

Market Analysis: A Comparison of SEEM and the RTO Markets Across Various Metrics

Summer 2021



Disclaimers

Data and analyses contained in this presentation are accurate as of the year noted for the particular metric. The analyses were conducted in good faith and were based upon assumptions believed to be reasonable as of the date of this presentation.

The Southeastern Energy Exchange Market (SEEM) has yet to be approved by FERC and expected member participation is neither confirmed nor definite. All references to the SEEM are therefore in anticipation of FERC approval of the proposed SEEM and all analysis of "SEEM" was inclusive of expected members as of June 2021.



Market Analysis Overview

How does the proposed SEEM compare to RTO markets across four metrics?



Customer Satisfaction

- J.D. Power 2020 Electric Utility Residential Satisfaction Study
- J.D. Power 2020 Electric Utility Business Satisfaction Study



Reliability

- J.D. Power 2020 Electric Utility Residential Satisfaction Study
- J.D. Power 2020 Electric Utility Business Satisfaction Study



Generation Mix

- 2019 Energy Information Agency (EIA)
- Forms 860 and 923



Price

- 2019 EIA data
- Residential, Industrial & Commercial
- Form 861

Key Takeaway: RTOs Are Not Necessary to Deliver Clean, Affordable and Reliable Energy in the Proposed SEEM Region

The proposed SEEM Region...



Serves its customers by *appropriately balancing* customer satisfaction, reliability, price, and clean energy.



Is *on pace with or outperforming* the RTO markets across most metrics.



Will continue to increase clean energy generation while still providing world-class customer service and affordable and reliable power—*all without an RTO*.

Key Takeaways: Summary of the Four Metrics

Customer Satisfaction



Compared to the RTO markets, in 2020 the average Customer Satisfaction score of utilities in the proposed SEEM region ranked **first in the business segment and second** in the residential segment, based on the J.D. Power 2020 Electric Utility Residential Satisfaction StudySM and the J.D. Power 2020 Electric Utility Business Satisfaction StudySM

Reliability



Compared to the RTO markets, in 2020 the average Power Quality and Reliability satisfaction score of utilities in the proposed SEEM region ranked **second** in both the residential and business segments, based on the J.D. Power 2020 Electric Utility Residential Satisfaction StudySM and the J.D. Power 2020 Electric Utility Business Satisfaction StudySM

Key Takeaways: Summary of the Four Metrics

Price



In 2019, the proposed SEEM region had prices that were competitive across all customer classes with the lowest priced RTO regions, and **below the U.S. average prices and RTO average.**

Generation Mix



In 2019, the share of clean energy generation in the proposed SEEM region was **nearly the same** as the share of clean energy generation across the combined RTO markets, according to EIA data.

In 2019, the share of coal generation in the proposed SEEM region was **nearly the same** as the share of coal generation across the combined RTO markets, according to EIA data.

Customer Satisfaction & Power Quality and Reliability Satisfaction Analysis



J.D. Power Factors: Summary of Customer Satisfaction Index and Power Quality and Reliability

