



# ELECTRIC UTILITY FIVE-YEAR RATE PLAN PROPOSAL

## Public Utilities Department

City Council  
June 27, 2023

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### PROPOSED RESIDENTIAL 5 YEAR ELECTRIC RATE PLAN



WATER: \$0.15 Per Day



ELECTRIC: \$0.21 Per Day



REFUSE: + \$0.09 Per Day

\$0.45 Per Day

**or**

\$13.50 Per Month



Average rate  
increase per year  
for 5 years



# PROPOSED RATES

In year 1, the rate increase will amount to an additional

**\$7.97 per month for the average residential customer**

or the Price of  
**One Caffé Latte**

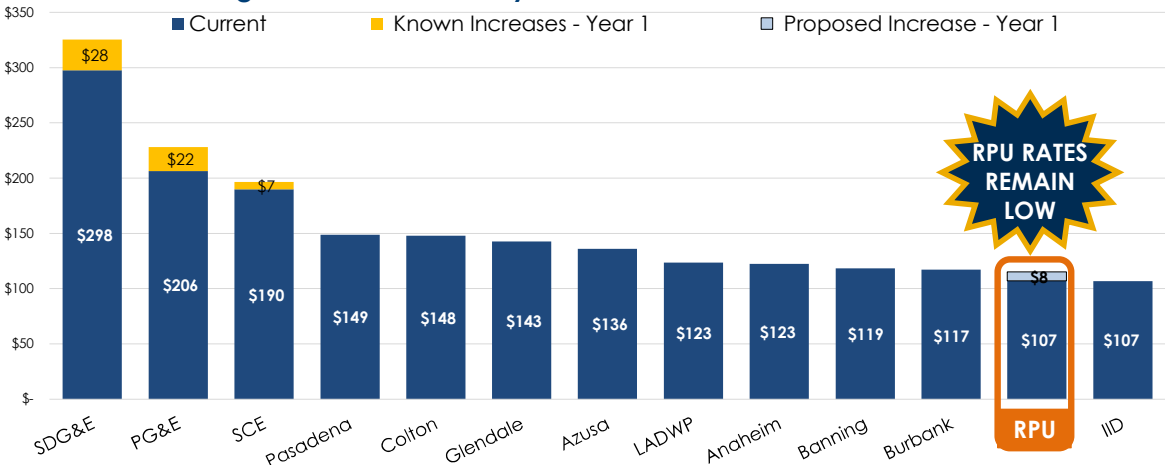


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# ELECTRIC RATE PLAN COMPARISON

Average Residential Monthly Bill at 600 kWh Per Month – Year One



**RPU RATES REMAIN LOW**



RPU = 112K Service Connections

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# OVERVIEW OF ELECTRIC

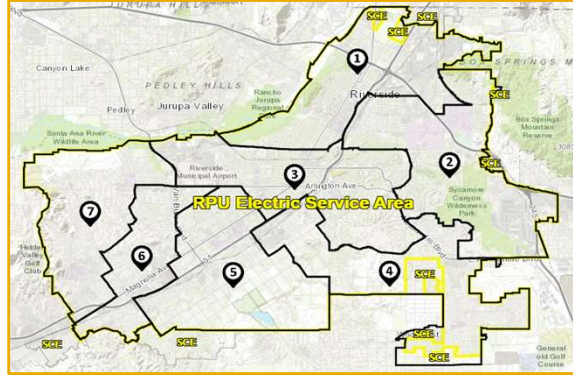
**Current Rate Plan Expires  
12/31/2023**



Established  
**1895**



**112K**  
Service Connections



**648 Megawatts**

Record Peak Demand  
(9/7/2022)



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# OVERVIEW OF ELECTRIC



## 1 of 46 Public Power Utilities in CA

Riverside is one of 46 cities in California that light up homes and businesses with “public power” – electricity that comes from a community-owned and operated utility



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# OVERVIEW OF ELECTRIC



Maintain  
**99.2 Miles**

Transmission Lines



Maintain  
**1,351 Miles**

Distribution Lines



Maintain  
**15**

Substations



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# RPU: ALL DAY EVERY DAY

RPU team members work 24/7 to keep the lights on

RIVERSIDE PUBLIC UTILITIES  
**ALL DAY EVERY DAY**



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## ELECTRIC FACILITIES



Riverside Energy Resource Center (RERC)



