



# ELECTRIC UTILITY FIVE-YEAR RATE PLAN PROPOSAL

## Riverside Public Utilities

Board of Public Utilities  
June 12, 2023

RiversideCA.gov

## 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



RiversideCA.gov

## 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**

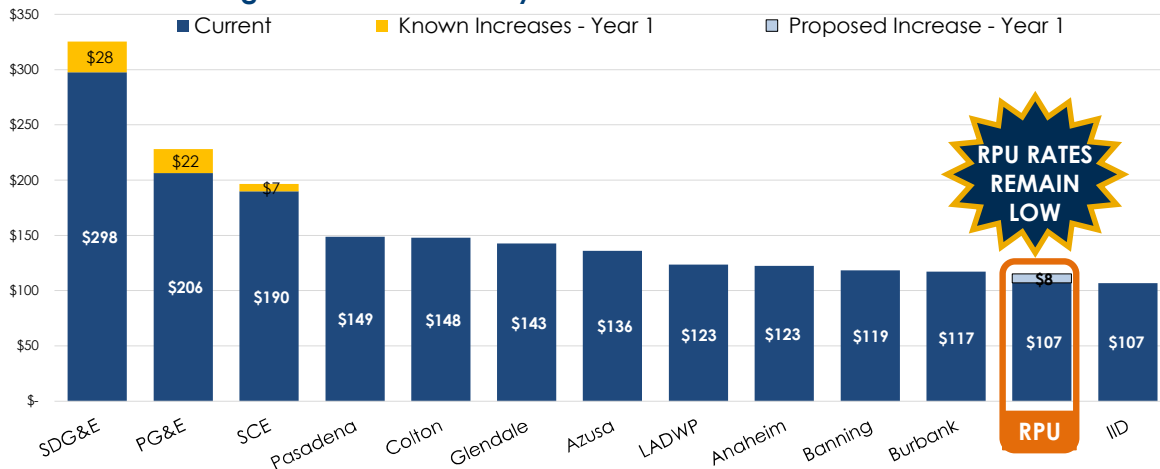


3

RiversideCA.gov

## ELECTRIC RATE PLAN COMPARISON

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



RPU = 112K Service Connections

4

RiversideCA.gov

## OVERVIEW OF ELECTRIC

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



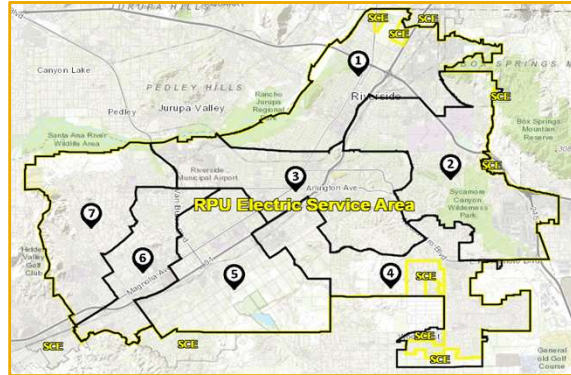
Established  
**1895**



**112K**  
Service Connections

**648 Megawatts**

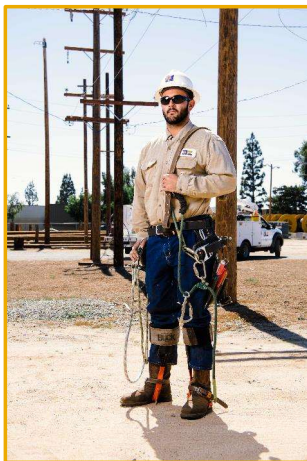
Record Peak  
Demand  
(9/7/2022)



5

[RiversideCA.gov](http://RiversideCA.gov)

## 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



6

[RiversideCA.gov](http://RiversideCA.gov)