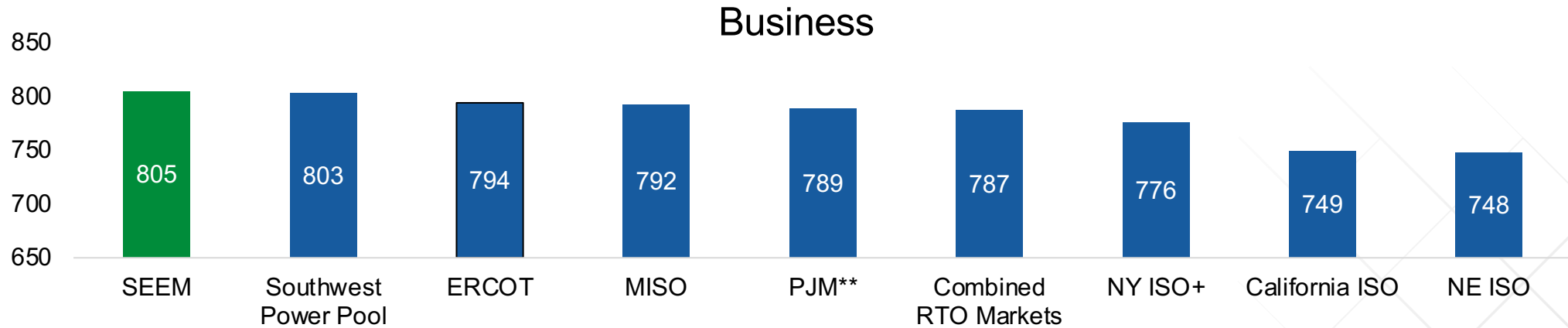
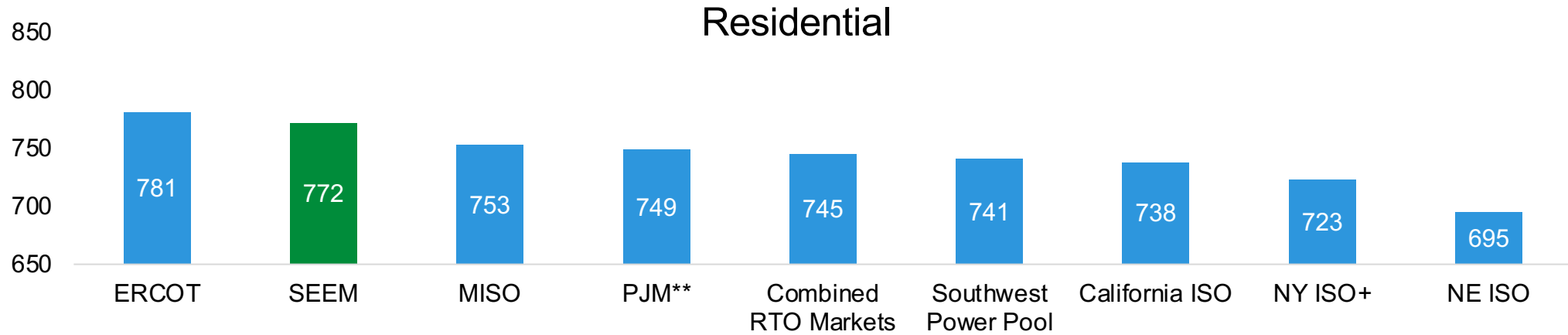
Customer Satisfaction Index

A measure of critical components driving overall customer satisfaction among electric utility customers, which allows companies to identify and prioritize improvements and benchmark their performance among other large and midsize electric utilities throughout the United States.

Power Quality & Reliability

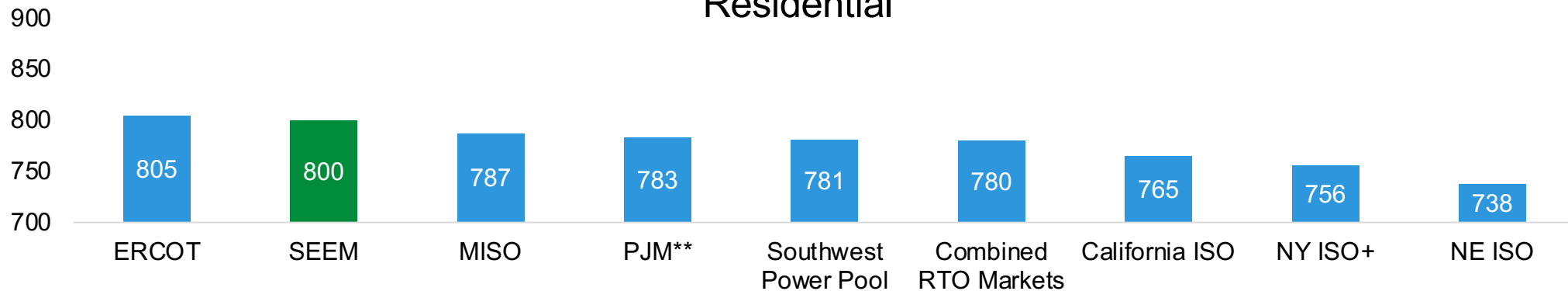
A measure of providing quality electric power (in terms of spikes, drops, or surges), supplying electricity during extreme temperatures, avoiding brief and lengthy outages and, when an outage occurs, promptly restoring power all while keeping customers informed about the outage.

