



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



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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

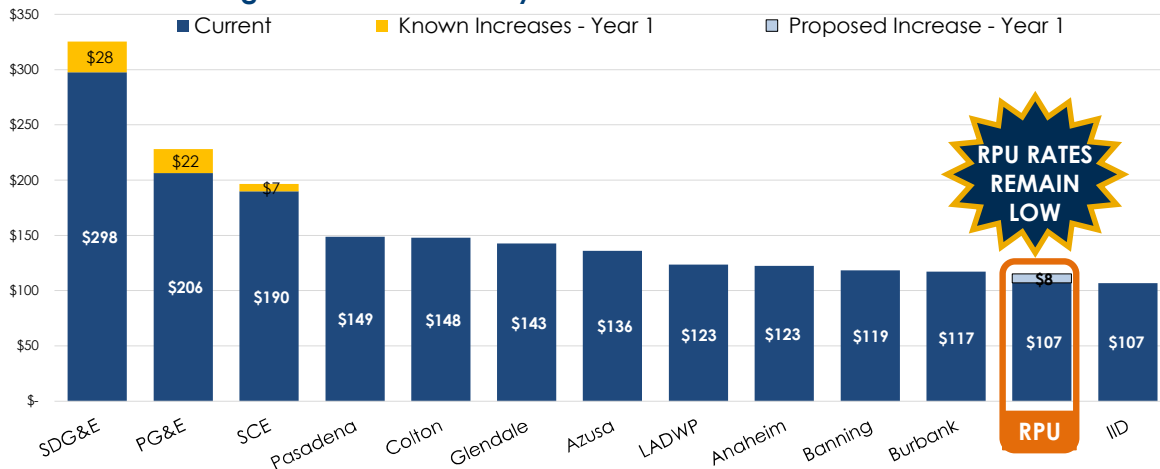


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ELECTRIC RATE PLAN COMPARISON

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



RPU = 112K Service Connections

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OVERVIEW OF ELECTRIC

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



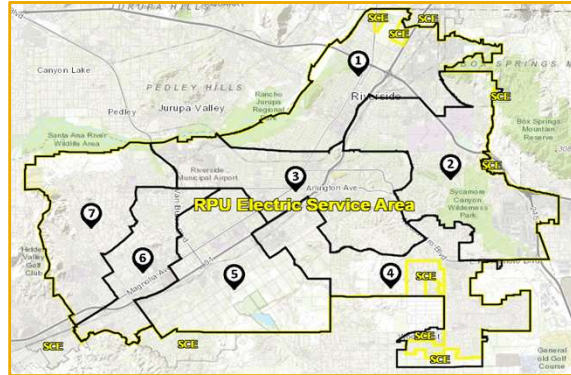
Established
1895



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



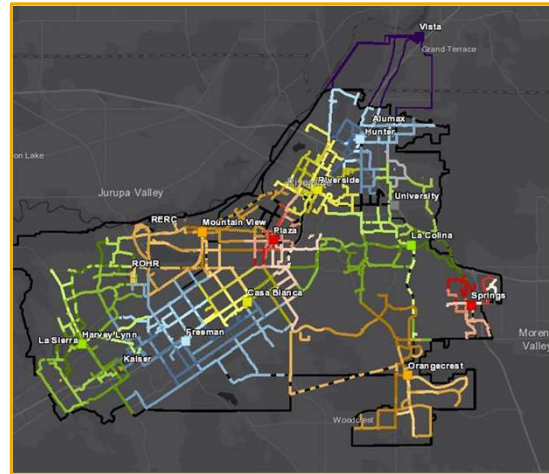
**Maintain
1,351 Miles**

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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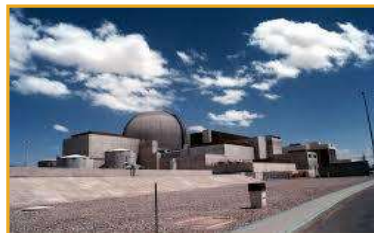
JOINT POWER PARTICIPATION