## OVERVIEW OF ELECTRIC



**Maintain  
99.2 Miles**

Transmission Lines



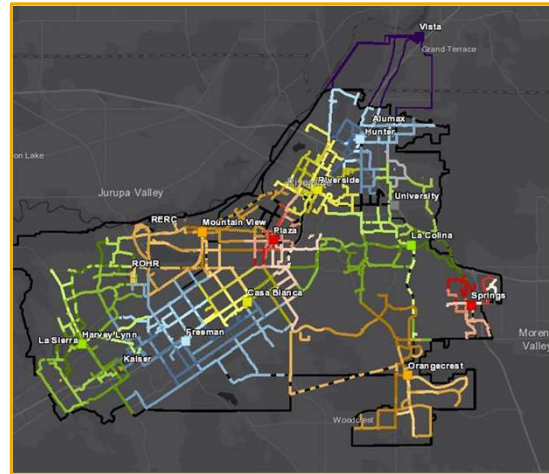
**Maintain  
1,351 Miles**

Distribution Lines



**Maintain  
15**

Substations



7

RiversideCA.gov

## RPU: ALL DAY EVERY DAY

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

RIVERSIDE PUBLIC UTILITIES  
**ALL DAY  
EVERY DAY**



8

RiversideCA.gov

## ELECTRIC FACILITIES



Riverside Energy Resource  
Center (RERC)



Springs



Clearwater  
(Corona Facility)



9

RiversideCA.gov

## JOINT POWER PARTICIPATION

- Palo Verde Nuclear Generation Station (12.3 MW)
- Hoover Hydro Power Plant (30MW)
- Mead-Adelanto Transmission (118 MW)
- Mead-Phoenix Transmission (18 MW)
- Southern Transmission Systems (244 MW)



10



RiversideCA.gov



## JOINT POWER PARTICIPATION

### Renewables

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

### Other Generation

- Palo Verde Nuclear Generation Station
- Hoover Hydro Power Plant



### Transmission

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



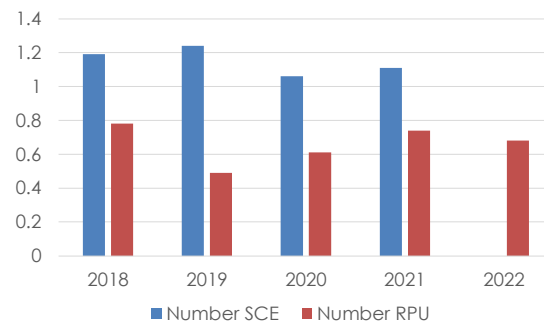
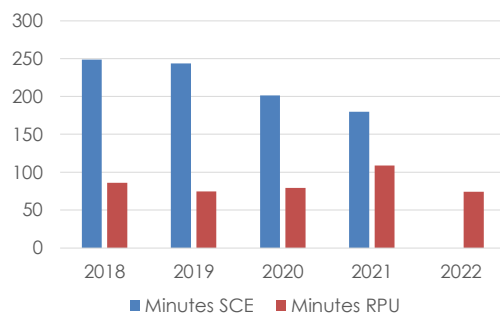
11