2020 Customer Satisfaction Index – Utilities in RTOs and SEEM

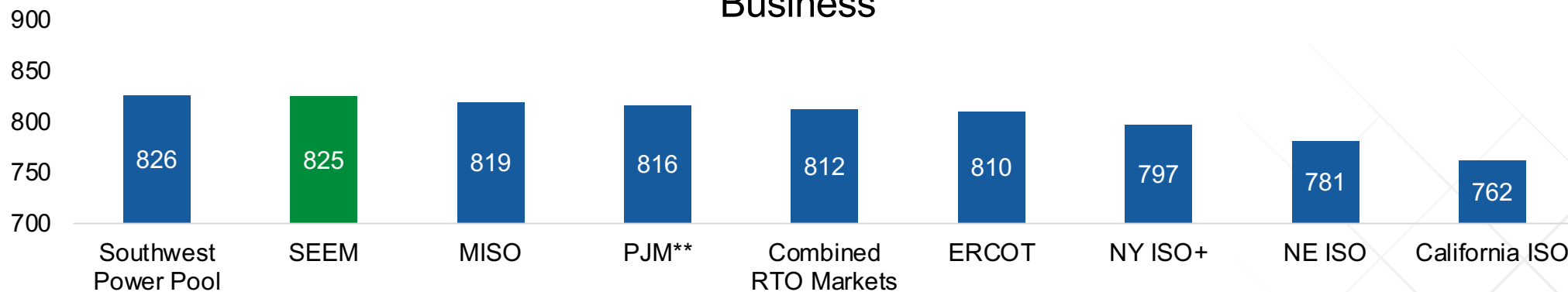


2020 Power Quality and Reliability – Utilities in RTOs and SEEM

Residential



Business

