

ELECTRIC UTILITY FIVE-YEAR RATE PLAN PROPOSAL

Riverside Public Utilities

Board of Public Utilities

June 12, 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

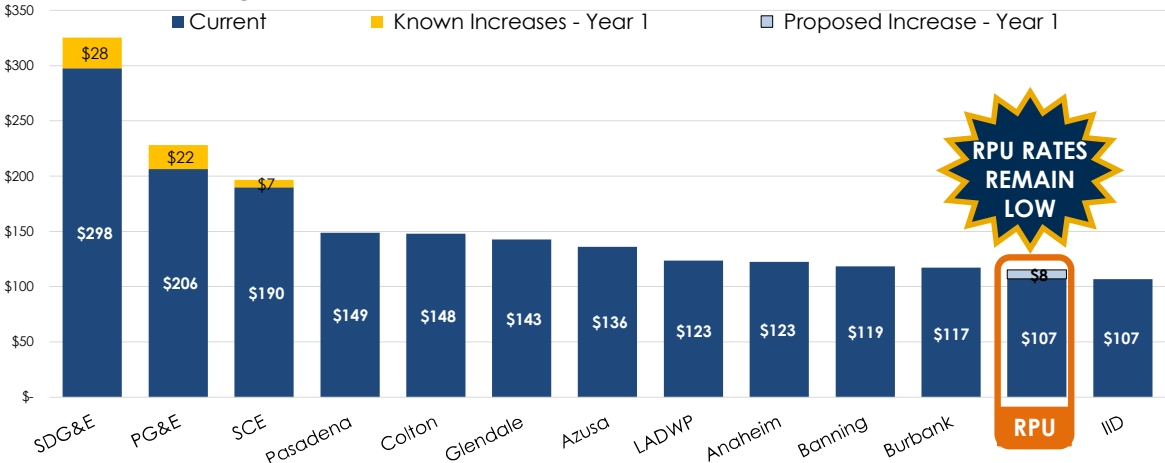


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ELECTRIC RATE PLAN COMPARISON

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



RPU = 112K Service Connections

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OVERVIEW OF ELECTRIC

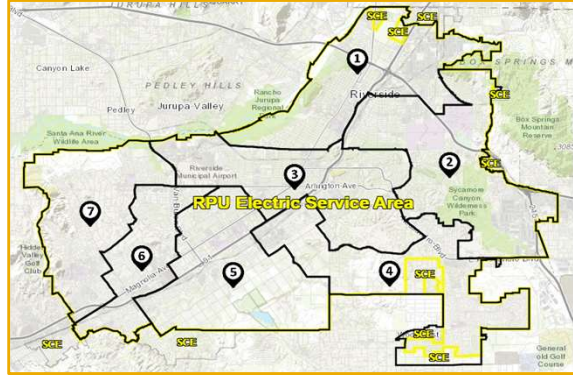
**Current Rate Plan Expires
12/31/2023**



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



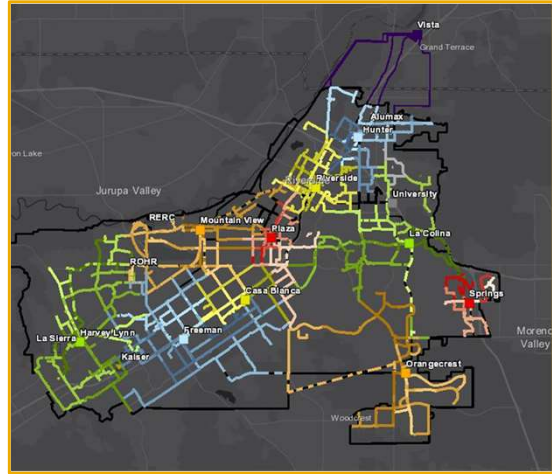
**Maintain
99.2 Miles**
Transmission Lines



**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

- 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)