RiversideCA.gov

## ELECTRIC SERVICE PERFORMANCE

### System Average Interruption Comparison with SCE



Note: SCE data unavailable for 2022

12



RiversideCA.gov

# 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.



13

RiversideCA.gov

# 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**



14

RiversideCA.gov

## HISTORY OF ELECTRIC RATES

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

No Rate Increases  
from 2011 - 2018



15

RiversideCA.gov

## 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



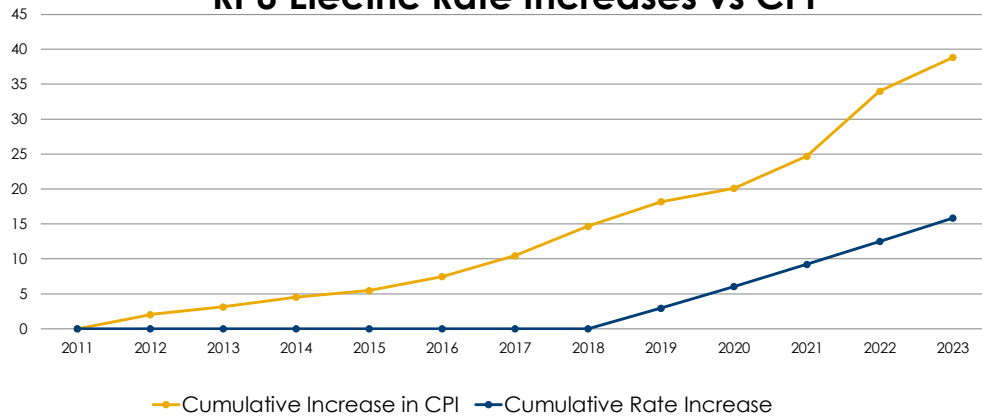
16

RiversideCA.gov



## THE WHY

### RPU Electric Rate Increases vs CPI



17

RiversideCA.gov

## 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.

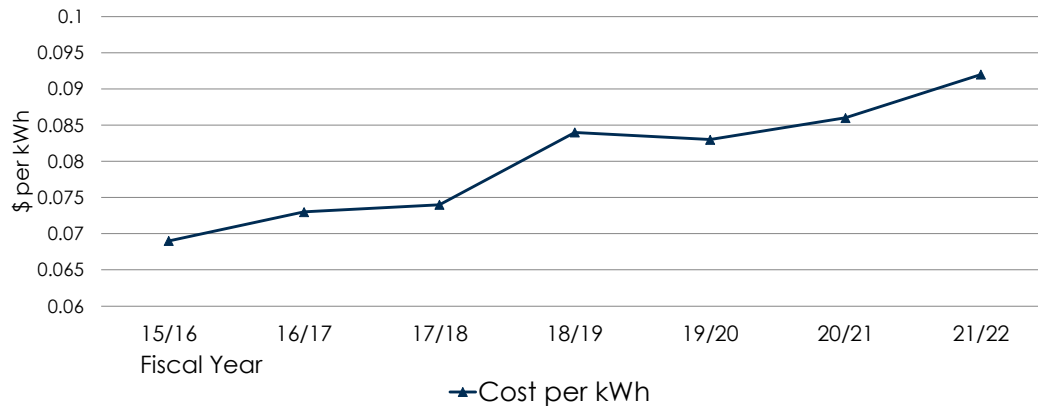


18

RiversideCA.gov

## THE WHY

### INCREASED POWER SUPPLY COSTS

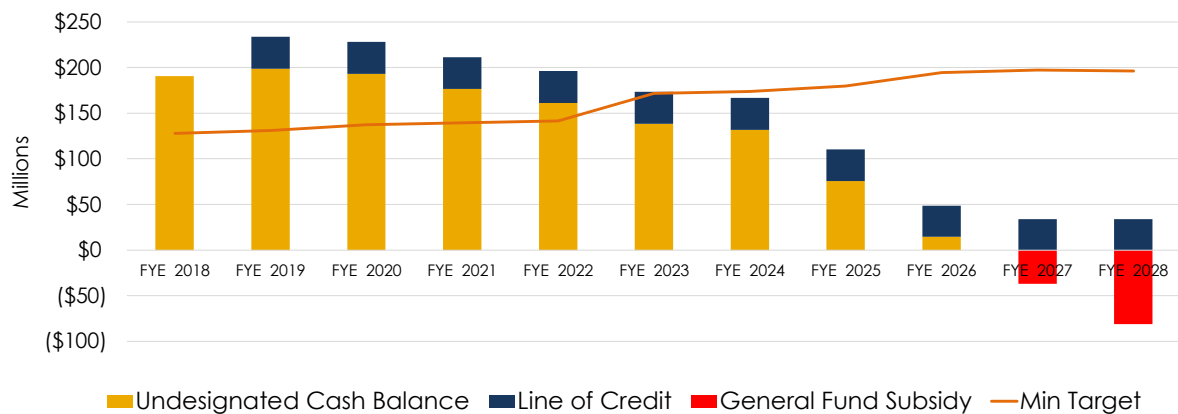


