

Rate Rider: Economic Development Discount Rider (ED-1)

Applicable Rate Schedules: Medium Commercial Service or Industrial Service.

Rate Designation: Commercial or industrial end-use customers that would otherwise receive service under electric rate Medium Commercial Service or Industrial Service, may take advantage of the Economic Development Discount Rider ("ED Rider") as a New Customer or Expanded Load Customer. This ED Rider is applicable to all or part of the services provided to 1) New Large Load Customers, 2) Expanded Load Customers and 3) Job Creation Customers, as such terms are defined herein.

1. A New Load Customer shall be a customer seeking to locate a new business or relocate an existing business (not currently located in the City of Banning) within the City of Banning's service territory, where said business has a minimum monthly electrical demand of at least 200 kW based upon the business' past electrical demand or reasonable projections of such demand, as determined by the Electric Utility Director.
2. An Expanded Load Customer shall be an existing City of Banning customer that is adding new load to Banning by at least 50 kW of the existing customer's Current Peak Demand based upon the business' past electrical demand or reasonable projections of such demand, as determined by the Electric Utility Director. Current Peak Demand is determined by averaging the annual peak demand of the past three years. If a customer has not had service for at least three years, the maximum peak for the entire service period will be used. The expanded load can be at the customer's current site, or at a new site within the Banning service territory. The ED Rider will only be applied to the expanded load as determined in Section 5 below.
3. A Job Creation Customer shall be a new Customer which locates a new business or relocates an existing business (not currently located in the City of Banning) within the City of Banning's service territory. The discount will be tied to the number of full-time equivalent (FTE) jobs created or retained.

Class of Service: The service provided hereunder shall be alternating current with regulated frequency of 60 hertz, three-phase served through one meter, at a standard voltage not to exceed 480 volts, or as may be specified by the Electric Utility. To be eligible to participate all customers must have a demand meter.

Service Area: All areas within the City's assigned area of service.

Rate Reductions: Except as provided herein, or in the Economic Development Rider Agreement, all charges and provisions of the customer's otherwise applicable rate schedule (Medium Commercial Service or Industrial Service) shall apply including but not limited to the applicable Basic Service Charge, Energy Charge, Power Factor Correction

Charge, and Power Cost Adjustment Factor. Where the ED-1 Discount is determined by taking a percentage of the base demand charge as stated in the Customer's current Medium Commercial (MC-1) or Industrial Service (IS-1) Rate Schedules. The Customer's Demand Charge (kW) will be eligible for the rate reduction as follows:

Year 1 – 50%
Year 2 – 40%
Year 3 – 30%
Year 4 – 20%
Year 5 – 10%

Job Creation Tiers and Demand Discounts

| Tier | Jobs (FTEs) | Typical industries |
|------------------------|----------------|--|
| Tier 1 – Small | 10–49 | Small manufacturing, logistics support, back-office operations |
| Tier 2 – Medium | 50–99 | Manufacturing, health services, technology assembly |
| Tier 3 – Large | 100–199 | Distribution centers, regional headquarters |

| Year | Tier 1 | Tier 2 | Tier 3 |
|----------|--------|--------|--------|
| 1 | 30 % | 40 % | 50 % |
| 2 | 20 % | 30 % | 40 % |
| 3 | 10 % | 20 % | 30 % |
| 4 | 5 % | 10 % | 20 % |
| 5 | 2.5 % | 5 % | 10 % |

Special Conditions:

1. Term: Economic Development Rider Agreements entered into under this Schedule shall be for a single five-year term.
2. Approval: Application of this Rider shall be subject to the approval of the Electric Utility Director, based on meeting the eligibility criteria outlined herein.
3. Agreement: The customer must sign a standard Banning Economic Development Rider Agreement in order for the rates under this Schedule to be applicable.

4. Minimum Load: Customers qualifying under this Schedule as a New Customer or an Expanded Load Customer must agree to maintain a minimum level of load for five years from the date the service is first rendered under this Rider and must, reimburse Banning for all rate reductions received under this Rider, if the customer fails to maintain the required minimum load during such five-year term as set forth in the Economic Development Rider Agreement.
5. Job Creation: Customers qualifying under this Schedule as a New Job Creation under Applicability Section 3 respectively must agree to create and retain a minimum level of full-time equivalent jobs for five years from the date service is first rendered under this Schedule and to document compliance with all applicable requirements, as set forth in the Economic Development Rider Agreement.
6. Base Period Usage: Base Period Usage shall be established and agreed to in the Economic Development Rider Agreement for Expanded Load Customers. Base Period Usage shall be the average monthly energy use and demand for the customer during the last three years of service to the customer, from the date ending the last payment period before the date of the Agreement. Expanded load qualifying for the rate under this Schedule shall be measured as the difference between the new monthly, meter documented energy use and demand, and the Base Period Usage.
7. State Mandated Public Benefits Charge: All bills rendered under this Rider shall be subject to the Public Benefits Charge as established by the City Council.
8. Miscellaneous Fees and Charges: Rates charged pursuant to this Rider shall be subject to any and all fees and charges per the customer's otherwise applicable rate schedule.
9. Expanded Load: Expanded Load Customers applying for this rate must demonstrate to the satisfaction of the Electric Utility Director that the expanded load is new within the Service Area of Banning, and not just to the service address.
10. Effective Date: The effective date of the Economic Development Rider Agreement shall commence within 12 months from the date of the Electric Utility Director's approval, or the Agreement becomes null and void. The Agreement becomes effective upon execution by the parties, and the Economic Development Rider commences upon written notice by customer, and coincides with the customer's normal billing cycle.

11. Reapplication: Customers who have received service under the Economic Development Rider are eligible to reapply for the rate as an Expanded Load Customer 12 months after their current Economic Development Rider Agreement has expired, if they meet the criteria therefore.
12. Restrictions: Residential customers, and federal, state or local governmental agencies are not eligible to apply for service under this Schedule. Customers qualifying for the ED Rider discount are not eligible to apply for more than one discount under Section 1, 2 or 3. If a customer qualifies for more than one discount section, they can choose the greater discount of the eligible ED Rate.