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JOINT POWER PARTICIPATION

Renewables

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

Other Generation

- Palo Verde Nuclear Generation Station
- Hoover Hydro Power Plant



Transmission

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

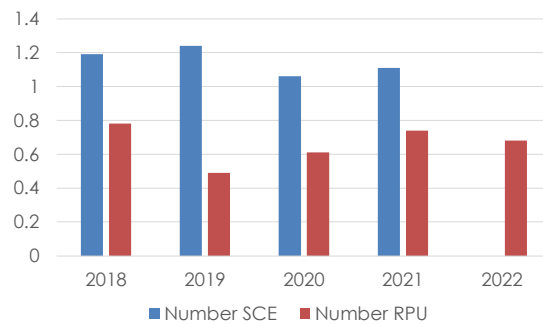
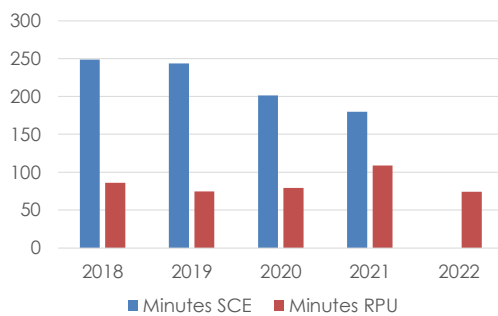


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ELECTRIC SERVICE PERFORMANCE

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



HISTORY OF ELECTRIC RATES

Current Rate Plan Expires 12/31/2023

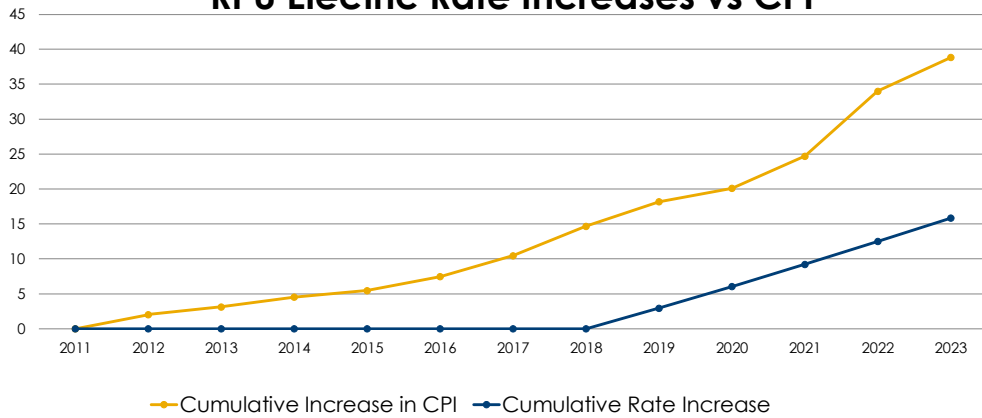
Electric	Rate Increase
1/1/2019	2.95%
1/1/2020	3.00%
1/1/2021	3.00%
1/1/2022	3.00%
1/1/2023	3.00%

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



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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.