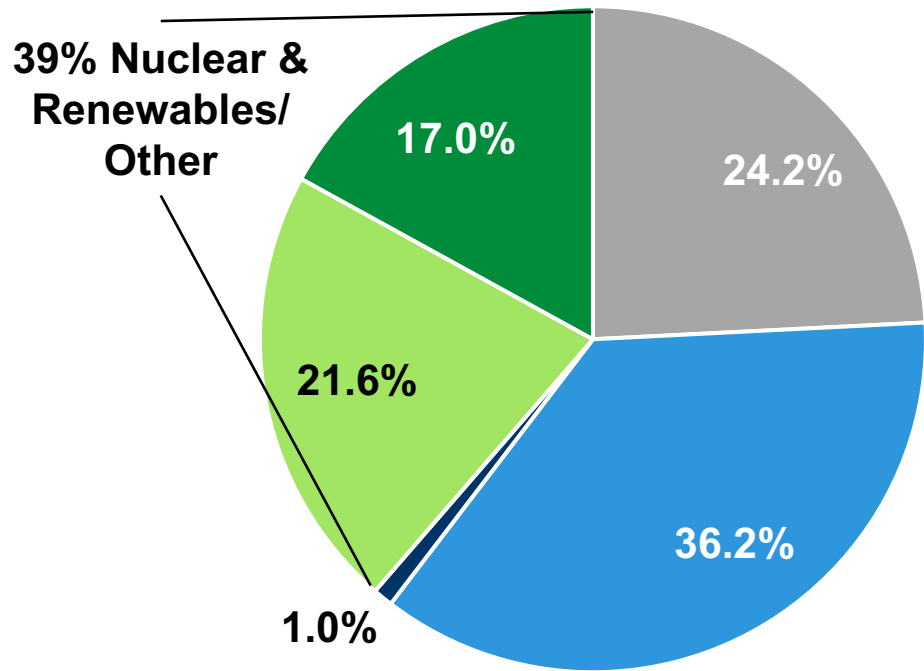


Generation Mix Analysis

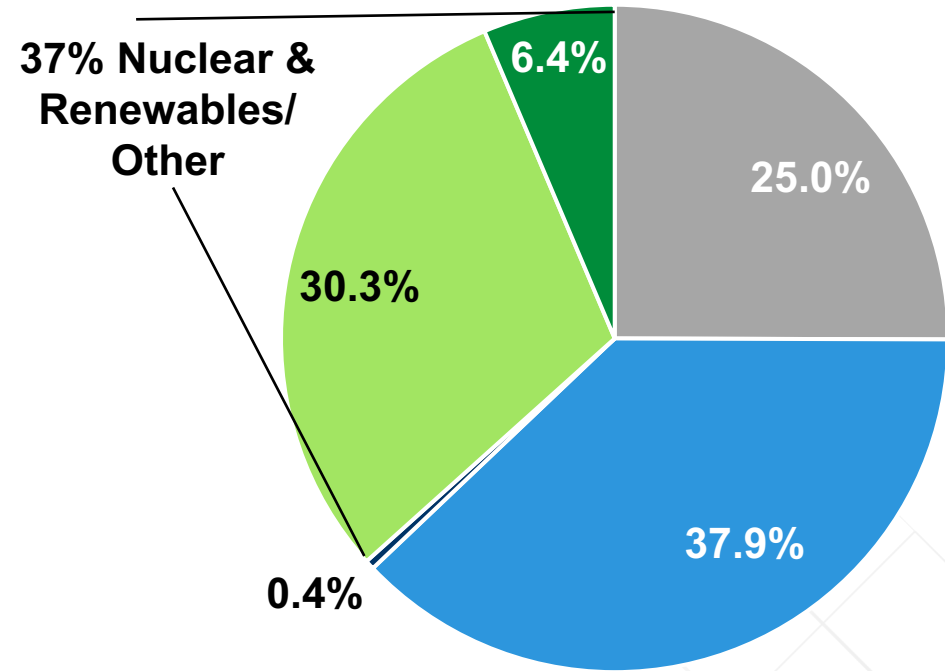


2019 Generation Mix: RTOs and SEEM

All RTOs



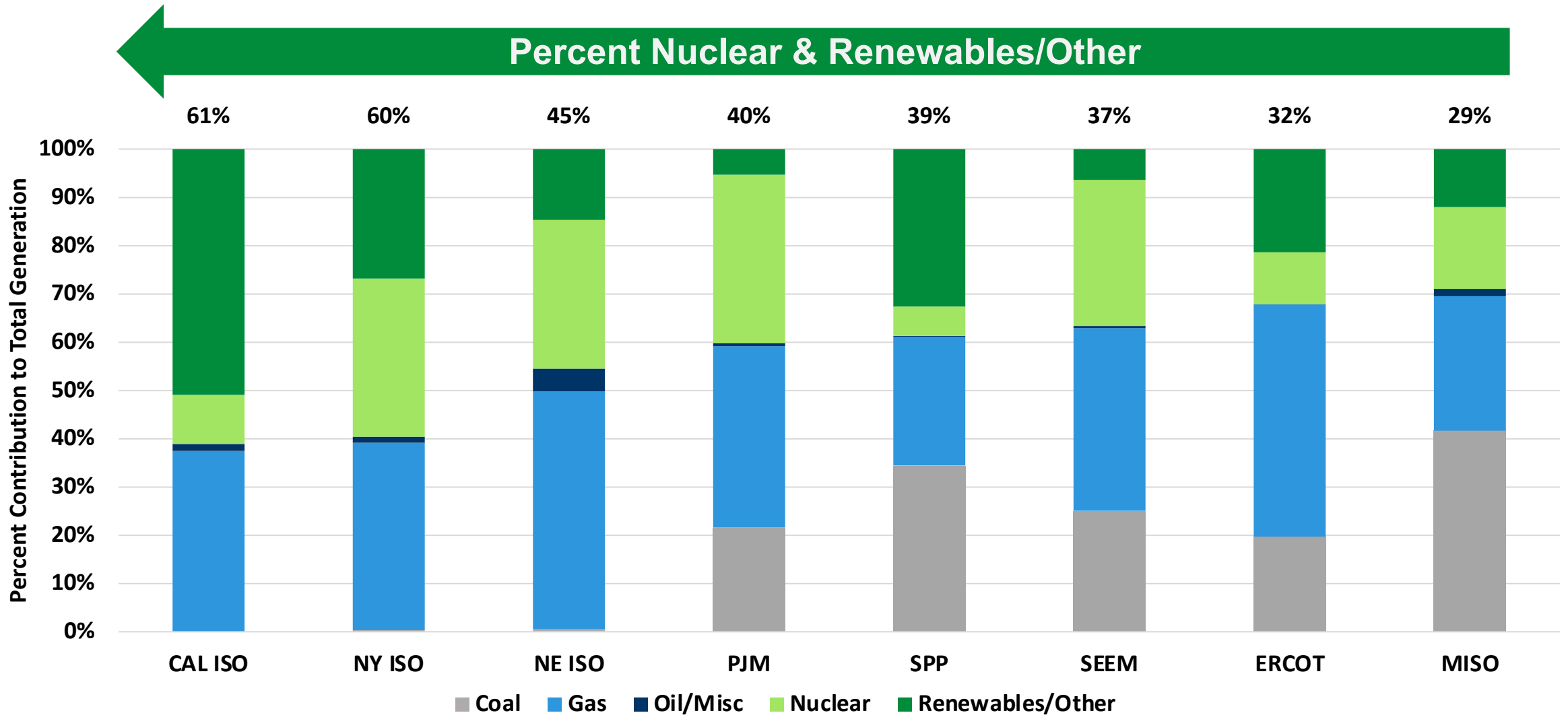
