



Issue Paper

DATE:

1/22/2025

AGENDA ITEM (ACTION ITEM):

Consider / Approve the 2025-2026 Power Share Agreement between KCS D and Duke Energy.

APPLICABLE BOARD POLICY:

05.23 Energy Management

HISTORY/BACKGROUND:

The Kenton County School District has entered into an annual PowerShare Agreement with Duke Energy since 2010, receiving over \$230,000.00 for program participation. The agreement requires the District to reduce electric usage during energy emergency events between the months of May-October. Duke Energy will credit an estimated \$18, 972.00 to the District account over the applicable months. Furthermore, if an emergency event is declared by Duke Energy an additional \$0.20 per kWh will be credited to the KCS D account. The agreement includes the following schools: Dixie Heights, Kenton Elementary, Simon Kenton, Summit View Academy, Taylor Mill, River Ridge, and Ryland Heights.

FISCAL/BUDGETARY IMPACT:

Estimated District annual energy cost savings of \$18,972.00

RECOMMENDATION:

Approve the 2025-2026 Power Share Agreement between KCS D and Duke Energy.

CONTACT PERSON:

Chris Baker, Energy Systems Coordinator

Principal/Administrator

District Administrator

Superintendent

Use this form to submit your request to the Superintendent for items to be added to the Board Meeting Agenda

Principal – Complete, print, sign and send to your Director. Director – if approved, sign and put in the Superintendent's mailbox

**Kentucky PowerShare® CallOption with QuoteOption
Service Agreement 2025 - 2026 (the "Service Agreement")
Duke Energy Kentucky, Inc. Rider PLM – Peak Load Management**

Customer Name:	KENTON CO BD OF ED DIXIE HEIGHTS HIGH SCHOOL				
Contract Account Number:	9101 1848 2565				
Service Address:	3010 DIXIE HWY				
City:	FORT MITCHELL	State:	KY	Zip:	41017
Duke Energy Kentucky, Inc. ("Duke Energy") Representative:	LATASHA WOODS				

Additional Child Accounts: (attach additional sheet if necessary)

910118483524	910118445966	910118482482	910118483483	910118482656	910118482010

Contract Period: From: 06/01/2025 Through: 05/31/2026

A. Contribution Values:

1,286 kW (Average on Peak Value)

B. Demand Response Compliance Plan (select one):

- ☒ Fixed Reduction from Pro Forma Load: 527 kW (Amount to be reduced for each event.)
- ☐ Firm Level*: _____ kW (*Firm Level MUST be the same for all hours in the exposure period.)

C. Program Participation Elections (select one):

- ☒ CallOption Summer Period \$36 / kW-year (June – October 2025 & May 2026)
- ☐ CallOption Annual \$54 / kW-year (June 2025 – May 2026)

D. Will you use a generator to curtail your consumption from Duke Energy?

- ☒ No
- ☐ Yes

a. If "Yes", what percentage of your Option Load will be from the generator? _____%

(1% to 100% - Generator must provide minimum 100 kW load reduction.)

- Please fill out the On-Site Generator form for each Generator associated with this Service Agreement.
- Customer certifies that it has all the required federal, state, and local permits for use of the generator.

E. CallOption Determinants:

\$36.00	per kW in Annual Capacity Premium
\$ 0.20	per kWh Event Incentive
527	kW Option Load
\$18,972.00	in estimated Capacity Premium, paid over the term of the Service Agreement

**Premium Settlement procedure will be applied to the Firm Level and Fixed Reduction Compliance plans. See Terms and Conditions for additional information.*

