



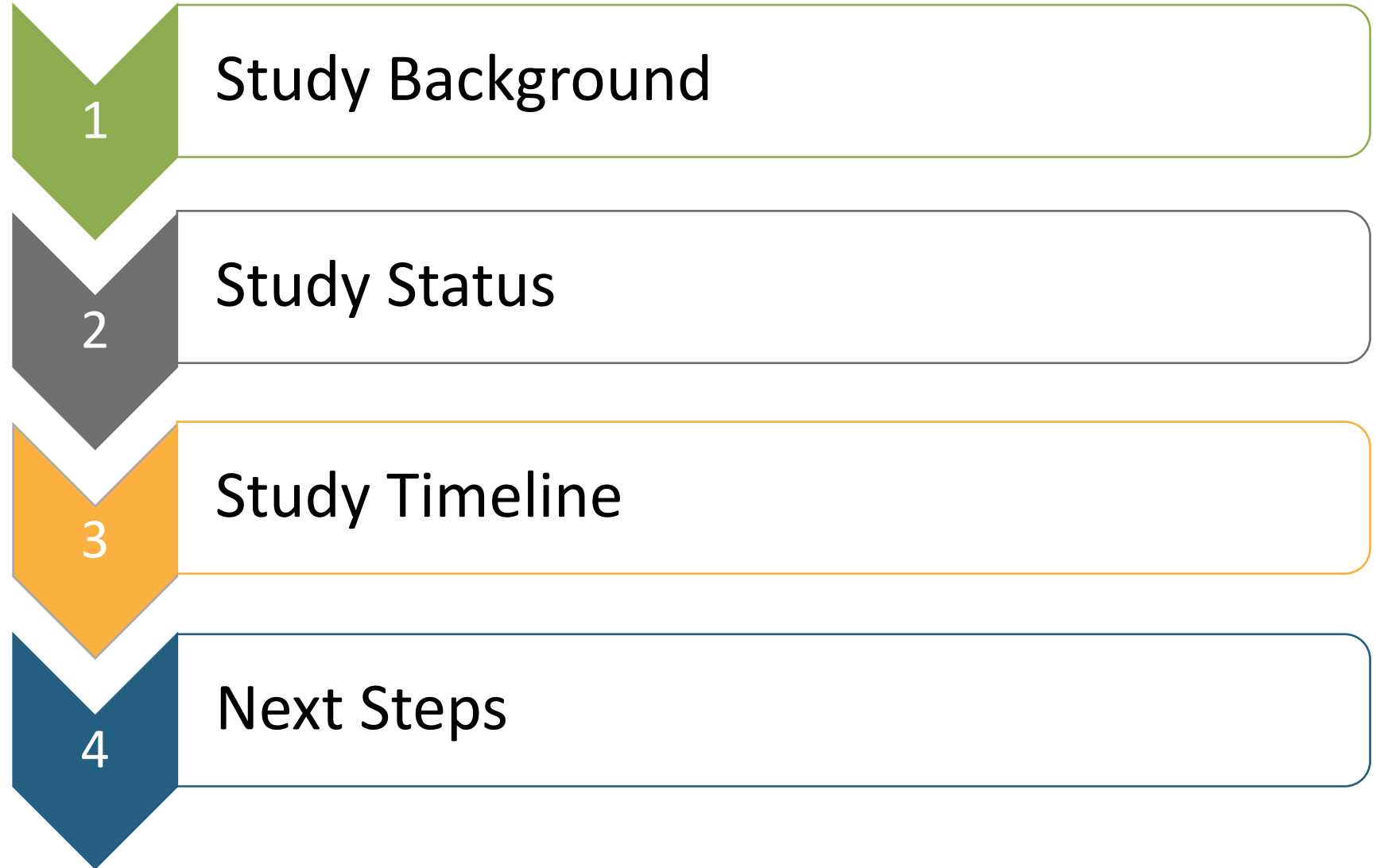
July 30, 2021 | San Francisco Public Utilities Commission

RATE FAIRNESS BOARD MEETING



NewGen
Strategies & Solutions

AGENDA



STUDY BACKGROUND

- Study purpose
 - Define costs to provide power to Hetch Hetchy Power and CleanPowerSF customers
 - Analyze rate impacts from various scenarios / sensitivities
 - Offer innovative rates to advance policy goals
 - Develop retail rates for customers to be implemented July 1, 2022