SEEM



■ Coal ■ Gas ■ Oil/Misc ■ Nuclear ■ Renewables/Other

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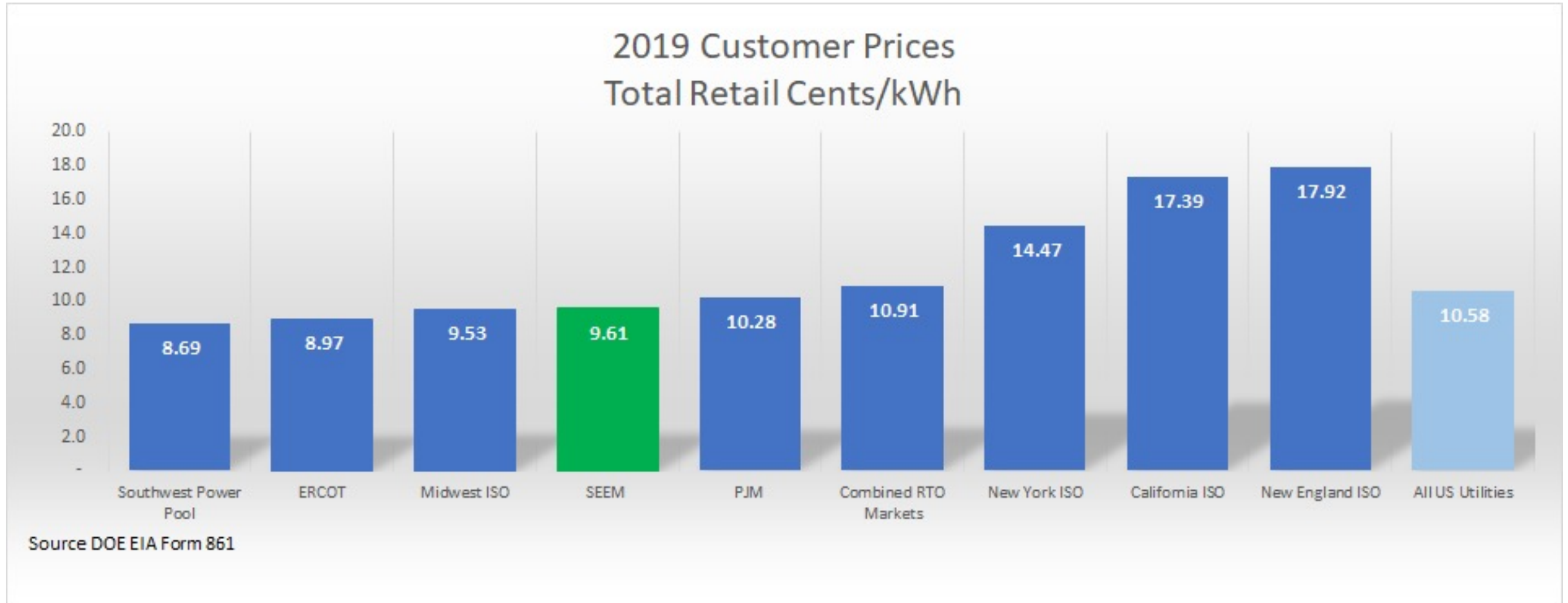
2019 Generation Mix by Region