F. CallOption and/or QuoteOption Reduction Plan: ☐ Plan Attached

Shut down lighting and HVAC equipment

G. PowerShare® Customer Contact Information:

Contact:	E-mail:	Phone:	Phone Ext:	Cell Phone:	Fax:	SMS Text:
Chris Baker	Chris.Baker@Kenton.kyschools.ky.us	8594622350		8594622350		8594622350
Mike Hogue	Michael.Hogue@Kenton.kyschools.ky.us	8593226129		8593226129		8593226129
Brian Vanover	Brian.Vanover@Kenton.kyschools.ky.us	8594572617		5133101726	8594572617	5133101726
Mike Blau	Mike.Blau@Kenton.kyschools.ky.us	8594689590		8594689590		8594689590

H. Terms and Conditions: This Service Agreement shall be governed by and in accordance with the Kentucky PowerShare® Service Agreement Terms and Conditions (2025-2026) attached hereto as Exhibit A and incorporated herein.

I agree to accept service under the Duke Energy Kentucky, Inc. PowerShare® program under the terms stated in this Service Agreement.

Customer Representative: _____ Title: _____ Date: _____

Annual Communication Test: Thursday, May 29, 2025

Exhibit A

Kentucky PowerShare® Service Agreement Terms and Conditions CallOption Annual and Summer Period 2025 - 2026

These Kentucky PowerShare® Service Agreement Terms and Conditions 2025-2026 ("Terms and Conditions") are incorporated into and are part of the Kentucky PowerShare® CallOption with QuoteOption Service Agreement 2025-2026 by and between Duke Energy Kentucky, Inc. ("Duke Energy" or "Company") and the customer ("Customer") identified in the Kentucky PowerShare® CallOption with QuoteOption Service Agreement 2025-2026 (the "Service Agreement") to which these Terms and Conditions are attached. Hereinafter, the Service Agreement and the Terms and Conditions may be collectively referred to as the "Agreement". All capitalized terms not defined in these Terms and conditions shall have the meaning set forth in Exhibit B.

General Terms and Conditions

1. This Agreement is subject to the terms and conditions of Duke Energy's Rates, Terms and Conditions for Electric Service, KY. P.S.C. Electric No. 2 and any successor electric tariff, as filed with the Kentucky Public Service Commission and as amended from time to time ("Tariff"), including without limitation Standard Contract Rider Peak Load Management Program, Sheet No. 77, as may periodically be revised ("Rider PLM").
2. Subject to the CallOption seasonal effective dates, Service under Rider PLM shall commence upon the latter of (i) full execution of this Service Agreement, (ii) a renewal registration via the PowerShare® website, (iii) installation and operational readiness of dedicated phone communication links with applicable electric meters and (iv) collected minimum of 30 days of interval meter data. Service under Rider PLM shall begin thereafter during the term in accordance with the Agreement.
3. The Agreement supersedes and replaces all other agreements and understandings related to PowerShare and/or Rider PLM, written or oral, between Customer at the address set forth on the Service Agreement and Duke Energy.
4. Company will utilize its PowerShare website, an Internet-based system, to post QuoteOption and Emergency non-compliance prices. Customers will be responsible for providing their own Internet access. Company reserves the right to perform maintenance on the PowerShare website. Company does not guarantee access to the PowerShare website or that the contents of the PowerShare website will be error free.
5. This Agreement shall not be construed as any promise or warranty by Company to provide continuous or uninterrupted power to Customer.
6. All participants will be subject to the current testing requirements of PJM for the appropriate category of Planning Resources as this term is defined by PJM. If an Emergency Event is declared prior to any scheduled test event, the Emergency Event may be used to meet the PJM testing requirements. If an actual Emergency event does occur any subsequent test event would be cancelled for that Program year.
7. Customer load curtailment enrolled under this Agreement must be solely committed to Duke Energy Kentucky use.
8. Emergency events will be initiated by PJM at their discretion and Customer will be notified by Company of the start time of the event.