Renewables

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

Other Generation

- Palo Verde Nuclear Generation Station
- Hoover Hydro Power Plant



Transmission

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



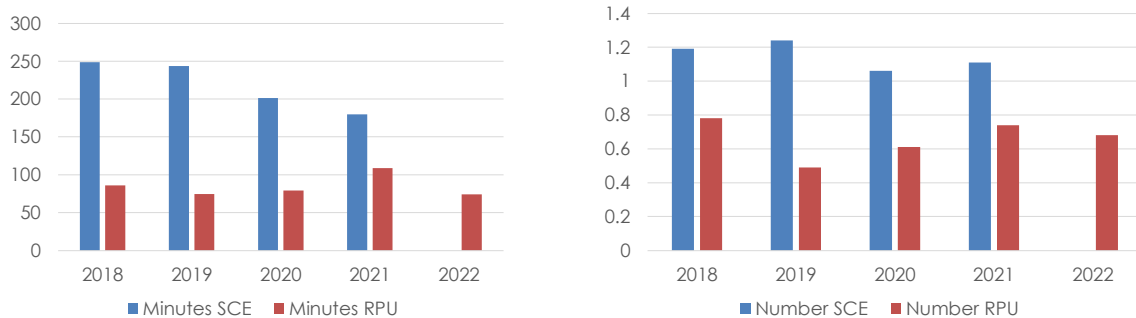
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ELECTRIC SERVICE PERFORMANCE

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	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



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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

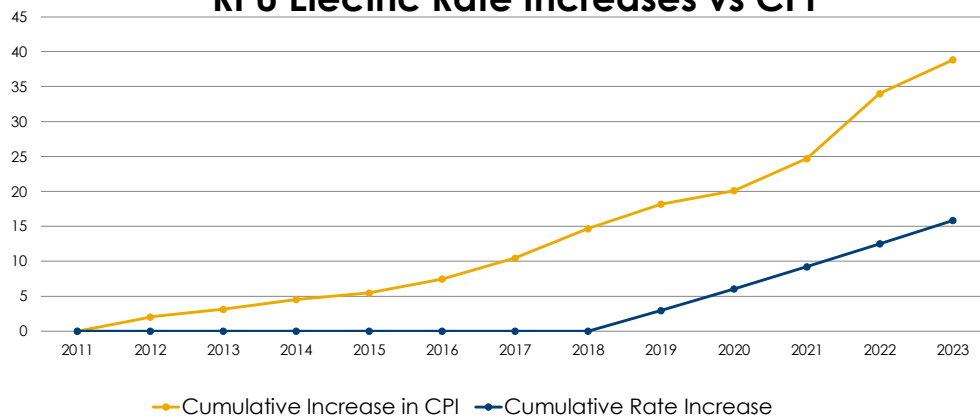


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THE WHY

RPU Electric Rate Increases vs CPI



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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.