Price Analysis



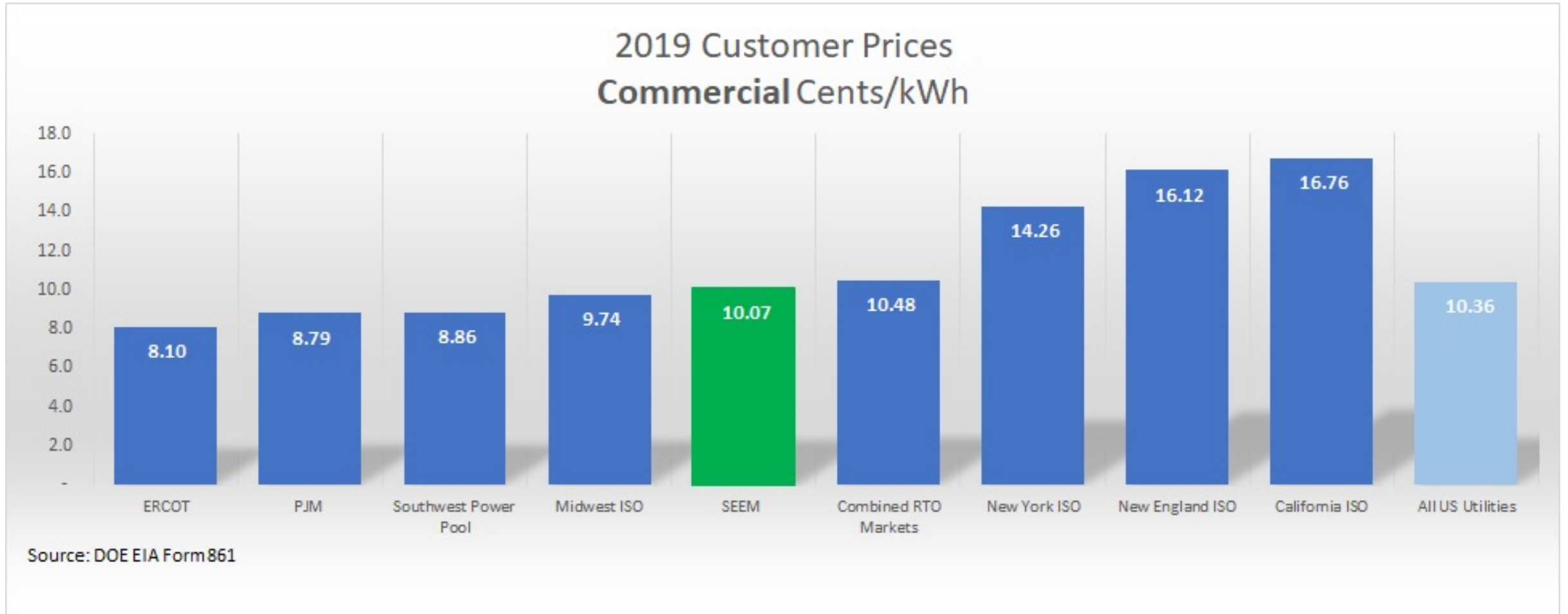
2019 Average Retail Prices



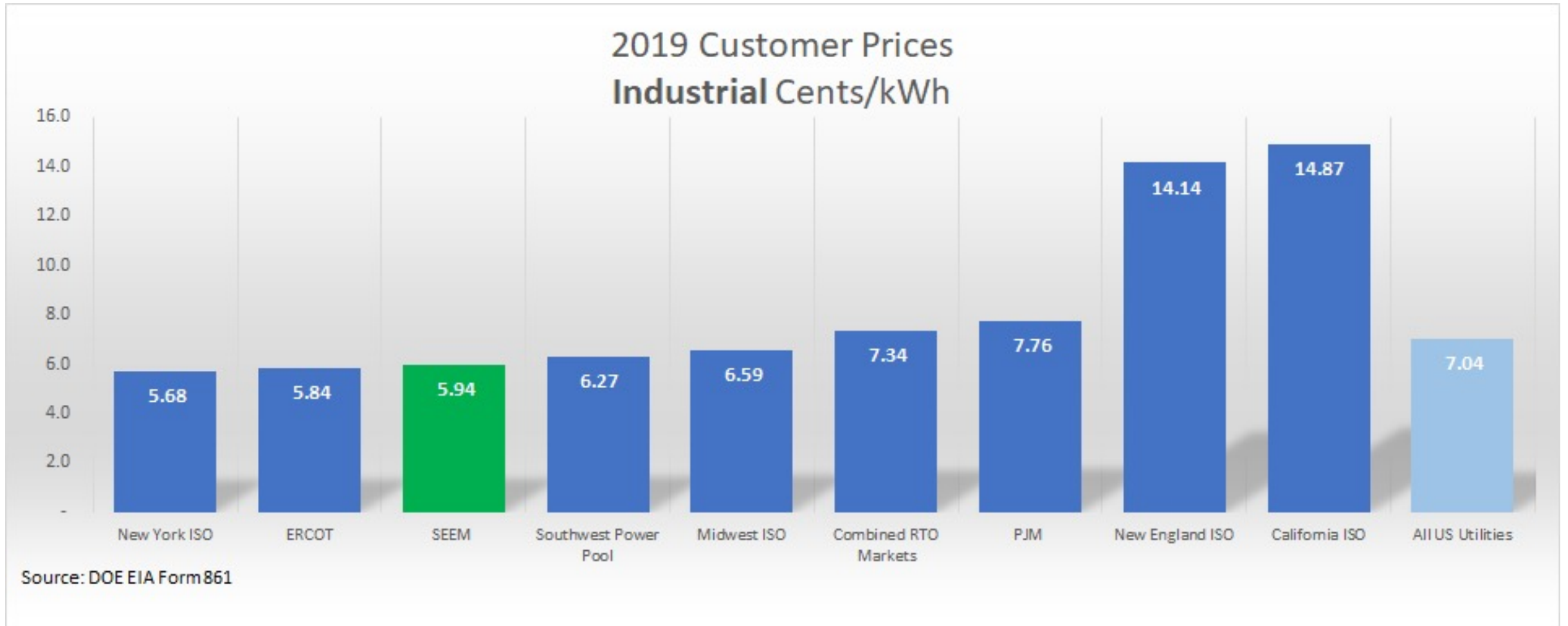
2019 Average Residential Prices



2019 Average Commercial Prices



2019 Average Industrial Prices



Appendix



Data Source Descriptions

- **Customer Satisfaction and Reliability**

- All utilities that participate in J.D. Power in the relevant market (J.D. Power participation thresholds require 100,000 residential customers and 40,000 business customers)
- Using last full year of data (2020)

- **Price**

- All retail electricity sales to ultimate customers
- SEEM: all companies that have announced interest in potentially participating in SEEM
- 2019 data (complete 2020 EIA data will not be available until Q4 2021)
- The data produced herein uses EIA data for each of the individual utilities within the SEEM footprint using EIA data. In the Answer filed on March 30, 2021 in Docket No. ER21-1111, the members of SEEM provided data that corresponded to the state level data set presented by one of the interveners.

- **Generation Mix**

- All generating units in the respective RTO market as flagged by EIA
- SEEM: all units tied to potential SEEM participants' balancing authorities, according to EIA
- 2019 data (complete 2020 EIA data will not be available until Q4 2021)

Expected SEEM Members Included in Analyses

Associated Electric Cooperative, Dalton Utilities, Dominion Energy South Carolina, Duke Energy Carolinas, Duke Energy Progress, Georgia System Operations Corporation, Georgia Transmission Corporation, LG&E and KU Energy, MEAG Power, NCEMC, NCMPA1, Oglethorpe Power Corp., PowerSouth, Santee Cooper, Southern Company and TVA