- Study initiated March 5, 2021
 - Kick-Off meeting March 18
 - Approximately 450 hours invested
 - About 22.6% of budget expended

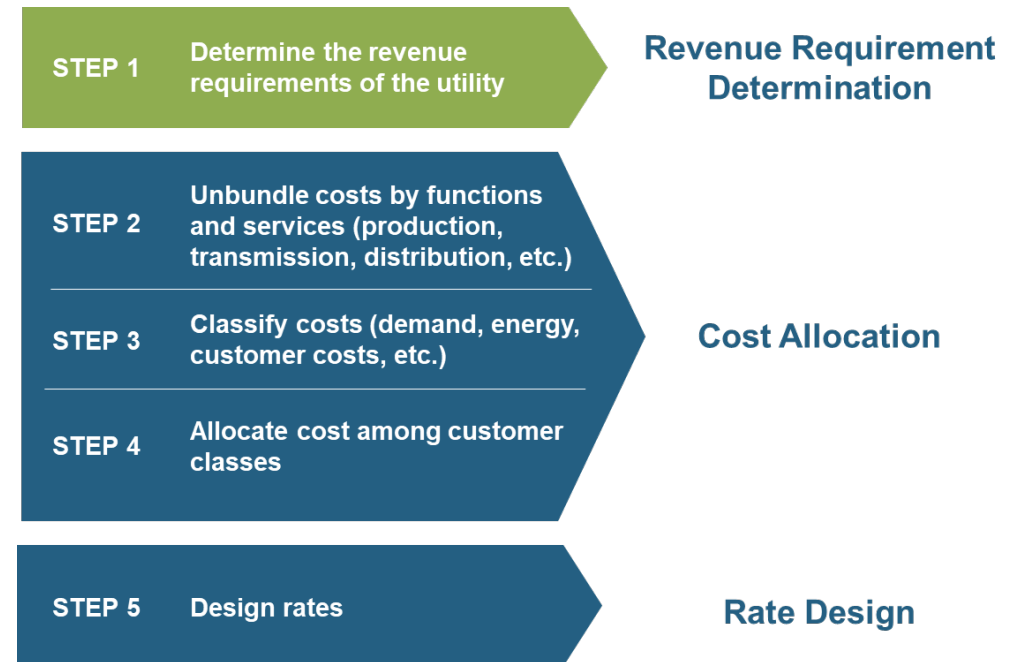
- Conducted over 23 meetings with PUC staff, management, advisors
 - Bi-weekly status / strategy discussion calls with PUC Rates Team
 - Data calls Hetchy Power and CleanPowerSF staff and management
 - Rate Fairness Board Meeting April 23
 - Executive Steering Committee Meeting June 9