19

RiversideCA.gov

## THE WHY

### Undesignated Reserves **WITHOUT** Rate Increases

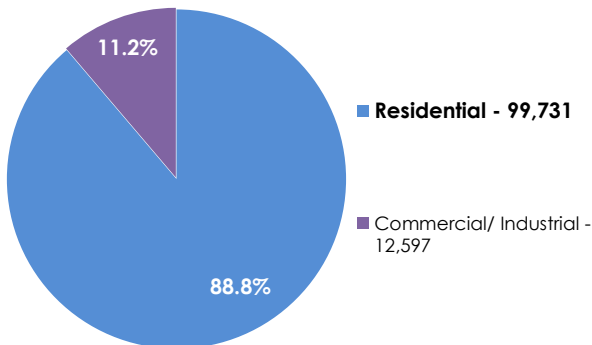


20

RiversideCA.gov

## ELECTRIC CUSTOMER STATISTICS

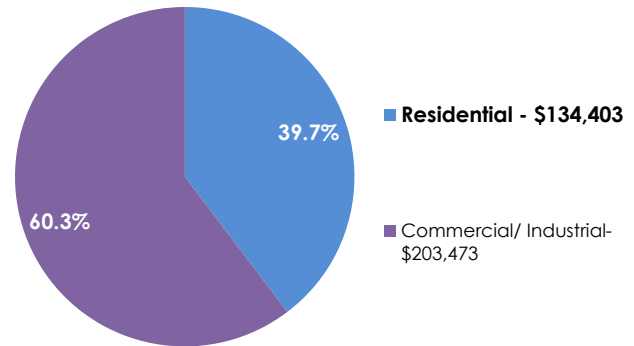
### ELECTRIC CUSTOMER COUNTS



**Total Customer Count - 112,328**

### ELECTRIC YTD ACTUAL REVENUES

(In Thousands)



**Total Electric Revenues - \$337,876**



Note: As of June 30, 2022, Combined Ag Pumping, Street Lighting, Traffic and Outdoor Lighting with Commercial/Industrial

21

RiversideCA.gov

## PROPOSED ELECTRIC 5-YEAR 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%
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%



22

RiversideCA.gov

## PROPOSED ELECTRIC 5-YEAR RATE PLAN

Customer Class	Avg kWh Usage (Tier 1 and Tier 2)	Year 1 % Increase	Average Years 2-5 % Increase
Residential Example	600	7.4%	5.0%



