



ELECTRIC RATE TRENDS STUDY

Finance/Rates Division

Customer Relations/Finance Committee

May 16, 2022

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BACKGROUND

1. NewGen was approved to complete the Electric Cost of Service and Rate Design Project
2. Phase II Electric Rate Trends Study
 - a. Rate making principles
 - b. Electric rate alternatives and electric utility survey
 - c. Summary of general recommendations
 - d. Implementation considerations



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RATEMAKING PRINCIPLES DRIVE RATE DESIGN

City Council
Approved
July 26, 2016



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TYPES OF RATES OFFERED (TABLE A-1)

Current RPU Rate Offerings	Alameda	Anaheim	Austin Energy	Azusa	Burbank	Glendale	Green Mountain Power	Los Angeles	Palo Alto	Pasadena	Redding	Riverside	SMUD	SCE	Silicon Valley Power
1 Economic Development Rate	✓	✓		✓						✓	✓	✓	✓	✓	✓
2 Electric Vehicle TOU Rate- Residential	✓	✓	✓	✓	✓		✓	✓				✓	✓	✓	✓
3 EV Public Charging Stations	✓	✓	✓		✓	✓		✓	✓	✓		✓	✓	✓	
4 Feed-In Tariff		✓				✓		✓	✓			✓	✓	✓	✓
5 High Voltage Rates	✓	✓	✓	✓					✓		✓	✓		✓	✓
6 Increased Fixed Charge	✓			✓	✓	✓				✓	✓	✓	✓		
7 Net Metering Rate / Self-Generation / NEM 2.0	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
8 Network Access Charge										✓	✓	✓			
9 Reliability Charge					✓			✓				✓			
10 Seasonal Rates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
11 Medium and Large Commercial Demand Charge	✓			✓		✓	✓	✓				✓	✓	✓	✓
12 Standby Charge	✓		✓	✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
13 Street Lighting LED Rates	✓		✓				✓		✓	✓		✓	✓	✓	
14 Tiered Rates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
15 TOU for Residential (Tiered and Non-Tiered)	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
16 TOU for Large Commercial and Industrial		✓		✓	✓	✓			✓	✓		✓	✓	✓	✓
17 Voluntary Renewable Pricing	✓	✓	✓		✓		✓	✓	✓	✓		✓	✓	✓	✓

TYPES OF RATES OFFERED (TABLE A-1)

Not Currently Offered by RPU	Alameda	Anaheim	Austin Energy	Azusa	Burbank	Glendale	Green Mountain Power	Los Angeles	Palo Alto	Pasadena	Redding	Riverside	SMUD	SCE	Silicon Valley Power
18 Small Residential Class		✓								✓	✓		✓	✓	
19 Residential Demand Charge															
20 Small Commercial Demand Charge	✓			✓		✓	✓	✓					✓	✓	✓
21 TOU for Small & Medium Commercial		✓		✓	✓	✓		✓	✓	✓			✓	✓	✓
22 Commercial and Industrial EV Charging		✓												✓	
23 Critical Peak Pricing							✓						✓	✓	✓
24 Real-Time Pricing								✓						✓	✓
25 Decoupling						✓		✓							
26 Optional Rates with High Fixed Charges															✓
27 Power Factor Charges	✓	✓		✓		✓		✓	✓	✓	✓		✓	✓	✓
28 Power Cost Adjustment	✓	✓	✓	✓	✓	✓		✓		✓	✓			✓	✓
29 Regulatory Adjustment		✓	✓			✓					✓				
30 Special Rates/Charges (i.e. Wildfire Rate)											✓			✓	
31 Transmission Access Charge			✓							✓				✓	
32 Unbundled Rates	✓					✓			✓	✓				✓	✓
33 Community Solar			✓					✓					✓	✓	✓
34 Virtual / Aggregated Self-Generation														✓	✓

ADVANTAGES & DISADVANTAGES (TABLE A-2)