Springs



Clearwater (Corona Facility)



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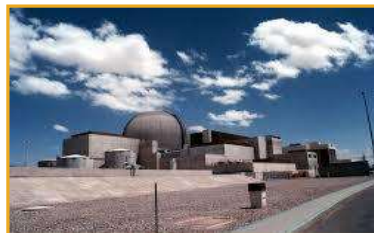
## JOINT POWER PARTICIPATION

### Renewables

- Antelope Big Sky Ranch
- Antelope DSR 1
- Columbia 2
- Kingbird B
- Summer Solar
- ARP Loyaltan

### Other Generation

- Palo Verde Nuclear Generation Station
- Hoover Hydro Power Plant



### Transmission

- Mead-Adelanto Transmission
- Mead-Phoenix Transmission
- Southern Transmission Systems

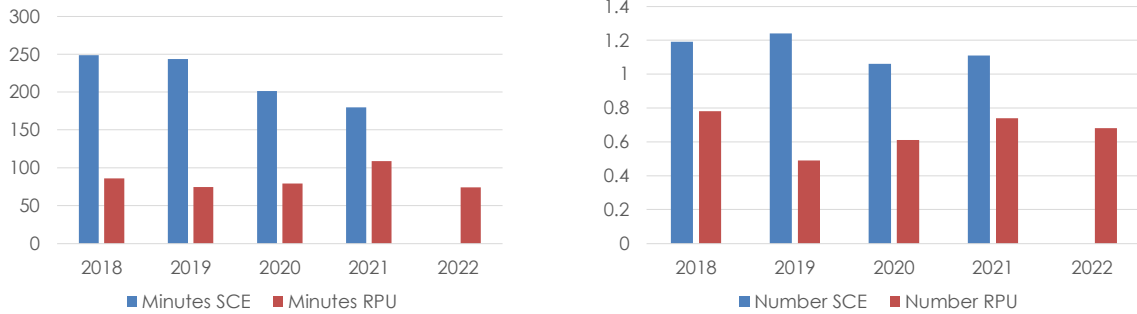


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# ELECTRIC SERVICE PERFORMANCE

## System Average Interruption Comparison with SCE



Note: SCE data unavailable for 2022



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# POWER SUPPLY CHALLENGES

## Sustainability Challenges to Riverside Requiring Vital Solutions



**Carbon Neutrality:**  
State mandates and Local Carbon reduction goals requiring a rapid transition to 100% clean energy.



**Increasing Loads and Peak Demands:**  
Driven by Transportation electrification and Building electrification.



**Increasing Transmission Access Charge:**  
New Transmission investment is needed to integrate regional renewable resources.



**Regulatory encroachment/loss of local Control:**  
Challenging to maintain rate affordability in alignment with local needs.



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# WHAT'S BEEN DONE TO KEEP RATES LOW



The use of long-term **Power Purchase Agreements** and hedging to control and **reduce the impact of power cost spiking by ~\$13M**



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# HISTORY OF ELECTRIC RATES

Electric	Rate Increase
1/1/2009	3.60%
1/1/2010	5.80%
1/1/2011	<b>0%</b>
1/1/2012	<b>0%</b>
1/1/2013	<b>0%</b>
1/1/2014	<b>0%</b>
1/1/2015	<b>0%</b>
1/1/2016	<b>0%</b>
1/1/2017	<b>0%</b>
1/1/2018	<b>0%</b>

No Rate Increases from 2011 - 2018



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# HISTORY OF ELECTRIC RATES

**Current Rate Plan Expires  
12/31/2023**

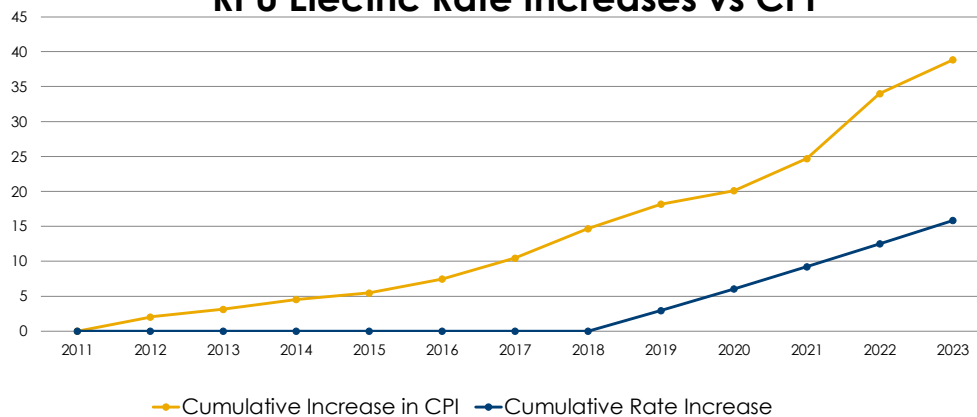
Electric	Rate Increase
1/1/2019	2.95%
1/1/2020	3.00%
1/1/2021	3.00%
1/1/2022	3.00%
1/1/2023	3.00%