**\$7.97**

Average Monthly  
increase year 1

**\$0.21**

Average Cost per  
day over 5 years



23

RiversideCA.gov

## PROPOSED ELECTRIC 5-YEAR RATE PLAN

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



**\$9.12**

Average monthly  
increase year 1

**\$0.43**

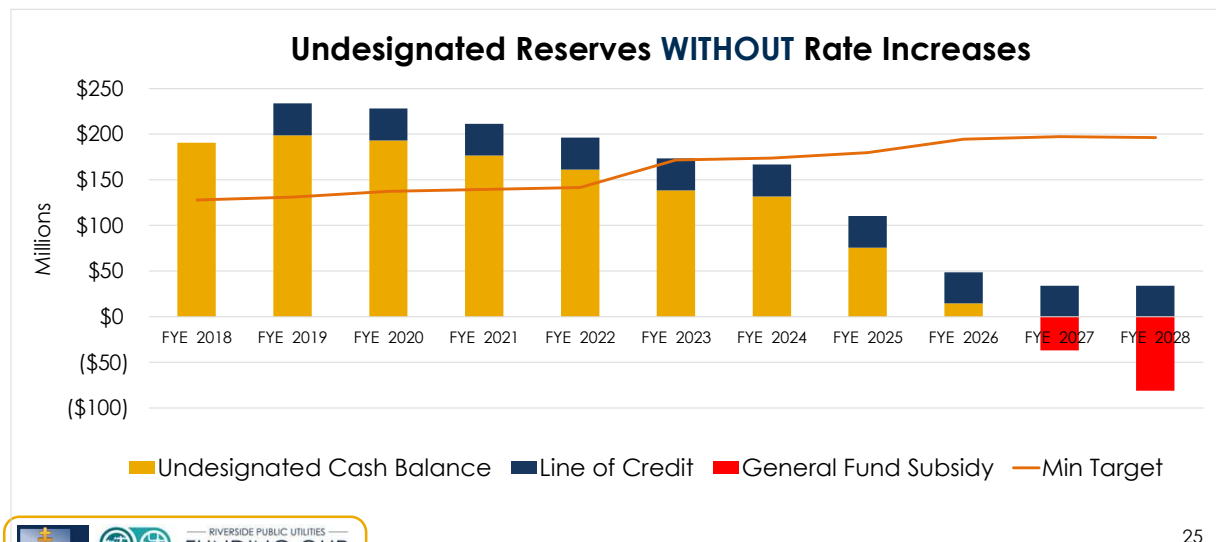
Average Cost Per  
Day over 5 years



24

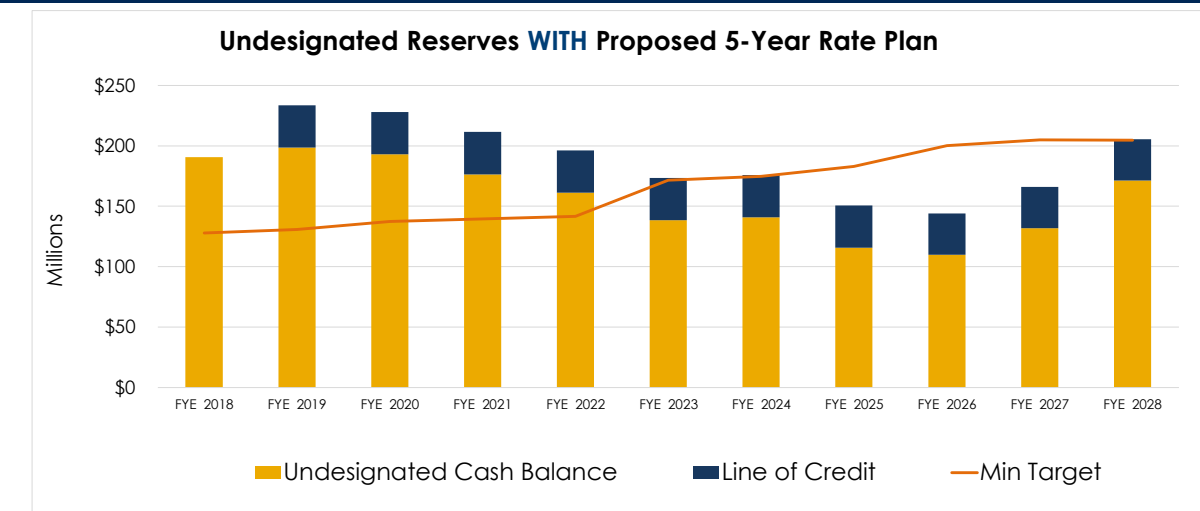
RiversideCA.gov

## WITHOUT RATE INCREASES



RiversideCA.gov

## WITH PROPOSED RATE INCREASE



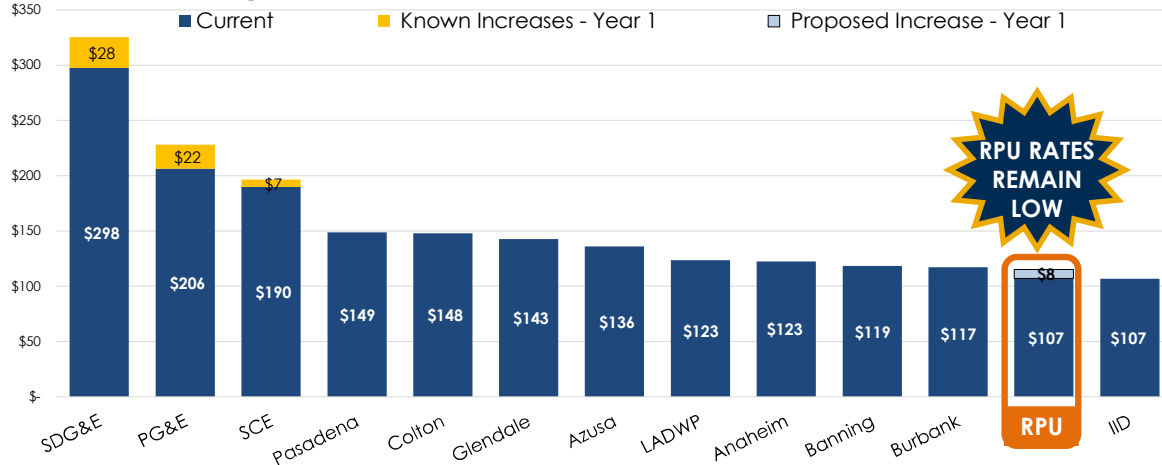
26

RiversideCA.gov



## ELECTRIC RATE PLAN COMPARISON

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



RPU = 112K Service Connections

27

RiversideCA.gov

## 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?



**SHARE**  
Sharing Households  
Assist Riverside's Energy



RiversidePublicUtilities.com/Assistance



28

RiversideCA.gov