Current RPU Rate Offerings		Advantages	Disadvantages	AMI Required/ Benefit
1	Economic Development Rate	May increase high load factor customers; may lower average costs	Existing customers may not accept; not based on cost of service	
2	Electric Vehicle TOU Rate- Residential	Provides incentive for charging off-peak; may improve system and circuit load factor and lower average costs	Requires separate metering and special billing	✓
3	EV Public Charging Stations	Provides utility owned EV public charging stations; justified based on cost of service	Administrative burden	✓
4	Feed-In Tariff	Cost based method for promoting distributed generation	Customer confusion between net metering and FIT; customer may prefer long-term pricing	✓
5	High Voltage Rates	Tracks costs for high voltage users; justified based on cost of service	Administrative burden to identify customers qualifying for rate (This is less of an administrative burden than individual contracts)	✓

ADVANTAGES & DISADVANTAGES (TABLE A-2)

Current RPU Rate Offerings		Advantages	Disadvantages	AMI Required/ Benefit
6	Increased Fixed Charge	Recovers utility fixed costs; justified based on cost of service	Customer acceptance may be poor; impacts small users	
7	Net Metering Rate / Self-Generation / NEM 2.0	Promotes distributed generation; helps meet California mandates	Does not recover fixed distribution costs	✓
8	Network Access Charge	Recovers utility fixed costs; especially from low energy users or DER systems users	Adds complexity to bills with an additional bill item; customer acceptance may be poor	✓
9	Reliability Charge	Recovers utility fixed costs; debt service on internal generation and transmission	Delay in transmission projects	✓
10	Seasonal Rates	Tracks costs by season	Adds complexity to bills	



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Current RPU Rate Offerings		Advantages	Disadvantages	AMI Required/ Benefit
11	Medium and Large Commercial Demand Charge	Recovers utility fixed costs; justified based on cost of service	High charges for customers with poor load factors	✓
12	Standby Charge	Recovers fixed distribution costs	Adds complexity to bills; may discourage distributed generation; does not apply to NEM	
13	Street Lighting LED Rates	Recovers cost by LED fixture type if energy is unmetered	Administrative burden	
14	Tiered Rates	Recovers utility costs; can result in customer conservation	Impacts large users; may produce revenue volatility	
15	TOU for Residential (Tiered and Non-Tiered)	Sends price signals to change customer behavior; may improve system load factor and lower average costs	Requires advanced metering and may not be understood by customers	✓



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Current RPU Rate Offerings	Advantages	Disadvantages	AMI Required/ Benefit
16 TOU for Large Commercial and Industrial	Sends price signals to change customer behavior; may improve load factor of larger customers	Requires advanced metering and may not be understood by customers	✓
17 Voluntary Renewable Pricing	Provides options for customers and utility to increase renewables	None	



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Not Currently Offered By RPU	Advantages	Disadvantages	AMI Required/ Benefit
18 Small Residential Class	Justified based on cost of service; provides utility and customers with more accurate usage information	Requires separate metering and special billing; may not be understood by customers	✓
19 Residential Demand Charge	Recovers utility fixed costs; justified based on cost of service	Requires advanced metering; customer acceptance may be poor	✓
20 Small Commercial Demand Charge	Recovers utility fixed costs; justified based on cost of service	Requires advanced metering; customer acceptance may be poor	✓
21 TOU for Small & Medium Commercial	Sends price signals to change customer behavior; may improve system load factor and lower average costs	Requires advanced metering and may not be understood by customers	✓
22 Commercial and Industrial EV Charging	Provides incentive for charging off-peak; may improve system load factor; provides more public EV stations	Administrative burden	✓



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Not Currently Offered By RPU	Advantages	Disadvantages	AMI Required/ Benefit
23 Critical Peak Pricing	Cost based rate; may be advantageous for industrial customers	Requires advanced metering, communications and billing systems	✓
24 Real-Time Pricing	Pure cost based rate; may be advantageous for industrial customers	Requires advanced metering, communications and billing systems	✓
25 Decoupling	Could improve fixed cost recovery	Difficult to quantify and incorporate reserve balances. May require refund of overcollection of fixed cost recovery	
26 Optional Rates with High Fixed Charges	Recovers utility fixed costs; offers bill certainty to customer	Lower energy rates do not promote conservation with contradicts a CA state mandate	
27 Power Factor Charges	Tracks and allocates costs for low power factor users	Administrative burden of metering and billing	✓



