



BENEFITS OF DOVER'S POWER SUPPLY STRATEGY: RELIABILITY, BUDGET STABILITY & LONG-TERM RESILIENCY

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Electric power is a keystone of our nation's economic and social wellbeing. Many aspects of our daily lives depend in some way upon electricity and the infrastructure that supplies it. Communities rely on public power utilities to provide robust and resilient physical systems to meet the needs of the citizens they serve.

The City of Dover Electric Department is responsible for the reliability of its electric system, as well as the engineering, construction, and maintenance of the community's electric infrastructure. Dover deals with physical complexities in its pursuit to provide clean, low-cost power to customers. Over the last decade of partnership with The Energy Authority, Dover has successfully achieved its goals of reliability, budget stability, and long-term resiliency, while staying focused on the specific needs of customers and local priorities.

RELIABILITY

Dover's utility priorities include investing in aging infrastructure and new technology, as well as diversifying its power supply portfolio to leverage renewable resources and greater energy efficiency, increased demand response, environmental safeguards, and a customer-centric approach. Concurrently, TEA provides Dover with access to advanced resources and technology systems so they can respond competitively in rapidly changing energy markets.

Electric utilities also have an obligation to ensure the reliability and security of the transmission grid and other electric infrastructure. The City of Dover has demonstrated that reliability as a recipient of the prestigious American Public Power Association's (APPA's) RP3 Award in recognition for industry-leading practices in four important disciplines:



1. Reliability
2. Safety
3. Workforce Development
4. System Improvement

The RP3 designation is a sign of a utility's dedication to operating an efficient, safe, and reliable distribution system, as well as demonstrating its commitment to employees, customers, and the community. ¹

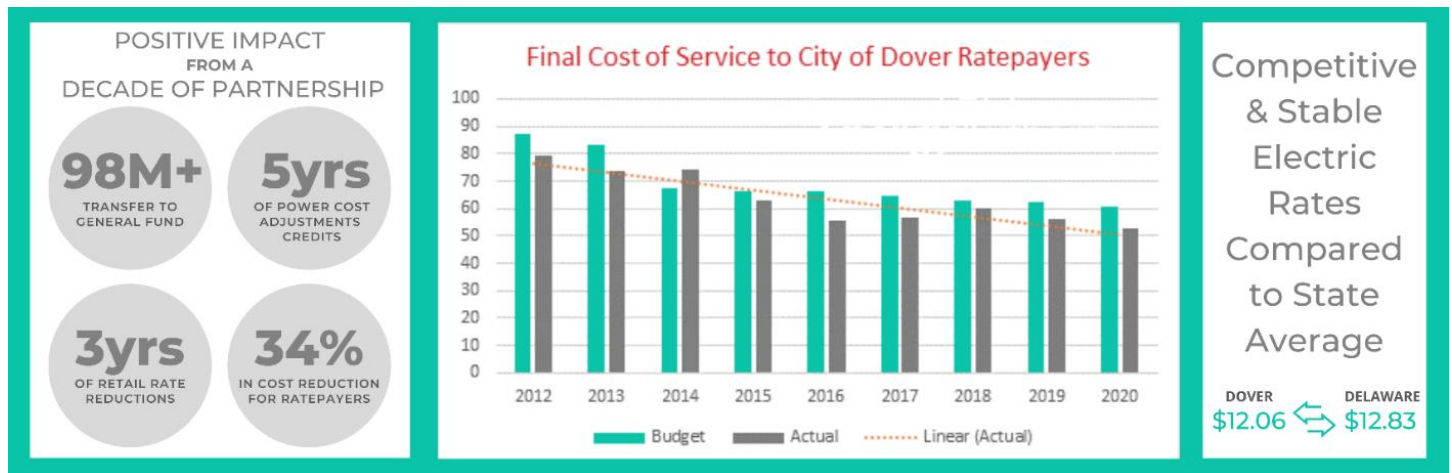
Reliability-Storm Recovery

The Dover Electric Management Committee is responsible for a system that covers 75 square miles and serves approximately 25,000 customers. Dover's multifaceted business continuity planning includes year-around preparation for storm restoration involving skilled crews with a reputable history of expedient emergency restoration for both transmission and distribution. From a deep understanding of Dover needs and commitment to reliability, TEA's portfolio management team works with the Management Committee to address the unique opportunities and risks the utility faces.

^[1] Currently 274 of the nation's more than 2,000 public power utilities hold a RP3 designation. (APPA RP3 team, 2021)

BUDGET STABILITY

In the last 10 years, TEA has helped Dover meet and exceed performance and risk management goals of budget stability by developing risk mitigation strategies appropriate for the City's risk tolerances and policies.



The funding levels are another part of the City's robust risk and reliability management. In 2017, an independent comprehensive review benchmarked Dover electric department financial information against peers and competitors and found *Rates* are relatively low compared to most peers and competitors.

TEA-recommended and Dover-approved power supply strategy has garnered a decade of strong *Reserve Account Balances* and for most years remained above the target levels established for each specific account. Furthermore, the power supply management strategy has provided years of Power Cost Adjustment credit to its electric customers.




LONG-TERM RESILIENCY

Today, strategic planning for any electric utility is fraught with uncertainty, making it a difficult undertaking. Technology development, electricity and commodity pricing, economic factors, and cultural and social forces all present elements of risk to the long-term planning model.

Given the importance of electricity in modern society, long-term supply planning is integral to the protection of electric utility assets and operations. That planning requires understanding power supply options and working to increase supply diversity and limit price volatility while assuring economic value for customers. This long-term approach has led to a strategic vision that resulted in over \$98 million in transfers to the General Fund from the Electric Utility.

Power supply decisions have economic lives measured in decades. This is why TEA customized an approach for the City of Dover, from a deep understanding of public power needs. TEA's portfolio management team works with the Management Committee to address both the unique opportunities and risks the utility faces.

Dover's Diverse Portfolio

		
<p>FOSSIL FUEL GENERATION</p>	<p>SOLAR & WIND</p>	<p>WHOLESALE ENERGY MARKET</p>
<p>VanSant Generating Station, built in 1991, uses GE Frame 6B oil and gas to produce 41 MW.</p>	<p>Along with 9.3 MW White Oak Solar, Dover receives Renewable Portfolio Standard (RPS) requirements from the Laurel Hill Wind Farm. TEA's Renewables Procurement provided the City's framework for successful purchase of an additional 50 MW Solar.</p>	<p>Dover purchases its electrical energy and capacity directly from PJM and hedges price uncertainty using bilateral contracts and self-supplied generation.</p>
<p>A leader in environmental stewardship and compliance, Dover leads community efforts to make energy goals and environmental objectives compatible.</p>		

Embracing energy diversity and focusing on efficient markets, technology, infrastructure, and new partnerships has created an energy portfolio that supports Dover's economic and environmental goals.

Throughout the challenges brought in the last decade, Dover's electric utility cultivated its special relationship with customers and has successfully set a course for better serving community interests. That path forward is based on the tenets of local control and not-for-profit operations, facilitates low-cost delivery of service, and is ultimately focused on the needs of customers.

The Energy Authority exists to serve electric utilities, like the City of Dover, that play unique and important roles in their communities. TEA holds alignment with the values, fiscal responsibilities, and risk tolerances as a strategic partner for public power. Proud to serve the City of Dover, TEA looks forward to an even brighter energy future together.