QuoteOption Terms and Conditions

1. Company may notify Customer that it is declaring a QuoteOption Event by requesting Customer to provide load reduction or generation when Company in its sole discretion determines a QuoteOption Event is appropriate. Company shall utilize fax, phone, e-mail, or other means of communication to apprise Customer of a QuoteOption Event. Company shall also post the QuoteOption Event, along with the Event Incentive Value, on Company's PowerShare website.
2. The Company has sole discretion in establishing the Event Incentive Value and will make this determination based on Company's projected marginal operating cost, available resources, and weather conditions.
3. In order to participate in a QuoteOption Event, Customer must confirm participation while the Bid-In window is open prior to the start of the QuoteOption Event and provide an estimate of the amount of Fixed Reduction Customer anticipates providing, by entering this information on the PowerShare website. If Customer fails to provide confirmation of its intent to reduce load or sell generation in response to a QuoteOption Event, before the Bid-In window closes, Customer will not be eligible for an Event Incentive Credit for that QuoteOption Event.
4. In the event that the Company's system or regional generation constraints increase unexpectedly, Company reserves the right at its sole discretion to: a) post a QuoteOption Event and post the associated Event Incentive Value with minimal advance notification; or b) post a higher Event Incentive Value if one has already been posted. In the event that Company posts a higher Event Incentive Value, all Customers confirming their intent to reduce load or provide generation via the PowerShare website will receive the higher of the posted Event Incentive Values for that day for all QuoteOption load reduced or generation provided.
5. If Customer has confirmed participation during a QuoteOption only event, Customer will receive an Event Incentive Credit calculated as follows: Customer's actual usage for each hour during the event period will be subtracted from Customer's Pro Forma Load Level for that hour to arrive at the actual Fixed Reduction, provided however that the actual Fixed Reduction shall never be less than zero. The Fixed Reduction will be multiplied by each hour's applicable Event Incentive Value.
6. When a QuoteOption only event occurs, all CallOption customers that also participate in the QuoteOption must nominate load reduction on the Company web page in order to be eligible to receive Event Incentive Credits for actual load reduction below the Pro Forma Load Level for each hour during the event.
7. Customer will receive Event Incentive Credits on its Company-issued electric bill. Depending on the Customer's billing cycle and when Event Incentive Credits are issued within the month, posting of the credits to the Customer's bill may be delayed one billing cycle.
8. Company may provide advance notice of a potential QuoteOption Event, provided however that such a notice will be for informational purposes only and will not be deemed an actual QuoteOption Event hereunder.

9. The Customer's response to the QuoteOption Event is totally voluntary and may be declined by Customer without any liability imposed on the Customer. Regardless of whether Customer notifies Company of its intent to reduce load or provide generation in response to a posted QuoteOption Event, Customer shall have no obligation to actually reduce its load or provide generation, and shall have no liability to Company for failure to provide load reduction or generation, provided however that, in order to be an effective alternative to meeting Company's obligation to provide reliable service to its customers, it is imperative that Customer provides accurate estimates of the amount of Fixed Reduction; failure to do so may result in a Customer being removed from the program and Company terminating this Service Agreement, all at Company's sole discretion.
10. If power is interrupted to Customer during a QuoteOption Event, then Company shall not be responsible for paying an Event Incentive Credit for energy reductions in excess of the estimated reduction provided to Company from Customer. Examples of reasons that power may be interrupted include without limitation accidents, storm outages, equipment failures or malfunctions, and periods of involuntary load curtailment. Additionally, Customer shall not receive an Event Incentive Credit for any QuoteOption Event during which Customer's load is already reduced from their Pro Forma Load Level for an extended period due to planned or unplanned outage as a result of renovation, repair, refurbishment, force majeure, strike, or any event other than Customer's normal operating conditions.
11. Company may assist Customer in identifying load reduction opportunities and developing a load reduction strategy.

CallOption Emergency Terms and Conditions

1. Service under the CallOption program shall commence on the Effective Date specified below and shall continue through the Ending Date specified, or as specified in the Service Agreement Contract period. All CallOption loads shall transition to the voluntary QuoteOption program for the period defined by the Agreement for time not included in the CallOption Season. If Customer is not able to participate at any time during the CallOption Season, zero Monthly Premium Credits will be provided during these periods of non-participation.