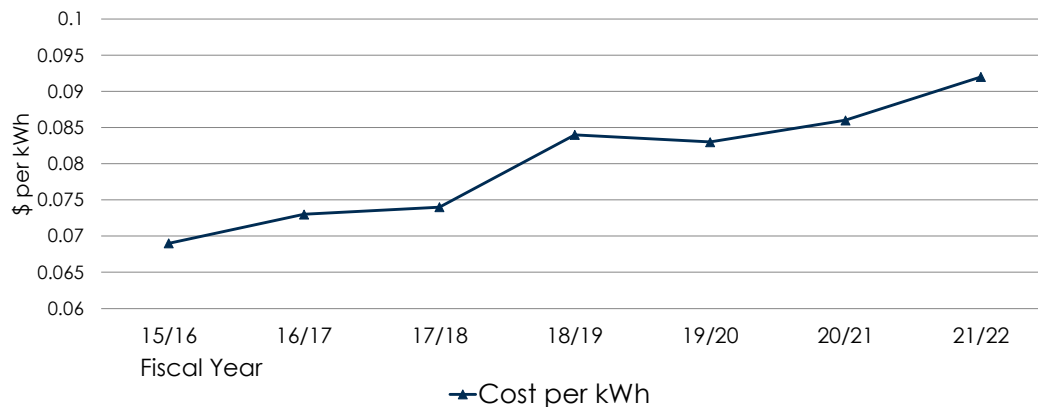


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THE WHY

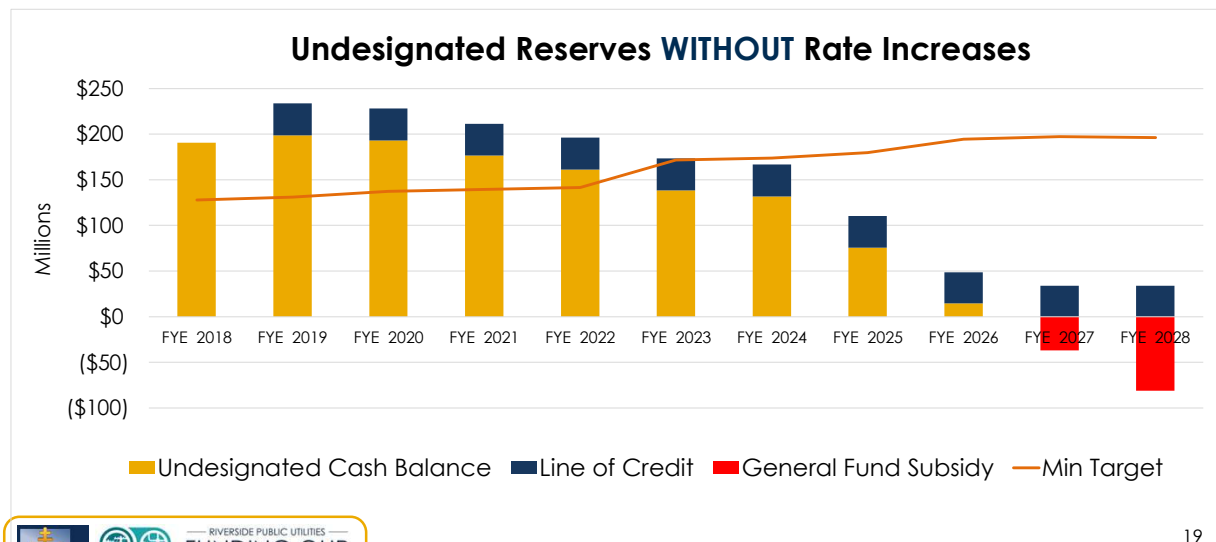
INCREASED POWER SUPPLY COSTS



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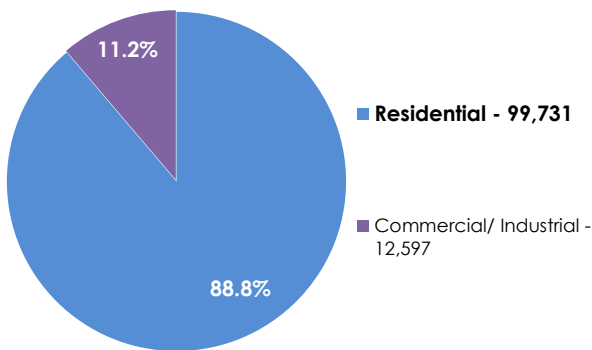
THE WHY



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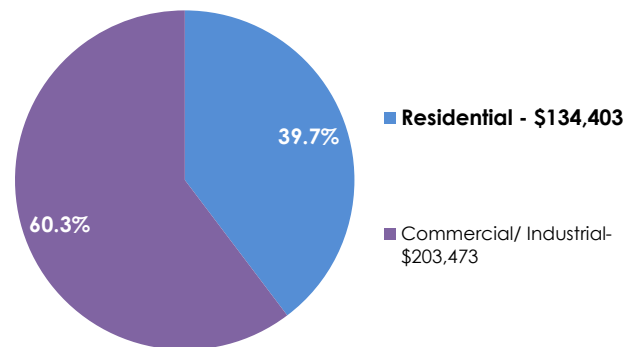
ELECTRIC CUSTOMER STATISTICS

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

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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
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

