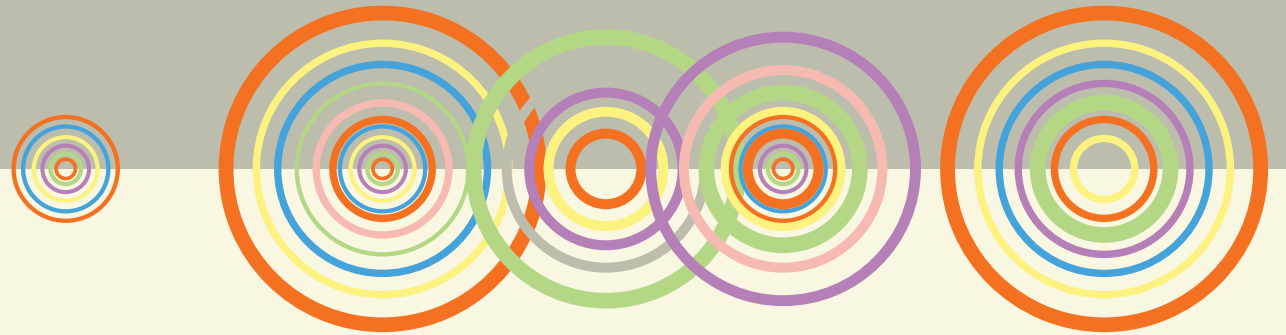


TIME OF USE (TOU) RESIDENTIAL RATE PILOT

➤ 09.15.26 ➤



Brad R. Underwood
Vice President and Chief Financial Officer



SD-2: RATES

The Time of Use Pilot plays an important role in addressing 2 core elements of the Strategic Directive governing customer rates

Strategic Directive

In implementing this directive, OPPD shall:

- Maintain fair, reasonable, and non-discriminatory rates as stated in Nebraska Revised Statute 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- **Pursue rate process and structure changes to reflect the cost of energy when it is used;**
- **Offer flexibility and options;**
- Be simple and easy to understand;
- And pursue a directional rate target of 10% below average published rates of seven states in the West North Central Region on a system average basis.

WHAT IS A TIME OF USE RATE?

- Incentivizes customers to use less energy during peak hours
- Customers who participate pay higher rates during peak and lower rates during off-peak hours
- Provides customer choice and lowers demand at peak times
- More than 350 Time of Use Rate programs are offered in United States, serving 16 million customers

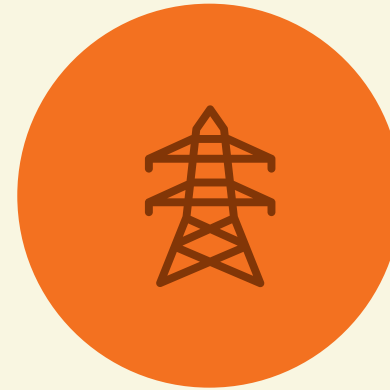


BENEFITS



CUSTOMER

Rate option gives customers the opportunity to lower their bill



SYSTEM

Shift in usage allows system to run more efficiently



ORGANIZATION

Mitigates future rate increases and capital investments by reducing peak

TIME OF USE RATE PILOT

Pilot will help OPPD test a new rate structure designed to reduce energy usage during summer peak hours. Participation is voluntary and customers who do enroll can leave the program at any time.

OBJECTIVE

Understand
customer
behavior

Observe
impacts to
system peak

Test technical
readiness



WHO CAN PARTICIPATE?

Eligible residential customers will be invited to join the pilot

CRITERIA FOR PARTICIPATION

- Must be on Rate 110: Standard Residential Service
- Need to have a smart meter installed by June 1, 2026

THE NUMBERS

- Estimated 8,500 residential customers are eligible
- Goal: At least 300 participants