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Not Currently Offered By RPU	Advantages	Disadvantages	AMI Required/ Benefit
28 Power Cost Adjustment	Recovers utility costs	Customer acceptance may be poor; adds complexity to bills	
29 Regulatory Adjustment	Recovers utility costs	Adds complexity to bills	
30 Special Rates/Charges (i.e. Wildfire Rate)	Recovers costs for unique situations outside the control of the utility.	Adds complexity to bills with an additional bill item; customer acceptance may be poor	
31 Transmission Access Charge	Recover utility fixed costs for transmission assets	Adds complexity to bills with an additional bill item; customer acceptance may be poor	
32 Unbundled Rates	Tracks costs by generation, transmission, and distribution	Adds complexity to bills; customer acceptance may be poor	



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ADVANTAGES & DISADVANTAGES (TABLE A-2)

Not Currently Offered By RPU		Advantages	Disadvantages	AMI Provides Benefit
33	Community Solar	Helps meet California mandates; may be better for utility than DG	Customer acceptance may not be as high as DG	✓
34	Virtual / Aggregated Self-Generation	Promotes distributed generation and community causes	Adds complexity to distributed generation customers' service, requires advanced metering	✓



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Current RPU Rate Offerings		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
1	Economic Development Rate	Some	May become more common	May become more common
2	Electric Vehicle TOU Rate-Residential	Some	Likely more common	Likely more common
3	EV Public Charging Stations	Some	Likely more common	Likely more common
4	Feed-In Tariff	Some	Likely more common	Likely more common
5	High Voltage Rates	Common	Likely to remain common	Likely to remain common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Current RPU Rate Offerings		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
6	Increased Fixed Charge	Not common	May become more common	Likely to become more common
7	Net Metering Rate / Self-Generation / NEM 2.0	Common	Likely common	Likely common
8	Network Access Charge	Some	May become more common	May become more common
9	Reliability Charge	Not common	May become more common	May become more common
10	Seasonal Rates	Common	Likely common	Likely common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Current RPU Rate Offerings		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
11	Medium and Large Commercial Demand Charge	Common	Likely more common	Likely more common
12	Standby Charge	Some	May become more common	Likely more common
13	Street Lighting LED Rates	Some	Likely to remain common	Likely to remain common
14	Tiered Rates	Common	May become less common	Likely less common
15	TOU for Residential (Tiered and Non-Tiered)	Pilot programs are common	Likely more common	Likely more common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Current RPU Rate Offerings		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
16	TOU for Large Commercial and Industrial	Common	Likely to remain common	Likely to remain common
17	Voluntary Renewable Pricing	Some	Likely to become more common	Likely to become more common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
18	Small Residential Class	Not common	Unlikely common	Potentially common
19	Residential Demand Charge	Not common	Unlikely common	May become more common
20	Small Commercial Demand Charge	Not common	Unlikely common	May become more common
21	TOU for Small & Medium Commercial	Some	Likely more common	Likely more common
22	Commercial and Industrial EV Charging	Some	Likely more common	Likely more common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
23	Critical Peak Pricing	Not common utility practice	Unlikely to become common	May become more common
24	Real-Time Pricing	Not common utility practice	Unlikely to become common	May become more common
25	Decoupling	Not common utility practice	Unlikely to become common	Unlikely to become common
26	Optional Rates with High Fixed Charges	Not common utility practice	Unlikely to become common	Unlikely to become common
27	Power Factor Charges	Practice of some utilities	Unlikely to become common	May become more common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
28	Power Cost Adjustment	Practice of some	May become more common	May become more common
29	Regulatory Adjustment	Practice of some	May become more common	May become more common
30	Special Rates/Charges (i.e. Wildfire Rate)	Not common	Unlikely to become common	Unlikely to become common
31	Transmission Access Charge	Not common	Unlikely to become common	Unlikely to become common
32	Unbundled Rates	Not common	Unlikely to become common	Unlikely to become common



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UTILITY INDUSTRY CONSIDERATIONS (TABLE A-3)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
33	Community Solar	Not common	May become more common	Likely more common
34	Virtual / Aggregated Self-Generation	Not common	May become more common	Likely more common