Due to COVID impacts on the community, the 1/1/2021 rate increase was delayed to 7/1/2021



# THE WHY

**RPU Electric Rate Increases vs CPI**





# THE WHY

## INCREASED POWER SUPPLY COSTS



Increased **construction/equipment costs**



**Costs for natural gas** have **doubled over the last two years**, due to increased liquid natural gas exports and restricted capacity on western interstate gas pipelines.



**Costs for CAISO Market energy** have **gone up 60%-80%**, due to increasing natural gas costs and supply-chain challenges delaying the development of new renewable resources.

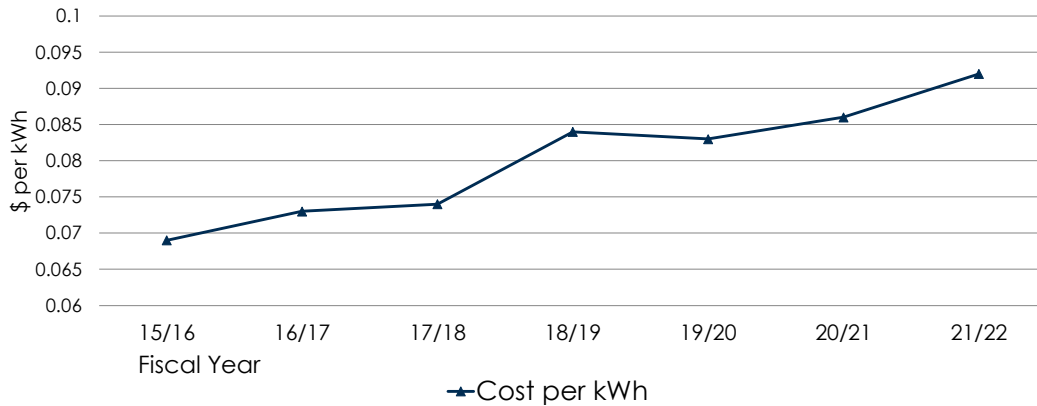


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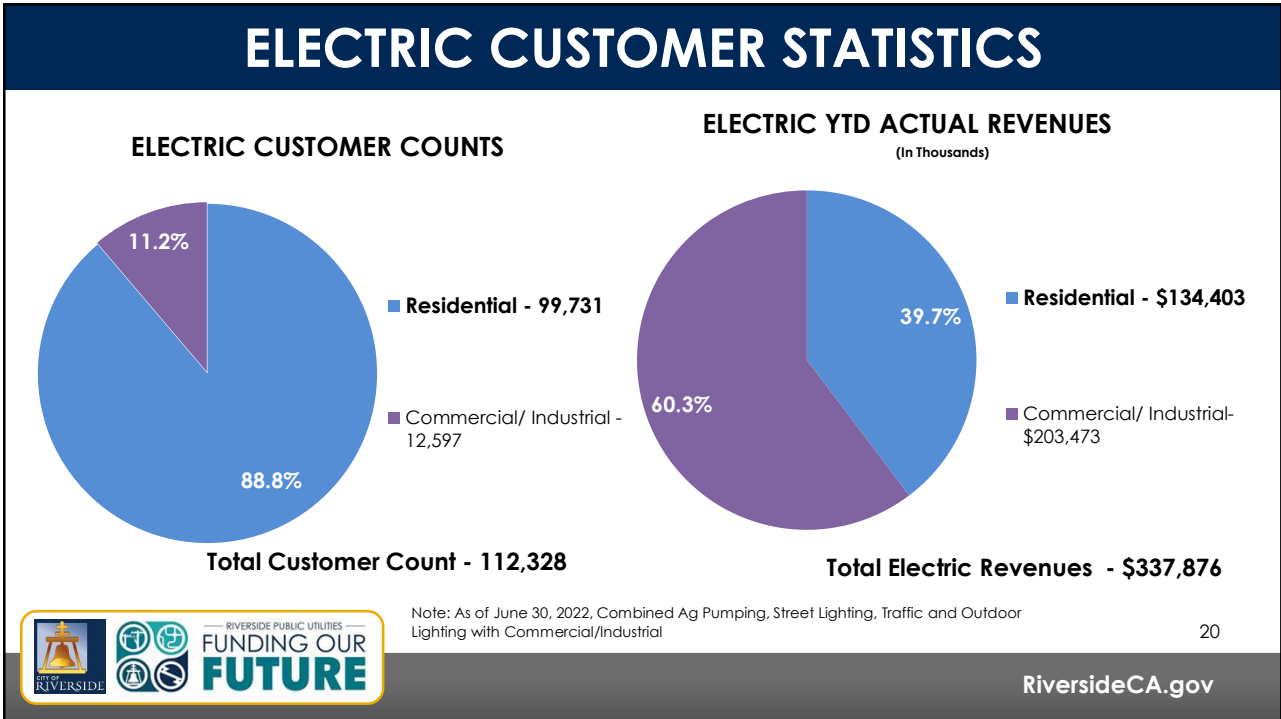
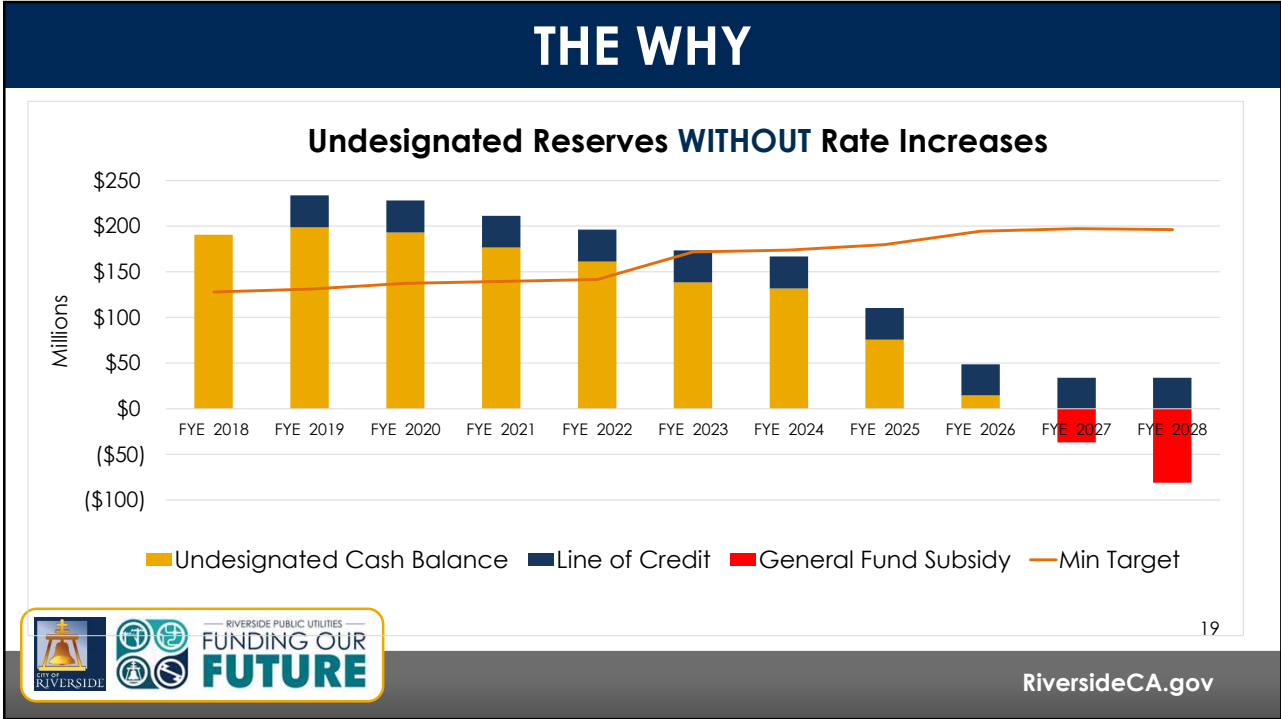
# THE WHY