CallOption Annual:

Effective Date: First day of June 2025

Ending Date: Last day of May 2026

CallOption Summer Period:

Effective Date: First day of June 2025

Ending Date: Last day of October 2025

Effective Date: First day of May 2026

Ending Date: Last day of May 2026

2. The Summer and Non-Summer seasons are defined as:

Summer: June 1 through October 31 and May 1 through May 31

Non-Summer: November 1 through April 30

3. Event Periods: Company may declare a CallOption Emergency Event any day of week including weekends and holidays during the CallOption Season unless Customer is on an approved maintenance outage during the "Non-Summer Season" October through April. Company may declare an unlimited number of CallOption Emergency Events during the CallOption Season.
4. Company may declare an Emergency CallOption Event by providing Customer at least thirty (30) minutes' notice. Customers may, if eligible, seek an exception from Company to extend their notification timeframe from the PJM required thirty (30) minutes to sixty (60) or one hundred twenty (120) minutes with cooperation from Company. Company exception approval must be obtained before March 1, 2025. If Company does not approve the exception, this agreement is null and void.
5. Customer shall not be permitted to buy-through an Emergency CallOption Event. Customer must curtail load during the duration of the Emergency Event.
6. If Customer does not reduce its load to or below the Firm Level or to or below the Pro Forma load less the Fixed Reduction Amount during an Emergency CallOption Event, Customer shall pay to Company for each kWh of load not so reduced the Real-Time LMP plus applicable Deviation Charges plus 10% offset by base rate Fuel Cost plus all other costs incurred by Company as a result of Customer not meeting its commitment and may either be removed from the PowerShare CallOption program or receive an adjustment to the contract "Option Load" for the remaining Program Year. Total cumulative penalties incurred from noncompliance with one (1) CallOption Emergency event will not exceed the total amount of annual capacity credits paid to Customer.
7. If a customer over-curtails, they will receive additional energy credit for actual load reduction below their contracted amount up to 1000 kW.
8. An Emergency event will have duration not to exceed twelve (12) hours during the CallOption "Summer" Season. CallOption "Summer" Season Events may occur anytime from 10 a.m. to 10 p.m. EPT. CallOption "Non-Summer" Season events may not exceed fifteen (15) hours in duration and may occur anytime from 6 a.m. to 9 p.m. EPT.

9. Where Customer has chosen the Firm Level or Fixed Reduction compliance option, Company shall determine a preseason expected Option Load for customer reference. This value is only an estimate. Since the actual reduction available/provided by Customer for a month during the CallOption Season may be more or less than the preseason expected level, the month ending premium payment to Customers will be calculated to reflect the actual Option Load provided during the CallOption month. Company will determine, at its sole discretion, the actual Option Load after the fact, using Customer's actual load levels on applicable non-event days, Pro Forma Load Levels on event days and the customer specified Fixed Reduction or Firm Level.
10. Customer and Company mutually agree that Pro Forma Load Levels accurately reflect the Customer's expected load profile for the option selected. In the event that the Customer's actual load profile substantially deviates from the Pro Forma Load Level as a result of a change in physical plant or process, Customer and Company shall re-establish the Pro Forma Load Level and Event Incentive Credits based upon recent energy usage. Additionally, Customer shall not receive Event Incentive Credit for any CallOption Event in which Customer's Option Load is already reduced for an extended period due to a planned or unplanned outage as a result of renovation, repair, refurbishment, force majeure, strike, or any event other than the Customer's normal operating conditions.
11. The Event Incentive Value during a CallOption Emergency event is 20 cents per kWh of energy curtailed during the event.
12. If no emergency is declared, PJM shall schedule a curtailment test as described below. Load reductions must be maintained for the entire two-hour testing duration. Fixed reduction customers reduce their contracted load below the Pro Forma value to be in full compliance. Firm Service Level customers must reduce load to their Firm Level to be in full compliance. While retesting may be permitted by PJM in some circumstances, failure to meet the contracted reduction level during the test will result in a reduction in the contract "Option Load" to reflect testing load reduction shortfalls plus a \$20/kW non-compliance charge for each kW of undercompliance. Depending on overall performance during the test, PJM may schedule a one-time retest in cases where initial test performance of all resources is unsatisfactory. However, if PJM does declare an emergency requiring curtailment, then no subsequent test will be required during that Delivery Year.
 - a. The annual curtailment test will be scheduled by PJM to occur on a selected non-NERC holiday weekday during June through October 2025 or November 2025 through March 2026 between the hours of 11:00 a.m. EPT and 6:00 p.m. EPT during the CallOption Season, where the date and time are selected by PJM and notice is provided as follows:
 - i. On the first business day of a week, PJM will provide notice of intent to test during the following two-week test window. The test window opens the first business day of the week following the notice. By 10:00 a.m. EPT the day before the test, PJM will notify the Company. On the test date, the Company will be notified of the start time of the test through the same notification protocol used for an event commensurate to individual customer lead time. The Company will provide timely official notification to customers upon notification from PJM.

