



# Five-Minute Response

## Pricing Option



*Five-Minute Response power, or 5 MR, allows participating commercial and industrial customers to qualify for credits on their power bills in exchange for giving TVA the right to suspend the availability of 5 MR power to address reliability needs of the TVA system.*

### **What are the eligibility criteria for this pricing option?**

*Eligibility requirements for participation in 5 MR include:*

1. Minimum total contract demand greater than 1,000 kW at a single delivery point.
2. Minimum Effective Interruptible Demand (EID) of at least 500 kW. EID is the amount of demand reduction that TVA expects the customer to deliver if suspended during TVA's highest 200 hours of system demand each year. The 5 MR program is limited to a maximum EID of 1,500 MW.
3. Minimum average load factor greater than 40 percent.
4. An adequate plan for meeting 5 MR suspension requirements.

### **How does the 5 MR pricing option work?**

*Credit* – A customer earns a \$4.00 per kW credit on the highest maximum amount of 5 MR demand established in any billing month in which the customer's load factor exceeds 50 percent.

*Suspension of Availability* – 5 MR availability may be suspended on five-minutes' notice. When such notice is given, customers must reduce load down to the level of contract demand not subject to suspension under the 5 MR pricing option.

*Non-compliance charges* – Credit reduction charges are applicable in the event a customer does not meet suspension requirements.

*Costs for participation* – 5 MR customers will be subject to a monthly administrative fee of \$700 assuming a single metering point. 5 MR requires a five minute interval meter.

*Adjustments* – The credit, credit reduction charges, and the administrative fee may be adjusted by TVA no more than once per 12-month period upon 60 days' notice.

### **Is 5 MR right for my company?**

5 MR may offer your company a significant savings to the extent that you can reduce your demand for power at anytime upon five minutes notice.

### **How do I subscribe?**

Contact your local distributor for more information on program details and the process for subscribing.