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RATE STRUCTURE RANKINGS (TABLE A-4)

Current RPU Rate Offerings	Customer Acceptance	Change in Customer Usage	Technology Required	Customer Costs of Technology	Utility Costs of Technology	Barriers to New Rates	Risks Utility Perspective	Costs and Benefits Utility Perspective	Costs and Benefits Customer Perspective
1 Economic Development Rate	2	3	3	3	3	3	2	2	3
2 Electric Vehicle TOU Rate- Residential	3	3	2	1	2	3	3	3	2
3 EV Public Charging Stations	2	2	2	3	1	3	2	2	3
4 Feed-In Tariff	2	2	2	2	1	2	2	2	2
5 High Voltage Rates	2	3	3	3	3	3	3	3	2
6 Increased Fixed Charge	1	2	3	3	3	2	3	3	2
7 Net Metering Rate / Self-Generation / NEM 2.0	3	3	2	2	1	2	2	2	3
8 Network Access Charge	2	2	3	3	3	3	3	3	2
9 Reliability Charge	2	2	3	3	3	3	3	3	1
10 Seasonal Rates	3	2	3	3	3	3	3	3	2
11 Medium and Large Commercial Demand Charge	1	3	2	2	2	2	2	2	2
12 Standby Charge	2	3	3	3	2	2	3	2	3
13 Street Lighting LED Rates	3	1	3	3	3	3	3	3	1
14 Tiered Rates	2	3	3	3	3	2	2	3	2
15 TOU for Residential (Tiered and Non-Tiered)	3	3	2	3	1	2	2	2	3
16 TOU for Large Commercial and Industrial	3	3	2	3	1	2	2	3	2
17 Voluntary Renewable Pricing	3	1	3	3	3	3	3	3	2



3 = Desirable
2 = Moderate
1 = Not Desirable

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RATE STRUCTURE RANKINGS (TABLE A-4)

Current RPU Rate Offerings	Cumulative Score	Average Score
1 Economic Development Rate	24	2.67
2 Electric Vehicle TOU Rate- Residential	22	2.44
3 EV Public Charging Stations	20	2.22
4 Feed-In Tariff	17	1.89
5 High Voltage Rates	25	2.78
6 Increased Fixed Charge	22	2.44
7 Net Metering Rate / Self-Generation / NEM 2.0	20	2.22
8 Network Access Charge	24	2.67
9 Reliability Charge	23	2.56
10 Seasonal Rates	25	2.78
11 Medium and Large Commercial Demand Charge	18	2.00
12 Standby Charge	23	2.56
13 Street Lighting LED Rates	23	2.56
14 Tiered Rates	23	2.56
15 TOU for Residential (Tiered and Non-Tiered)	21	2.33
16 TOU for Large Commercial and Industrial	21	2.33
17 Voluntary Renewable Pricing	24	2.67

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RATE STRUCTURE RANKINGS (TABLE A-4)

Not Currently Offered by RPU	Customer Acceptance	Change in Customer Usage	Technology Required	Customer Costs of Technology	Utility Costs of Technology	Barriers to New Rates	Risks Utility Perspective	Costs and Benefits Utility Perspective	Costs and Benefits Customer Perspective
18 Small Residential Class	2	1	2	3	2	2	2	2	2
19 Residential Demand Charge	1	3	2	1	2	1	1	2	2
20 Small Commercial Demand Charge	1	3	2	2	2	2	2	2	2
21 TOU for Small & Medium Commercial	2	3	2	3	1	2	2	2	3
22 Commercial and Industrial EV Charging	3	2	1	1	2	2	3	2	1
23 Critical Peak Pricing	1	3	1	3	1	1	2	1	1
24 Real-Time Pricing	1	3	1	3	1	1	2	1	1
25 Decoupling	2	1	3	3	3	3	3	3	1
26 Optional Rates with High Fixed Charges	3	2	2	2	3	2	2	3	2
27 Power Factor Charges	3	3	1	3	1	2	3	3	2
28 Power Cost Adjustment	2	2	2	2	2	2	3	2	2
29 Regulatory Adjustment	2	2	1	2	2	2	3	2	2
30 Special Rates/Charges (i.e. Wildfire Rate)	1	1	3	3	3	3	3	3	1
31 Transmission Access Charge	1	1	3	3	3	3	3	3	1
32 Unbundled Rates	2	1	3	3	3	3	3	3	1
33 Community Solar	3	1	2	3	1	3	3	3	2
34 Virtual / Aggregated Self-Generation	3	2	2	3	1	2	2	1	3