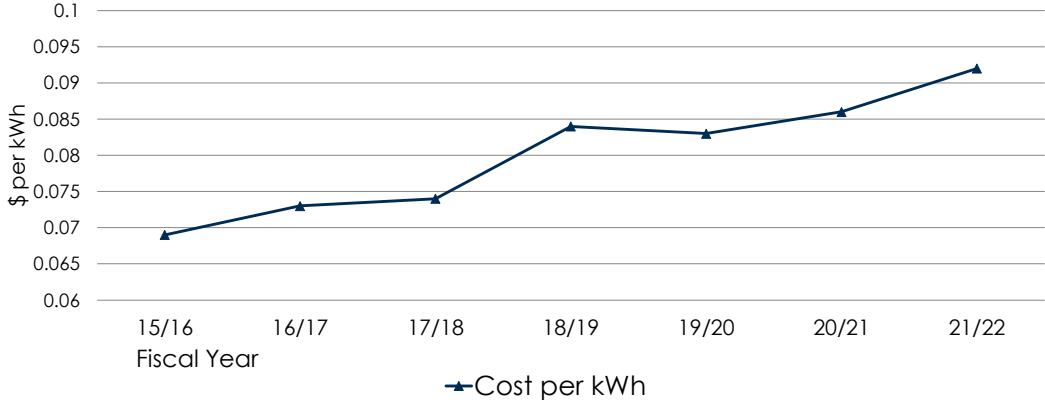


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THE WHY

INCREASED POWER SUPPLY COSTS

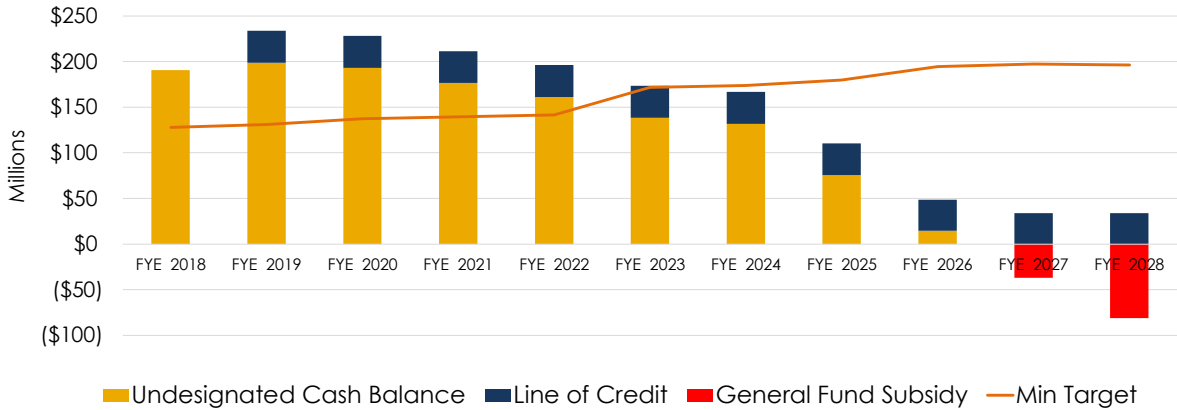


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THE WHY

Undesignated Reserves **WITHOUT** Rate Increases

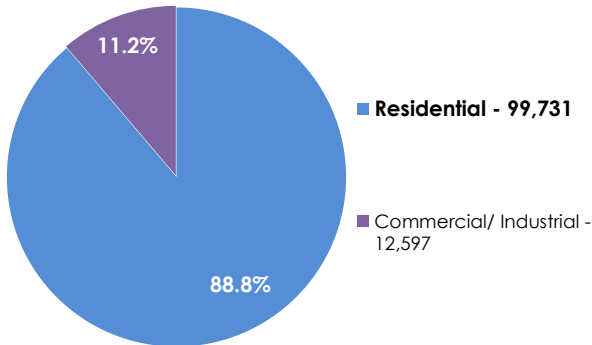


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ELECTRIC CUSTOMER STATISTICS

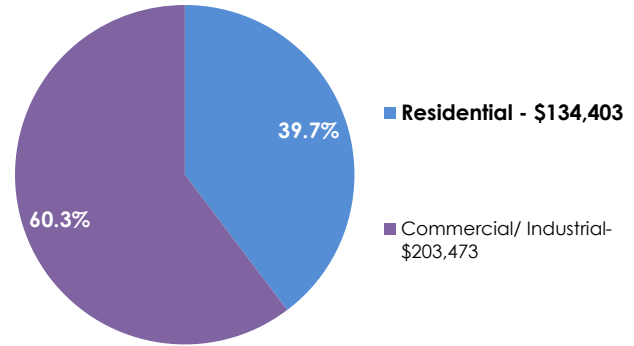
ELECTRIC CUSTOMER COUNTS



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 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%


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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



RIVERSIDE PUBLIC UTILITIES


FUNDING OUR
FUTURE

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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