## INCREASED POWER SUPPLY COSTS



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## PROPOSED RESIDENTIAL ELECTRIC RATE PLAN

Customer Class	Customers	Year 1 % Increase	Year 2 % Increase	Year 3 % Increase	Year 4 % Increase	Year 5 % Increase
Residential (3 Tiers)	99,718	7.1%	7.1%	7.0%	2.3%	2.4%



**\$7.97**  
Average Monthly  
increase year 1

**\$0.21**  
Avg Cost  
per day over  
5 years



Dollar values calculated based average monthly usage of 600 kWh

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## PROPOSED COMMERCIAL ELECTRIC RATE PLAN

Customer Class	Customers	Year 1 % Increase	Year 2 % Increase	Year 3 % Increase	Year 4 % Increase	Year 5 % Increase
Commercial Flat (2 Tiers)	11,015	2.5%	2.8%	3.0%	3.0%	2.9%
Commercial Demand (2 Tiers)	988	0.0%	0.0%	0.0%	0.0%	0.0%
Industrial TOU (3 periods)	622	5.9%	6.6%	6.3%	4.3%	4.3%



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# PROPOSED COMMERCIAL ELECTRIC RATE PLAN

Customer Class	Avg kWh Usage (Tier 1)	Year 1 % Increase	Years 2-5 % Increase
<b>Commercial Flat Example</b>	1,750	2.7%	3.8%



