



ELECTRIC COST OF SERVICE ANALYSIS AND RATE DESIGN

Riverside Public Utilities

Board of Public Utilities

August 24, 2026

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1

BACKGROUND

1. Previous Electric Cost of Service Analysis (COSA) and Rate Design completed in 2023
 - a. Supported the Electric Utility Five-Year Rate Plan
 - b. Effective January 1, 2024, with final year effective January 1, 2028
2. Updated Electric Cost of Service Analysis and Rate Design necessary to plan beyond current Electric Utility Five-Year Rate Plan



2

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2

ELECTRIC COSA AND RATE DESIGN PROJECT

1. Comprehensive review of all rate schedules
2. Forecasts future revenue requirements
3. Equitable allocation of costs among customer classes
4. Electric utility rate trends study
5. Five-year proposed rate design recommendation
6. Customer impact rate design model
7. Analyzing Advanced Metering Infrastructure customer data to support rate design
8. Evaluate opportunities to revise programs such as Self-Generation
9. Develop new potential rates for electrification
10. Provide two workshops



3

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3

FUTURE ELECTRIC REVENUE REQUIREMENTS

Considerations:

1. Changing Industry and Regulatory Requirements – The impacts of distributed generation, electrification, and renewable energy portfolio requirements
2. Operating and Infrastructure Costs – Production, transmission, distribution, and capital improvements
3. Essential to identify the cost to serve the City's customers and ensure equitable allocation of cost responsibility among customer rate classes.



4

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4

RFP 2531

1. January 16, 2026 – RFP was posted on PlanetBids
2. February 11, 2026 – Proposals were received from five consultants
3. RPU staff completed proposal reviews, evaluation, and scoring
4. Evaluation Scoring:
 - a) Qualifications and project approach 25%
 - b) Experience and references 25%
 - c) Overall proposal 25%
 - d) Proposal pricing 25%
5. Negotiated clarifications of Phase IV Enhancements to Study
 - a) Analyzing Advanced Metering Infrastructure customer data to support rate design
 - b) Evaluate opportunities to revise rate programs such as Self-Generation
 - c) Develop new potential rates for electrification
 - d) Provide two workshops



5

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5

RFP 2531

1. NewGen Strategies and Solutions, LLC. received the highest score
 - a. Experience includes multiple similar projects in California and across the United States
 - b. Includes the customer impact rate design model providing a comprehensive and complete view of all rate impacts to all customers



6

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6

RFP 2531 RANKING

Vendor	Location	Proposed Cost	Weighted Score Evaluations					Rank
			Qualifications and Experience (25%)	Professional References (25%)	Overall Proposal (25%)	Proposal Pricing (25%)	Total Evaluation Score	
NewGen Strategies and Solutions, LLC	Lakewood, CO	\$119,600	200.00	208.33	200.00	244.17	852.50	1
GDS Associates Inc	Marietta, GA	\$116,810	166.67	141.67	141.67	250.00	700.01	2
Energy and Environmental Economics, Inc. (E3)	San Francisco, CA	\$214,065	175.00	141.67	175.00	136.42	628.09	3
Baker Tilly	Madison, WI	\$247,640	141.67	141.67	133.33	117.92	534.59	4
Quantum America	Miami, FL	\$199,800	75.00	58.33	158.33	146.16	437.82	5



7

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7

ELECTRIC COSA AND RATE DESIGN PROJECT

NewGen Strategies & Solutions, LLC.	Amount
Phases I- Cost of Service Analysis and Project Management	\$55,900
Phase II- Electric Utility Rate Trends Study	\$9,500
Phase III- Rate Design Recommendation	\$34,100
Phase IV – Enhancements to the Study including AMI Data Assistance, Rate Alternatives for Customers with Solar, Electric Vehicles, and other Electrification, and Workshops	\$44,300
Expenses and Travel	\$5,000
Grand Total	\$148,800



8

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8

RECOMMENDATION

That the Board of Public Utilities recommend that the City Council:

1. Approve Professional Consultant Services Agreement from RFP No. 2531 with NewGen Strategies and Solutions, LLC of Lakewood, Colorado for Electric Cost of Service Analysis and Rate Design with a term ending December 31, 2028, in the amount of \$148,800; and
2. Authorize the City Manager, or designee, to execute the Agreement with NewGen Strategies and Solutions, LLC including making minor and non-substantive changes, including extensions up to one (1) two-year term, subject to availability of budgeted funds.



9

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