



An AEP Company

BOUNDLESS ENERGY™

### Net Energy Billing Option (“NEBO”) Avoided Energy Cost Rate

Beginning March 2020 PSO customers who have a Distributed Generation (“DG”) installation like solar panels, wind turbines, etc., and subscribe to PSO’s NEBO rate option may receive compensation for energy delivered onto PSO’s system. If your system produces more energy than is needed for offsetting your own energy usage during the month, PSO will pay you for the excess energy we receive from you, priced using an average avoided energy cost.

The calculation of the avoided energy cost is based upon the published hourly day-ahead Southwest Power Pool Locational Marginal Prices (“SPP LMP”) for the “AEPM\_CSWS” price node, averaged for the month based upon the applicable on-peak and off-peak hours during the on-peak season, June through October, inclusive. During the non-peak season, the price is an average for the month.

As of September 8, 2020, the 2020 monthly avoided energy cost applicable to PSO’s NEBO tariff appear below. *(January and February 2020 are shown for illustrative purposes only, as NEBO became available effective March.)*

Generation Month	Credited in \$\$ Billing Month	On Peak Avoided Energy Cost (\$/kWh)	Off Peak Avoided Energy Cost (\$/kWh)
Jan-20	Feb-20		\$ 0.0205
Feb-20	Mar-20		\$ 0.0188
Mar-20	Apr-20		\$ 0.0174
Apr-20	May-20		\$ 0.0156
May-20	Jun-20		\$ 0.0176
Jun-20	Jul-20	\$ 0.0228	\$ 0.0180
Jul-20	Aug-20	\$ 0.0253	\$ 0.0213
Aug-20	Sep-20	\$ 0.0279	\$ 0.0237
Sep-20	Oct-20		
Oct-20	Nov-20		
Nov-20	Dec-20		
Dec-20	Jan-21		

The SPP LMP published prices may be found at <https://marketplace.spp.org/pages/da-lmp-by-location> using Settlement Location “AEPM\_CSWS”. On Peak is defined as Monday-Friday 2PM-7PM during the generation months of June through October, inclusive.

On the NEBO rate, you will be billed for your net usage during the calendar month. If you delivered more energy to PSO than you used during the month (measured in kilowatt-hours, or kWh), PSO will show the excess kWh on that month’s bill. After the calendar month is complete and SPP publishes their LMP prices, PSO will calculate the average price for that month (when your energy was produced), and you will receive the credit amount on your next month’s bill.

If you are interested in installing wind or solar at your location, please see the ‘Save Energy’ section of [PSOklahoma.com](http://PSOklahoma.com) for more information on ‘Renewable Energy’ and the requirements for installing electric generating equipment.