CallOption Pricing

CallOption Program	Max. # of Emergency Calls	Annual Premium \$ / kW-year	Maximum Emergency Call Duration Hours	Emergency Season
Annual	Unlimited	\$54.00	12 hours during CallOption "Summer Season"; 15 hours during CallOption "Non-Summer" Season	Jun 2025 - May 2026
Summer Period	Unlimited	\$36.00	12 hours during CallOption "Summer Season"	Jun 2025 – October 2025, May 2026

NOTE: Contracts signed by March 1, 2025 will receive an additional \$2/kW incentive payable in March 2025.

Definitions

Annual Premium:	<p>An amount paid to Customer each calendar year of the Agreement based on the Option Load and the Maximum Number of Events. Payment of the annual premium will be distributed based on whether the customer chooses an annual or summer only product option.</p> <p>Example:</p> <table> <tr> <td>Customer calculated load level:</td><td>2100 kW</td></tr> <tr> <td>Firm Level (selected by Customer):</td><td>1100 kW</td></tr> <tr> <td>Event Incentive (per kWh):</td><td>\$0.20</td></tr> <tr> <td>Maximum number of events:</td><td>Unlimited</td></tr> <tr> <td>Option Load (2100 – 1100):</td><td>1000 kW</td></tr> <tr> <td>Estimated Annual Premium (1000 kW * \$54/kW-year):</td><td>\$54,000</td></tr> </table>	Customer calculated load level:	2100 kW	Firm Level (selected by Customer):	1100 kW	Event Incentive (per kWh):	\$0.20	Maximum number of events:	Unlimited	Option Load (2100 – 1100):	1000 kW	Estimated Annual Premium (1000 kW * \$54/kW-year):	\$54,000
Customer calculated load level:	2100 kW												
Firm Level (selected by Customer):	1100 kW												
Event Incentive (per kWh):	\$0.20												
Maximum number of events:	Unlimited												
Option Load (2100 – 1100):	1000 kW												
Estimated Annual Premium (1000 kW * \$54/kW-year):	\$54,000												
Bid-in Window	The period of time prior to the start of a QuoteOption Event during which Customers may provide an estimate of the amount of Fixed Reduction Customers anticipate providing during the QuoteOption Event.												
CallOption	A program offered by Company under which Customers are paid incentives for agreeing to reduce load or provide generation when requested by Company.												
CallOption Event	An instance of Company requesting Customer to reduce load or generate power under the CallOption program.												
CallOption Season	The term for the Agreement specific to the selected CallOption program.												
Deviation Charges	The real time Deviation Charges incurred during the Event for the applicable Load Zone as published by PJM.												
Emergency CallOption Event	A CallOption Event declared during a Regional Emergency by Company at the request of PJM.												
Event Incentive Credit	The credit paid by Company to Customer for Customer's participation in a QuoteOption Event, Emergency Event or CallOption Event, computed in accordance herewith.												
Event Incentive Value:	An Event Incentive Value is the price at which Company may issue a request to purchase energy or load reduction from Customer.												