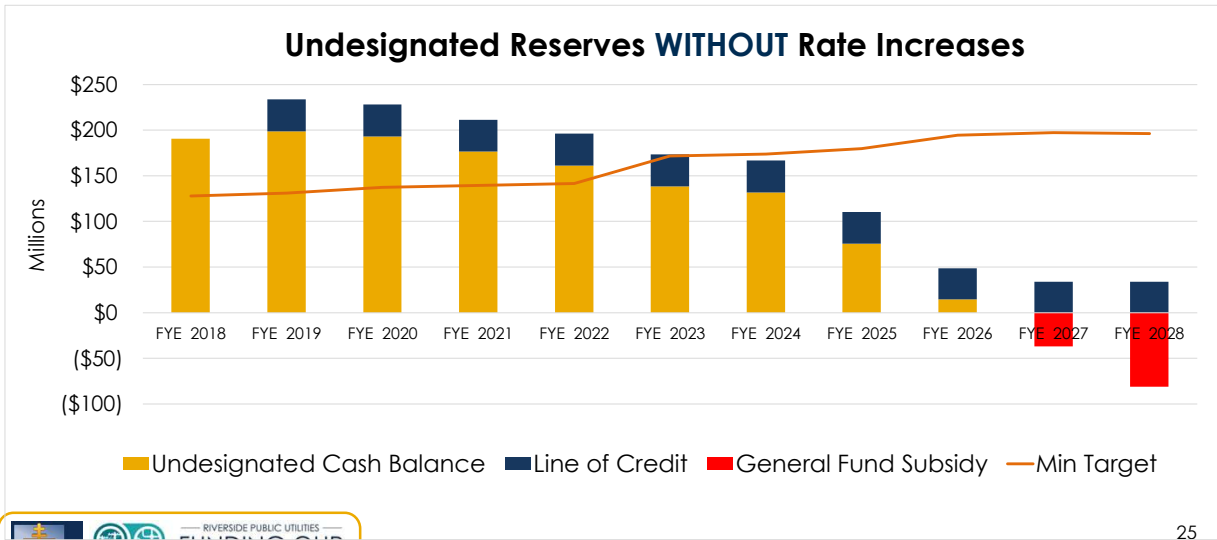
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FUNDING OUR
FUTURE

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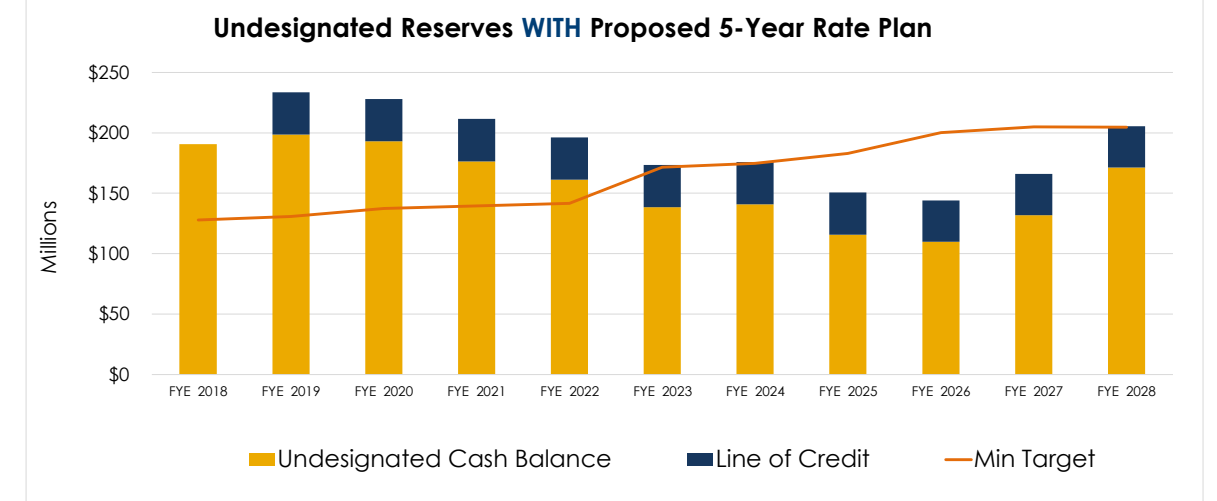
WITHOUT RATE INCREASES