STUDY STATUS – DELIVERABLES FRAMEWORK MEMO

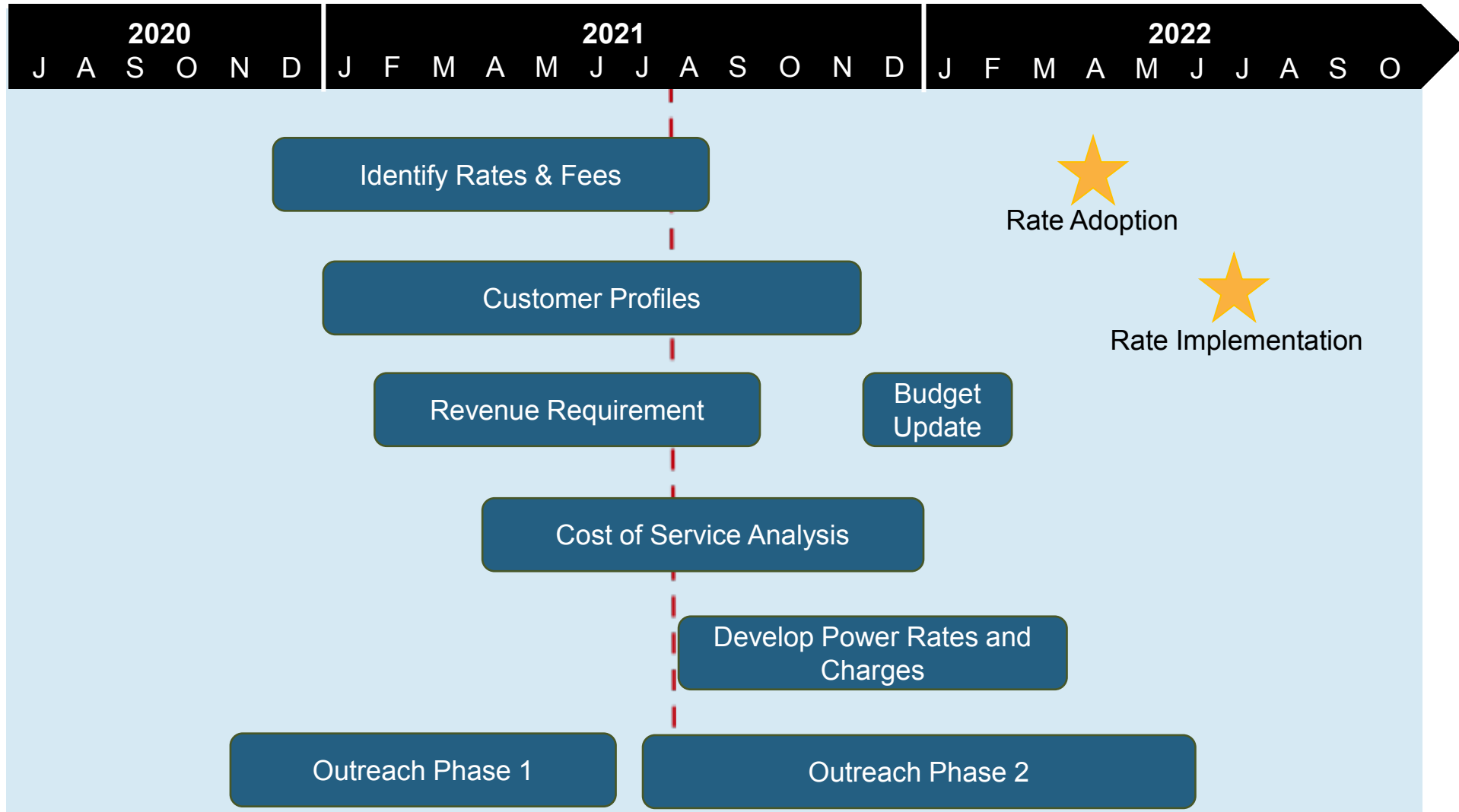
- Two separate analyses for Hetch Hetchy Power and CleanPowerSF
- Focus on impacts from reserve policies on rates
- Sensitivities / scenario analyses
 - Load growth
 - Capital investment
 - Power pricing (Wet vs Dry Year costs)
- Specific rates to be developed
 - All-Electric, electric vehicles (EV), green tariffs, time of use (TOU), storage
 - Line Extension fees and policies (workshop with staff)
 - Low-Income / Economically Disadvantaged

STUDY STATUS – ONGOING ANALYSIS

- Revenue Requirement (Cash Basis)
 - Operations and Maintenance (O&M) Expenses
 - Programmatic Expenses
 - Debt Service
 - Improving debt module
 - Non-Debt/Revenue-Funded Capital
 - Less Other, Non-Rate Revenues
- Billing Determinants
 - Customers by class
 - Peak demand
 - Energy usage
- Line Extension Analysis
 - Infrastructure costs to serve additional customer(s)
 - Develop policy to equitably assign costs



POWER RATES STUDY TIMELINE



STUDY STATUS – NEXT STEPS

- Finalize Revenue Requirement
 - Milestone: August 20
- Cost Allocation / Cost of Service
 - Milestone: September 24
- Base Rate Design
 - Finalize Rate Structures: October 1
 - Draft Rate Design: January 21
- Line Extension Fees / Policy Review
 - Workshop: August 27
 - Draft Fees / Policy: October 1
- Rate Fairness Board
 - August 27
 - October 22
 - End of December – need to finalize date