**\$9.12**

Average monthly increase year 1

**\$0.43**

Average Cost Per Day over 5 years

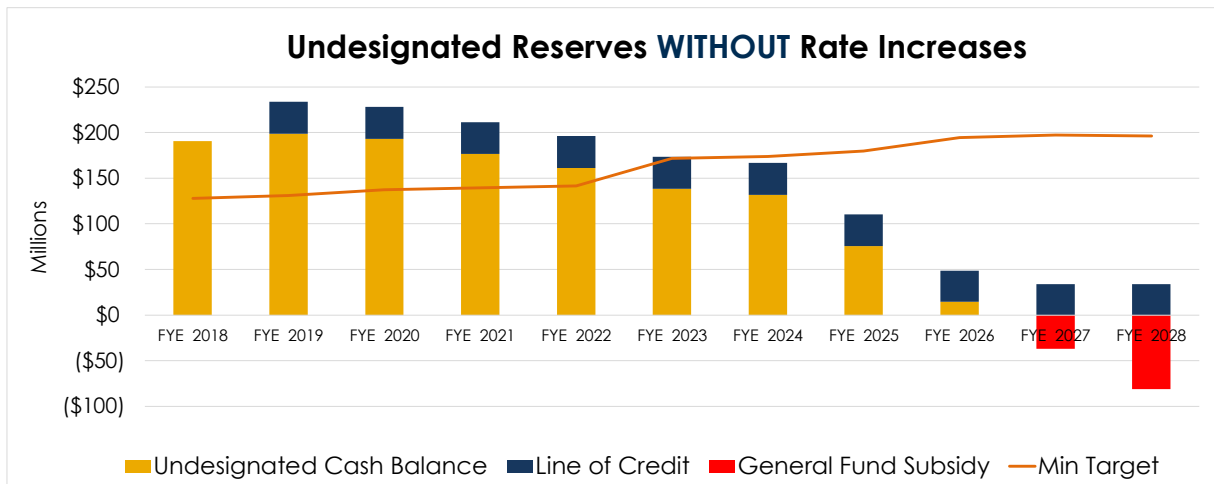


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