## 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



29

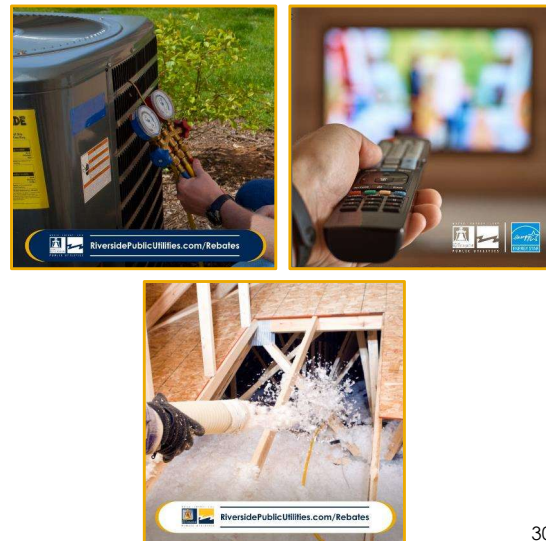
RiversideCA.gov

## 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



30

RiversideCA.gov

## NEW REPLACEMENT PROJECT

### Hunter Substation Replacement Project

Commissioned in  
the early 1960's

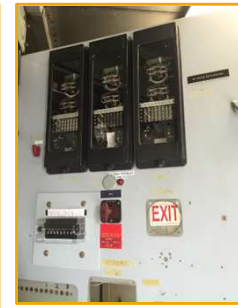
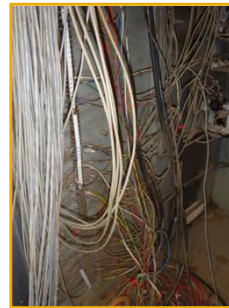
Average  
substation life  
expectancy is  
~50 years

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**



31

[RiversideCA.gov](http://RiversideCA.gov)

## 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 20, 2023

**City Council Public  
Hearing and Rate  
Consideration**  
September 5, 2023



32

[RiversideCA.gov](http://RiversideCA.gov)

## RECOMMENDATIONS

**That the Board of Public Utilities recommend 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 5, 2023, with new rates effective January 1, 2024.



33

RiversideCA.gov