3 = Desirable
2 = Moderate
1 = Not Desirable

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RATE STRUCTURE RANKINGS (TABLE A-4)

Not Currently Offered by RPU	Cumulative Score	Average Score
18 Small Residential Class	18	2.00
19 Residential Demand Charge	15	1.67
20 Small Commercial Demand Charge	18	2.00
21 TOU for Small & Medium Commercial	20	2.33
22 Commercial and Industrial EV Charging	17	1.89
23 Critical Peak Pricing	14	1.56
24 Real-Time Pricing	14	1.56
25 Decoupling	22	2.44
26 Optional Rates with High Fixed Charges	21	2.33
27 Power Factor Charges	21	2.33
28 Power Cost Adjustment	19	2.11
29 Regulatory Adjustment	18	2.00
30 Special Rates/Charges (i.e. Wildfire Rate)	21	2.33
31 Transmission Access Charge	21	2.33
32 Unbundled Rates	22	2.44
33 Community Solar	21	2.33
34 Virtual / Aggregated Self-Generation	19	2.11

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SUMMARY OF RECOMMENDATIONS (A-5)

Current RPU Rate Offerings	Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
1 Economic Development Rate	Continue/monitor	Continue/monitor	Continue/monitor
2 Electric Vehicle TOU Rate-Residential	Continue/monitor	Continue/monitor	Continue/monitor
3 EV Public Charging Stations	Continue/modify as necessary	Continue/modify as necessary	Continue/modify as necessary
4 Feed-In Tariff	Continue/monitor mandates/ regulations	Continue/monitor mandates/ regulations	Continue/monitor mandates/ regulations
5 High Voltage Rates	Continue/monitor	Continue/monitor	Continue/monitor



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SUMMARY OF RECOMMENDATIONS (A-5)

Current RPU Rate Offerings	Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
6 Increased Fixed Charge	Continue COS fixed charges/ customer acceptance	Continue tracking with COS/ monitor	Continue tracking with COS/ monitor
7 Net Metering Rate / Self-Generation / NEM 2.0	Continue/monitor mandates/ regulations	Continue/monitor mandates/ regulations	Continue/monitor mandates/ regulations
8 Network Access Charge	Continue/monitor	Continue/monitor	Continue/monitor
9 Reliability Charge	Continue	Continue	Continue
10 Seasonal Rates	Continue	Continue	Continue



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SUMMARY OF RECOMMENDATIONS (A-5)

Current RPU Rate Offerings	Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
11 Medium and Large Commercial Demand Charge	Continue	Continue	Continue
12 Standby Charge	Continue	Continue	Continue
13 Street Lighting LED Rates	Modify as needed	Modify as needed	Modify as needed
14 Tiered Rates	Evaluate/consider collapsing tiers	Evaluate/consider TOU	Evaluate/consider TOU
15 TOU for Residential (Tiered and Non-Tiered)	Revise as necessary/monitor	Revise/consider as default	Revise/consider as default



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SUMMARY OF RECOMMENDATIONS (A-5)

Current RPU Rate Offerings		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
16	TOU for Large Commercial and Industrial	Continue	Continue	Continue
17	Voluntary Renewable Pricing	Continue/monitor	Continue/monitor	Continue/monitor



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SUMMARY OF RECOMMENDATIONS (TABLE A-5)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
18	Small Residential Class	Consider implementation/ monitor	Consider implementation/ monitor	Consider implementation/ monitor
19	Residential Demand Charge	Continue/monitor	Continue/monitor	Continue/monitor
20	Small Commercial Demand Charge	Continue/monitor	Consider as a pilot program/ monitor	Consider as a pilot program/ monitor
21	TOU for Small & Medium Commercial	Revise as necessary/ monitor	Revise as necessary/ monitor	Revise as necessary/ monitor
22	Commercial and Industrial EV Charging	Implement/monitor	Continue/monitor	Continue/monitor