DEC
2026

Launch landing page and savings calculator ahead of marketing go-live

DEC - MAY
2026

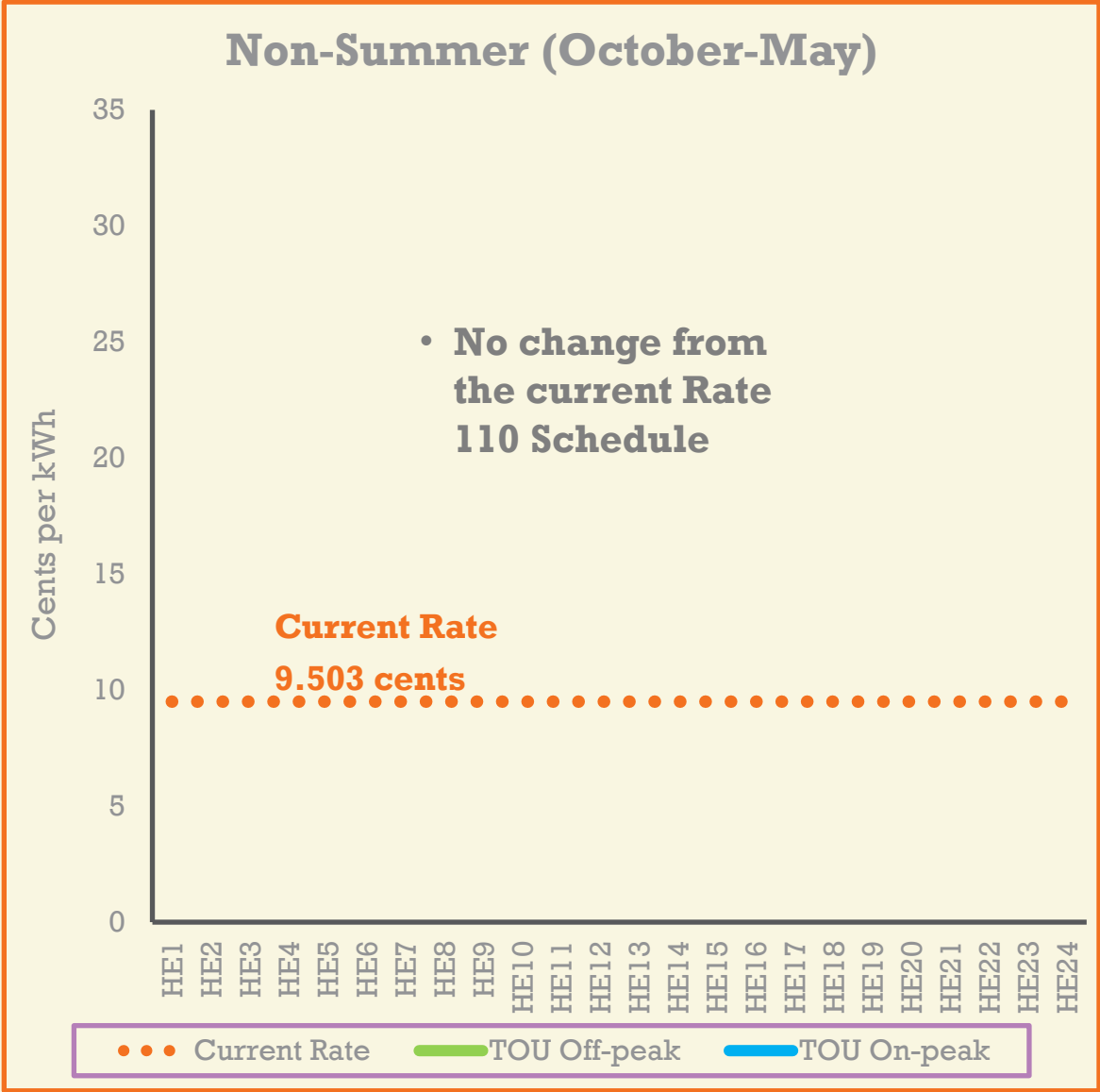
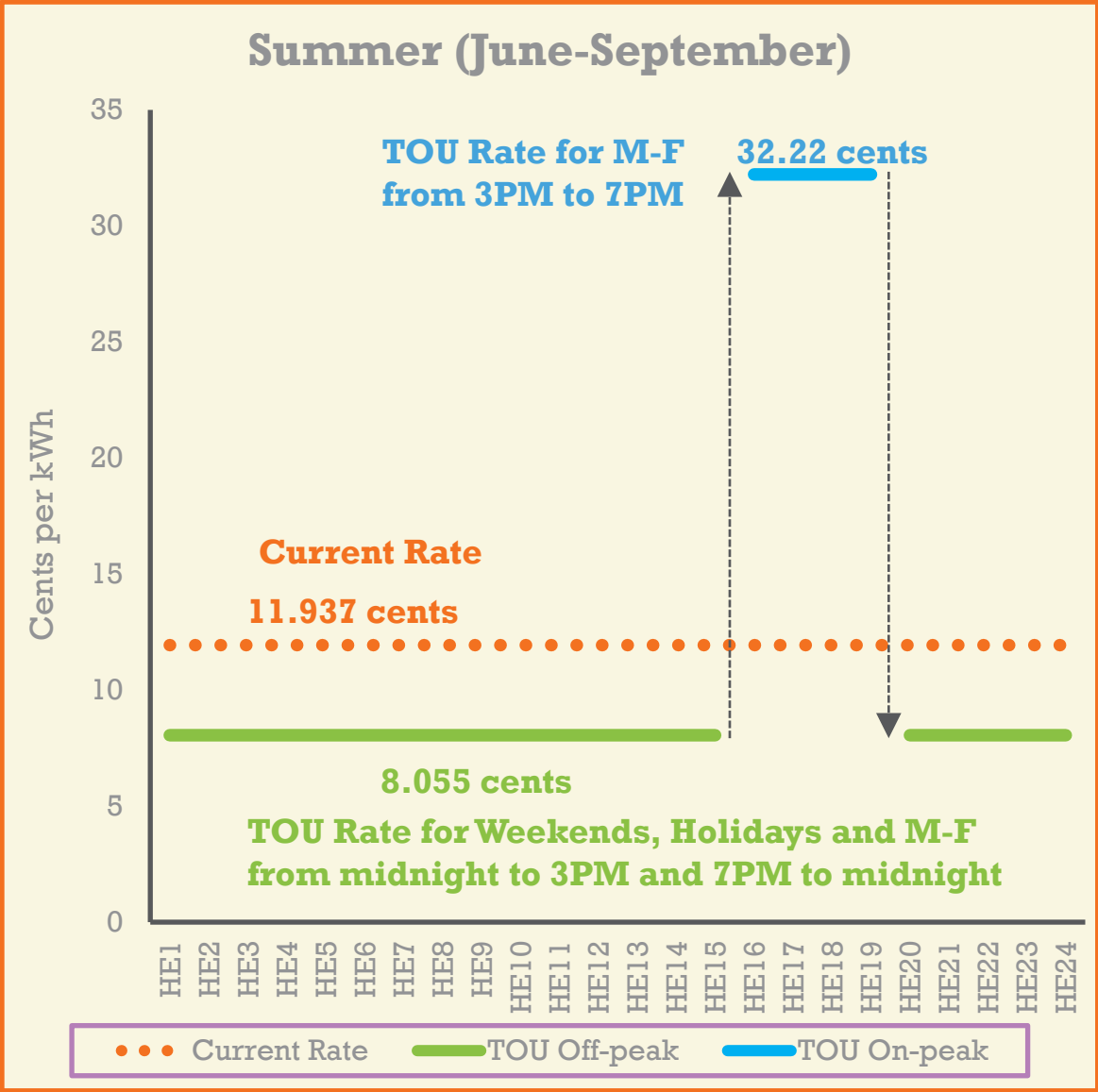
Execute direct marketing campaign to eligible customers

