

**AVOIDED COST**  
**(AC)**

**Applicability** – This rate schedule governs the calculation of the Cooperative’s Avoided Cost, as that term is used in Rate Schedule SGPPS, for members who meet the eligibility requirements for service under Rate Schedule SGPPS.

**Avoided Cost** - The Cooperative’s Avoided Cost is equal to the cost that would be incurred in purchasing the next kilowatt hour during any hour, but which cost is avoided or offset by the Cooperative’s purchase of that kilowatt hour from a qualifying facility pursuant to Rate Schedule SGPPS. There are separate avoided cost structures for Solar Generation and Non-Solar Generation. The Avoided Cost calculation and/or the formula for such calculation will be adjusted, as needed, but no less than once annually. The Avoided Cost is calculated using the following formula:

$$\text{AVOIDED COST} = E+T$$

Where:

E = Total average incremental cost of purchased power per kWh for each hour in the previous calendar year (using only daytime hours for solar generation), adjusted for avoided transmission losses.

T = Total average incremental transmission cost savings for such kWh.

**Current Avoided Cost Calculation**

All kWh per month—Solar Generation	3.334¢
All kWh per month—Non-Solar Generation	3.374¢