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SUMMARY OF RECOMMENDATIONS (TABLE A-5)

Not Currently Offered By RPU	Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
23 Critical Peak Pricing	Do not implement/monitor	Do not implement/monitor	Do not implement/monitor
24 Real-Time Pricing	Do not implement/monitor	Do not implement/monitor	Do not implement/monitor
25 Decoupling	Do not implement/monitor	Do not implement/monitor	Do not implement/monitor
26 Optional Rates with High Fixed Charges	Continue current practice/monitor	Consider as a pilot program/monitor	Consider as a pilot program/monitor
27 Power Factor Charges	Do not implement/monitor	Do not implement/monitor	Do not implement/monitor



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SUMMARY OF RECOMMENDATIONS (A-5)

Not Currently Offered By RPU	Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
28 Power Cost Adjustment	Do not implement/monitor exposure to fluctuations in power costs	Do not implement/monitor exposure to fluctuations in power costs	Do not implement/monitor exposure to fluctuations in power costs
29 Regulatory Adjustment	Do not implement/monitor regulatory costs	Do not implement/monitor regulatory costs	Do not implement/monitor regulatory costs
30 Special Rates/Charges (i.e. Wildfire Rate)	Do not implement/monitor regulations/mandates	Monitor regulations/mandates	Monitor regulations/mandates
31 Transmission Access Charge	Do not implement/monitor	Consider implementing pilot program/monitor	Consider implementing pilot program/monitor
32 Unbundled Rates	Do not implement/consider educating customers	Do not implement/consider educating customers	Do not implement/consider educating customers



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SUMMARY OF RECOMMENDATIONS (A-5)

Not Currently Offered By RPU		Short-Term (1 Year) Consideration	Mid-Term (2-5 Years) Consideration	Long-Term (>5 Years) Consideration
33	Community Solar	Investigate potential community solar projects	Monitor community interest	Monitor community interest
34	Virtual/Aggregated Self-Generation	Investigate potential aggregated programs	Continue investigating/monitor	Monitor/consider pilot program



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GENERAL RECOMMENDATIONS

1. Continue current practices, monitor, updating based on COS
 - a. Seasonal rates
 - b. Economic development rates
 - c. Stand-by Charge
 - d. TOU rates
2. EV Charging Rates
 - a. Continue domestic charging
 - b. Implement commercial/public charging stations
 - c. Monitor other utilities' practice, regulations, mandates



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GENERAL RECOMMENDATIONS

3. Continue fixed cost recovery
 - a. Reliability Charge
 - b. Network Access Charge
4. Implement Self-Generation Program
 - a. Close Net Energy Metering Program
 - b. Continuing Feed-in Tariff
 - c. Analyze/modify as necessary community solar/ aggregation programs
 - d. Analyze/modify with state mandates



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GENERAL RECOMMENDATIONS

5. Not proposed for this study
 - a. Residential Demand Charges
 - b. Real-Time/Critical Peak Pricing
 - c. Rate adjustment mechanisms
 - I. Power Cost Adjustment
 - II. Regulatory Cost Adjustment
 - III. Decoupling
6. Discontinue Power Cost Adjustment Factor (PCAF)
 - a. Structure is out of date
 - b. Not implemented for many years



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GENERAL RECOMMENDATIONS

7. Consider collapsing existing tiers
 - a. Transition to TOU
8. Explore small domestic rate
 - a. Individually metered apartments/condos
 - b. equitably recover customer costs



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PROJECT STATUS

Electric Cost-Of-Service and Rate Design Project	Status
Phases I- Cost of Service Analysis	Underway
Phases II- Electric Rate Trends Study	Draft
Phases III- Rate Design Recommendation	Following Phase I and II
Phase IV- Customer Impact Rate Design Model	With Phase III, Following Phase I and II
Phase V- Self-Generation Program Review	Draft



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STRATEGIC PLAN ALIGNMENT



Strategic Priority 6 - Infrastructure, Mobility & Connectivity

Goal 6.2 - maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATION

That the Customer Relations/Finance Committee receive an update and provide feedback on the Electric Rate Trends Study.



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