POST PILOT

Assess customer sentiment through survey; evaluate TOU as a long-term standard rate option

TOU ENERGY CHARGES

These rates will be updated on January 1, 2027 to reflect costs in the 2027 Corporate Operating Plan
→ the 3PM-7PM summer on-peak period and 4x summer on-peak to off-peak ratio will not change.



(HE → Hour Ending)

HOW TO BENEFIT



Any customer who can use less energy during peak relative to the average customer can lower their bill



Operate
laundry and
dishwashing
appliances
outside of peak
hours



Pre-cool your
home before
the peak and
set your air-
conditioner at a
higher
temperature
during the peak



Charge electric
vehicles
outside the
peak period



Turn off all non-
essential
lighting



Use small
appliances like
microwaves
and toaster
ovens to cook

OTHER DETAILS

- TOU Rate will be **opt-in** with flexibility to opt-out
- Pilot will **begin in Q2 2027**
- **Full rollout** slated for 2029
- The plan for 2029 is to maintain a 3PM-7PM summer peak period and a 4x summer on-peak to off-peak price ratio, but pilot results could result in **minor modifications**
- **Lessons learned** from pilot will inform other Time Varying Rate options



NEXT STEPS



Public can share their feedback at
www.oppdcommunityconnect.com

» **QUESTIONS?**