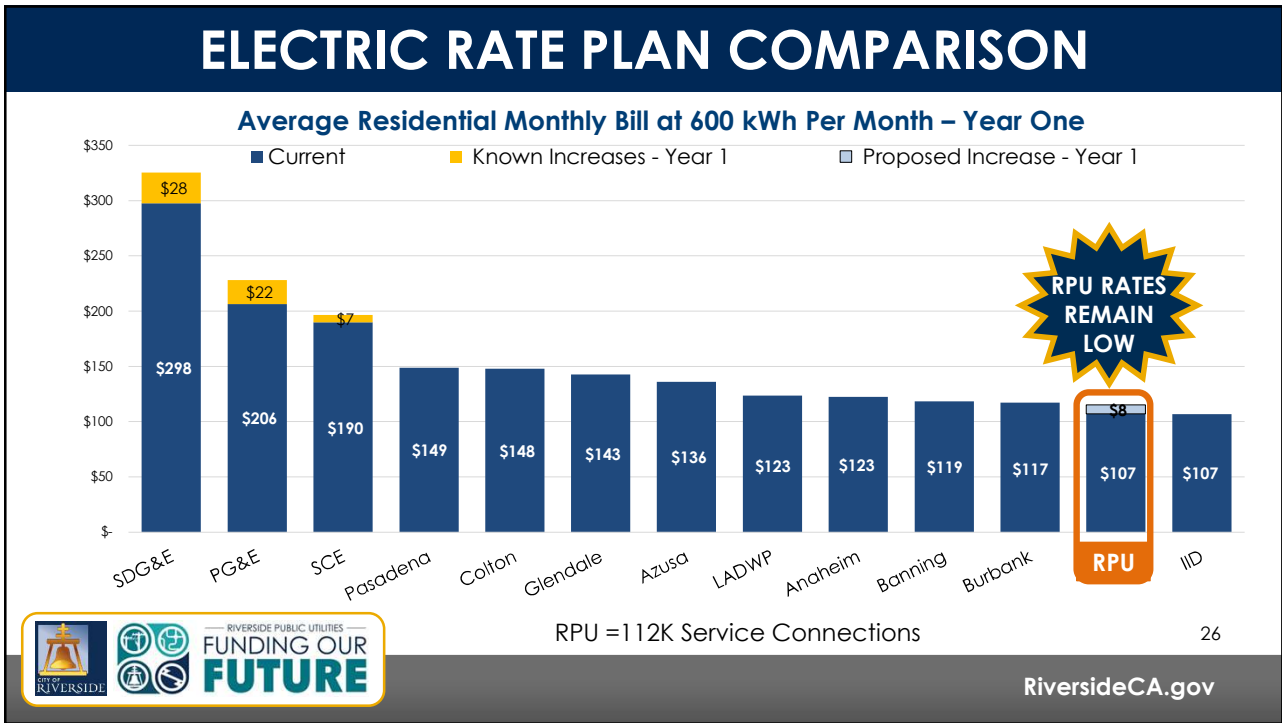
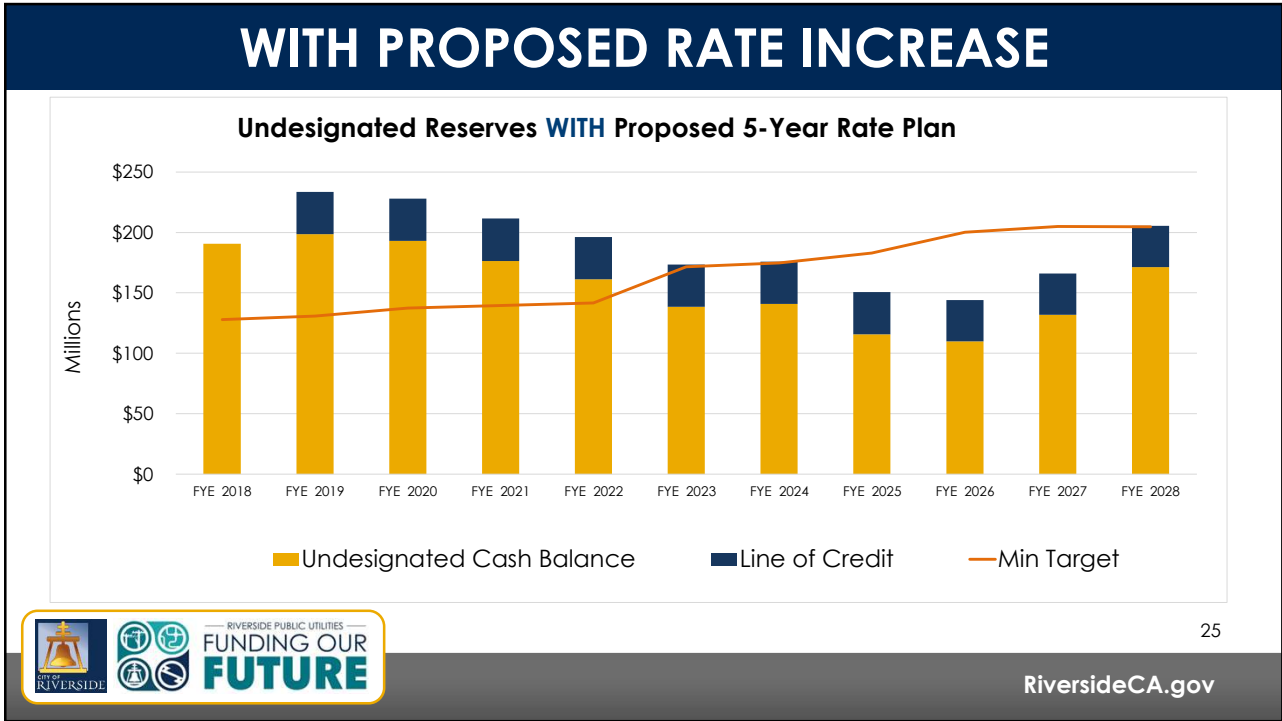
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# WITHOUT RATE INCREASES