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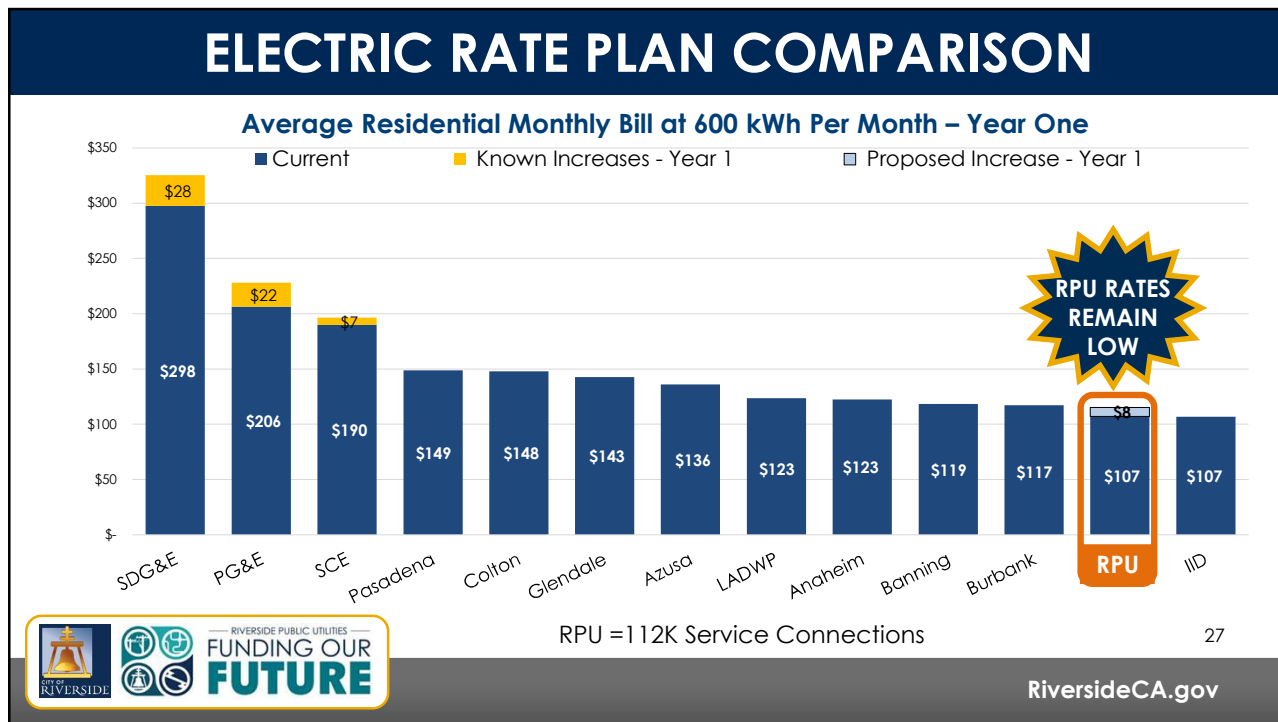
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WITH PROPOSED RATE INCREASE



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LOW INCOME PROGRAMS - ELECTRIC

Sharing Households Assist Riverside's Energy (SHARE) Program


Established
1989

\$16.00
Current Monthly Electric SHARE Credit

4,880
Residential Electric Customers Assisted

\$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




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

Utillacare

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



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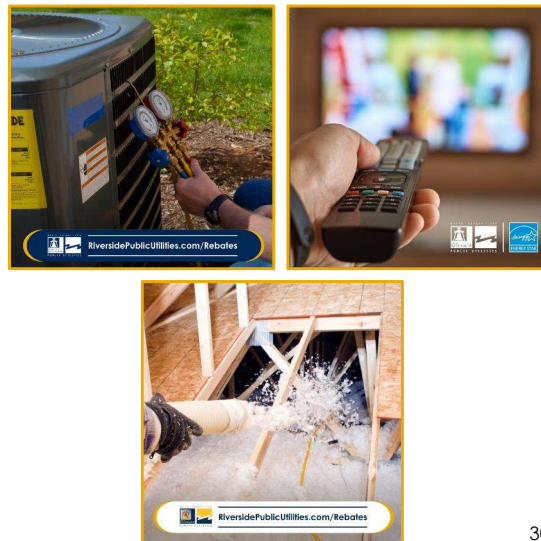
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ENERGY EFFICIENCY PROGRAMS

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



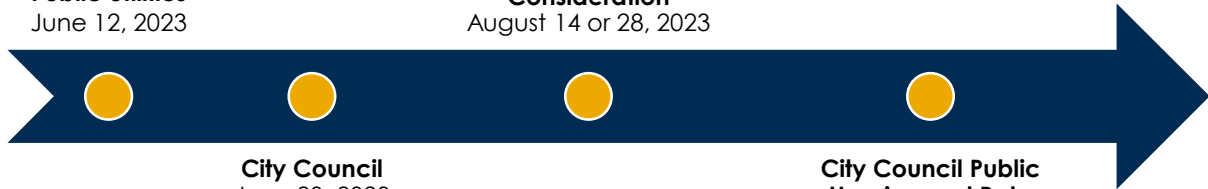
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WHAT'S NEXT

Board of Public Utilities
June 12, 2023

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



City Council
June 20, 2023

City Council Public Hearing and Rate Consideration
September 5, 2023



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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.



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