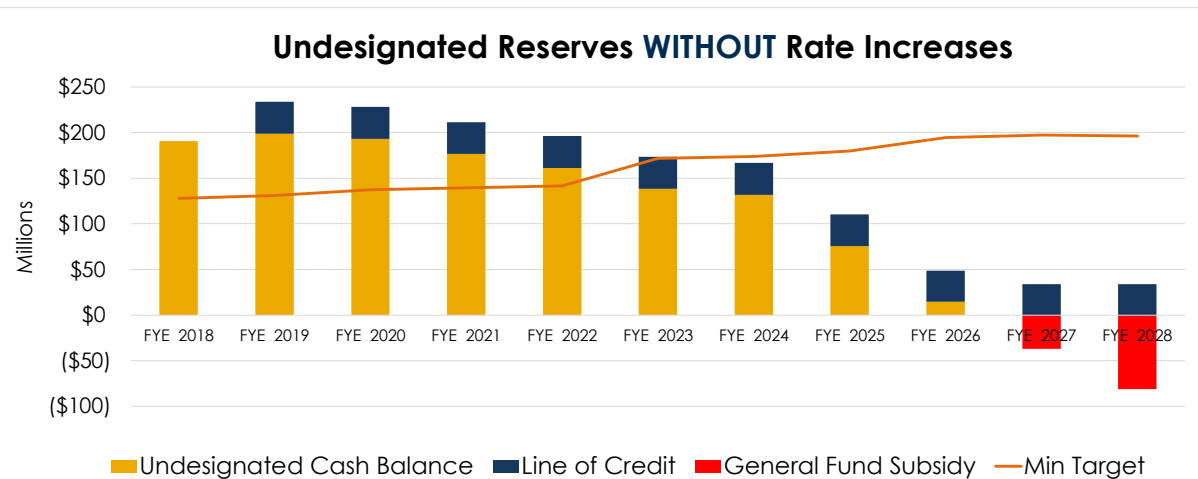


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WITHOUT RATE INCREASES

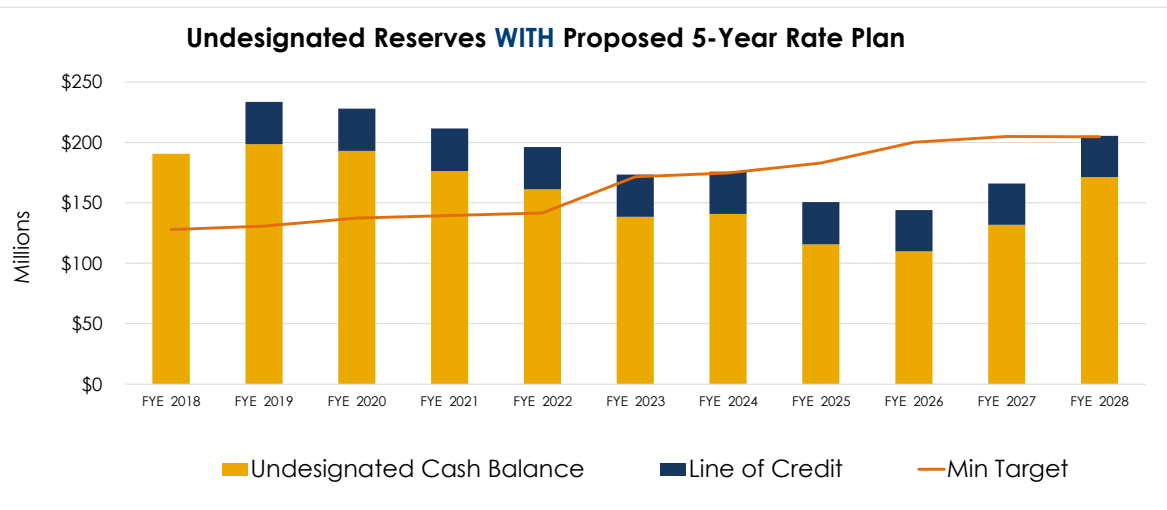


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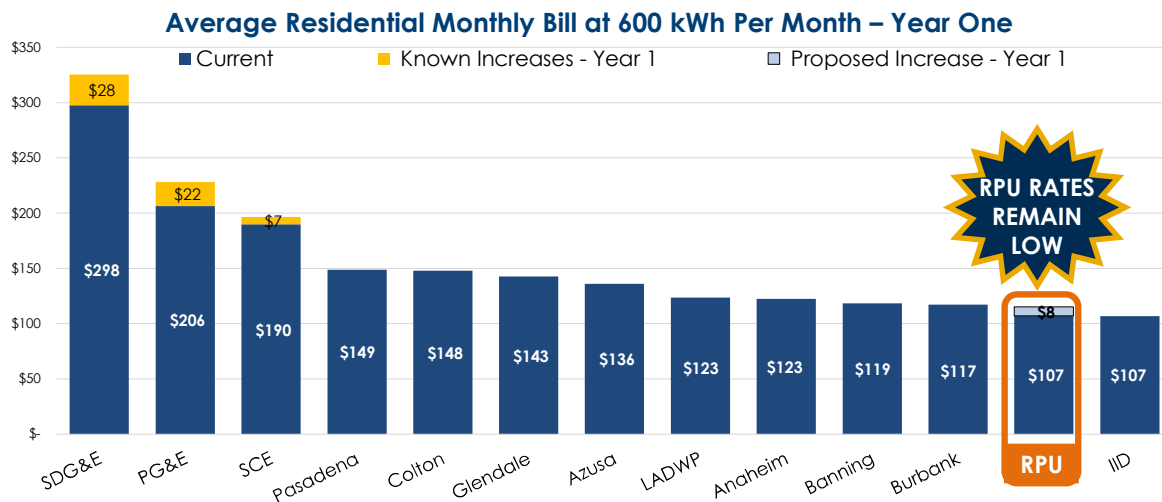
WITH PROPOSED RATE INCREASE



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ELECTRIC RATE PLAN COMPARISON



RPU = 112K Service Connections

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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?



SHARE
Sharing Households
Assist Riverside's Energy



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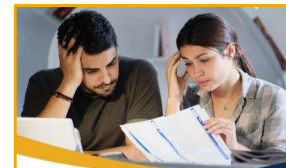
ASSISTANCE PROGRAMS

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

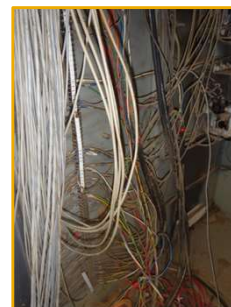
Average
substation life
expectancy is
~50 years

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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