC Order 719



Why Opt-Out of FERC Order 719?

- NPPD has developed both a Wholesale and Retail Demand Response Pilot Program and Rates
 - Third-Party Providers have contacted NPPD Customers regarding Demand Response programs
- Opportunity for NPPD to bring greater financial value to our Customers
- Provides potential capacity value to the District
 - Avoid multiple Market Participants with our Customers
- Allows NPPD to explore new and alternative services and opportunities in partnership with our Customers

FERC Order 719 Opt-Out Resolution Recommendation

- NPPD Board is the Relevant Electric Regulatory Authority (REERA) for NPPD Retail Customers
- NPPD Retail Energy Sales:
 - 3,800,327 MWh in 2021
 - 4,091,399 MWh in 2022
 - 3,828,857 MWh in 2023

Recommendation: Approve Resolution that allows NPPD Retail to Opt-Out of FERC Order 719 demand response participation by third party aggregators (TPA) or Aggregators of Retail Customers (ARC).

This opt-out option does not prevent or preclude NPPD from offering demand response services as the Retail provider.



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Questions

Stay connected with us.



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