Exposure Period	<p>Hours of overall peak demand during which curtailment is most likely. Exposure Period hours vary seasonally, as defined below:</p> <ul style="list-style-type: none"> - May through October: 1pm to 7pm EDT - November through April: 6am to 11am EST <p>Note: Actual CallOption Emergency or Economic Events may occur outside of Exposure Periods.</p>
Firm Level:	A consumption level selected by Customer to which Customer agrees to reduce its load during a declared CallOption, or Emergency Event, as reflected on the Service Agreement.
Fixed Reduction:	Used when Customer will reduce load each hour during an event by a fixed amount, and is equal to the amount of load reduction from Customer's Pro Forma Load Level, as reflected on the Service Agreement.
Fuel Cost	The cost adjustment for fuel present in retail base rates.
Load Zone	The commercial pricing node and such successor commercial pricing node as published by PJM.
Maximum Number of Events	The maximum number of CallOption Events that the Customer shall be subject to during a CallOption Season, as elected by Customer on the Cover Sheet.
Monthly Premium Credit	The Annual Premium amount divided into the number of months between Effective and Ending Date, as calculated for each per the Premium Settlement process.
Option Load:	Option Load is the amount of load (reduction or generation supplied) that Customer elects to place under the CallOption program, as reflected on the Service Agreement.
PJM	The PJM Interconnection, LLC, which operates under an Open Access Transmission and Energy Markets Tariff filed with the Federal Energy Regulatory Commission.
PowerShare Website	A Company-hosted Internet website used to post QuoteOption Events, CallOption Events, Emergency Events, and related program information.
Premium Settlement	A calculation, after the CallOption month, to determine the Customer's Option Load for the month. This value is used in the computation of the Customer's monthly premium credit. The estimated Option Load provided on the Service Agreement is for Customer reference only.
Pro Forma Load Level:	The Pro Forma Load Level is an estimate of the Customer's load during a CallOption or QuoteOption or Emergency Event that would have occurred absent the Company exercising an event. The Pro Forma Load Level will be based on the Customer's historical load for the period when Company declares a CallOption or QuoteOption or Emergency Event, as determined by Company in its sole discretion.

QuoteOption	A program offered by Company under which Customers are paid incentives for voluntarily reducing load during QuoteOption Events
QuoteOption Event	An instance of Company offering to pay customers for voluntarily reducing load.
Real-Time LMP	The real time locational marginal price for the applicable Load Zone as published by PJM.
Reduction Value	The amount of energy reduction calculated during a CallOption Event as the difference between the Customer's Pro Forma Load Level and the actual load level as measured by the Company's meter.
Regional Emergency	A pre-emergency or EEA Level 2 event called by PJM in response to regional transmission constraints or generation shortages.
Week	A period having duration of Sunday through Saturday.

**Service Agreement
Customer Information**

Customer Name: Business name as it appears on Duke Energy Kentucky, Inc. utility bill.

Service Address: Service address as it appears on Duke Energy Kentucky, Inc. utility bill.

Account Number: Per billing account.

Primary Contact: Utilized by the Duke Energy Kentucky, Inc. for notification purposes.

Secondary Contact: Backup notification contact, utilized by the Duke Energy Kentucky, Inc.

Company Representative: Agreement to be signed and dated by an authorized agent of Company at such time meter and phone are considered operational by Company.

Time Zone: The time zone in which the premise to be served is located.