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# LOW INCOME PROGRAMS - ELECTRIC

## Sharing Households Assist Riverside's Energy (SHARE) Program

Established  
**1989**

**4,880**  
Residential Electric Customers Assisted

**\$16.00**  
Current Monthly Electric SHARE Credit

**\$20.00**  
Projected future Monthly Electric SHARE Credit



Income qualification based on 250% of the Federal poverty income guideline and the number of people in the household.

¿NECESITA AYUDA PARA PAGAR SU FACTURA DE SERVICIOS PÚBLICOS?

[RiversidePublicUtilities.com/Assistance](http://RiversidePublicUtilities.com/Assistance)

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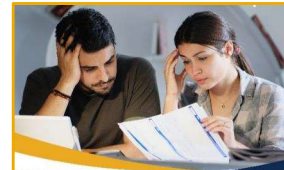
# ASSISTANCE PROGRAMS

## ESAP

Energy Savings Assistance Program (ESAP) is designed to help lower monthly bills, while making homes more energy efficient through professional home improvements at no cost to customer

## Utilicare

Medical support program offered to Riverside Public Utilities customers with a full-time resident who regularly use certain medical devices that provides electricity at an adjusted rate structure



¿NECESITA AYUDA PARA PAGAR SU FACTURA DE SERVICIOS PÚBLICOS?

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# ENERGY EFFICIENCY PROGRAMS

## Energy Rebates

RPU offers a wide range of energy efficiency programs to help customers lower their utility bills

- Air Conditioning Incentives
- Energy Star Rebates on Qualifying Appliances
- Pool & Spa Pump
- Tree Power
- Weatherization



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# NEW REPLACEMENT PROJECT

## Hunter Substation Replacement Project

Commissioned in  
**the early 1960's**

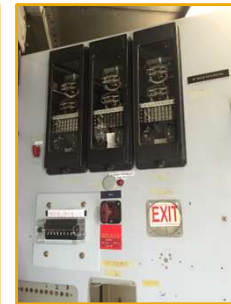
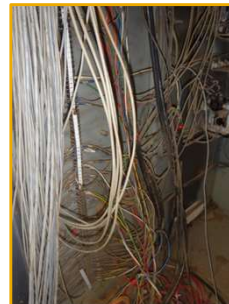
Average  
substation life  
expectancy is  
**~50 years**

Serves  
approximately  
**4,700**  
customers

### NEW SUBSTATION

**Improve system reliability** with a new Utility Scale distribution substation supporting future development in the area and maintaining power reliability.

**Approximate cost \$40M**



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## WHAT'S NEXT

**Board of  
Public Utilities**  
June 12, 2023

**Board of Public Utilities  
Public Hearing and Rate  
Consideration**  
August 14 or 28, 2023

**City Council**  
June 27, 2023

**City Council Public  
Hearing and Rate  
Consideration**  
September 19, 2023



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## RECOMMENDATIONS

**That the City Council:** \_\_\_\_\_

1. Conceptually approve the electric utility five-year rate plan proposal; and
2. Direct the City Manager to prepare all documents necessary for public noticing of the rate proposal, to update proposed rate schedules to reflect changes due to the rate proposal, and to update any other documents necessary for the public hearing to be held before the City Council on September 19, 2023, with new rates effective January 1, 2024.



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