

CleanPowerSF Rates Action and Delegated Authority Proposal

Rate Fairness Board

April 23, 2021

Erin Franks

Rates Administrator

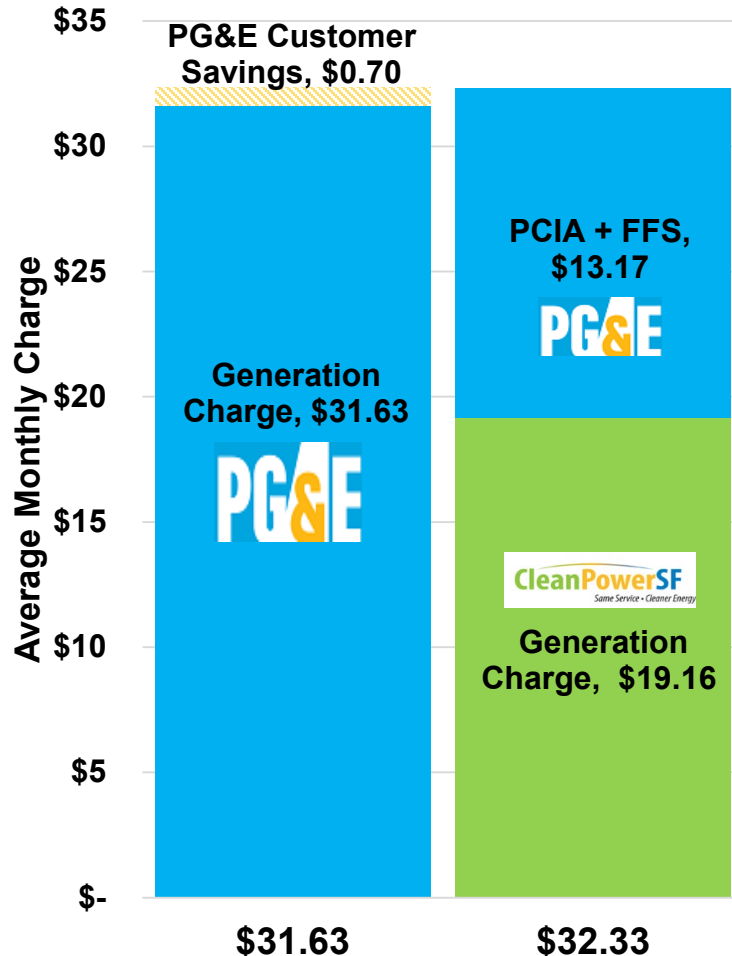


Agenda

1. CleanPowerSF Rates Overview and History
2. Current Situation and Policy Considerations
3. Delegated Authority Proposal
 - a. Proposal Impact on Program Finances
 - b. Impact on Customer Bills
4. Time-of-Use Transition

Overview of Rates Structure

March 2021 Avg. Residential Bill



- CleanPowerSF customer **Total Generation Charges** have two components:
 - PG&E PCIA and FFS Charges
 - CleanPowerSF Generation Charges
- As of March 2021, CleanPowerSF total generation charges are about 2% to 4% higher than PG&E generation charges
 - All comparisons to PG&E in this presentation compare the entire generation portion of the bill (inclusive of PG&E PCIA + FFS)



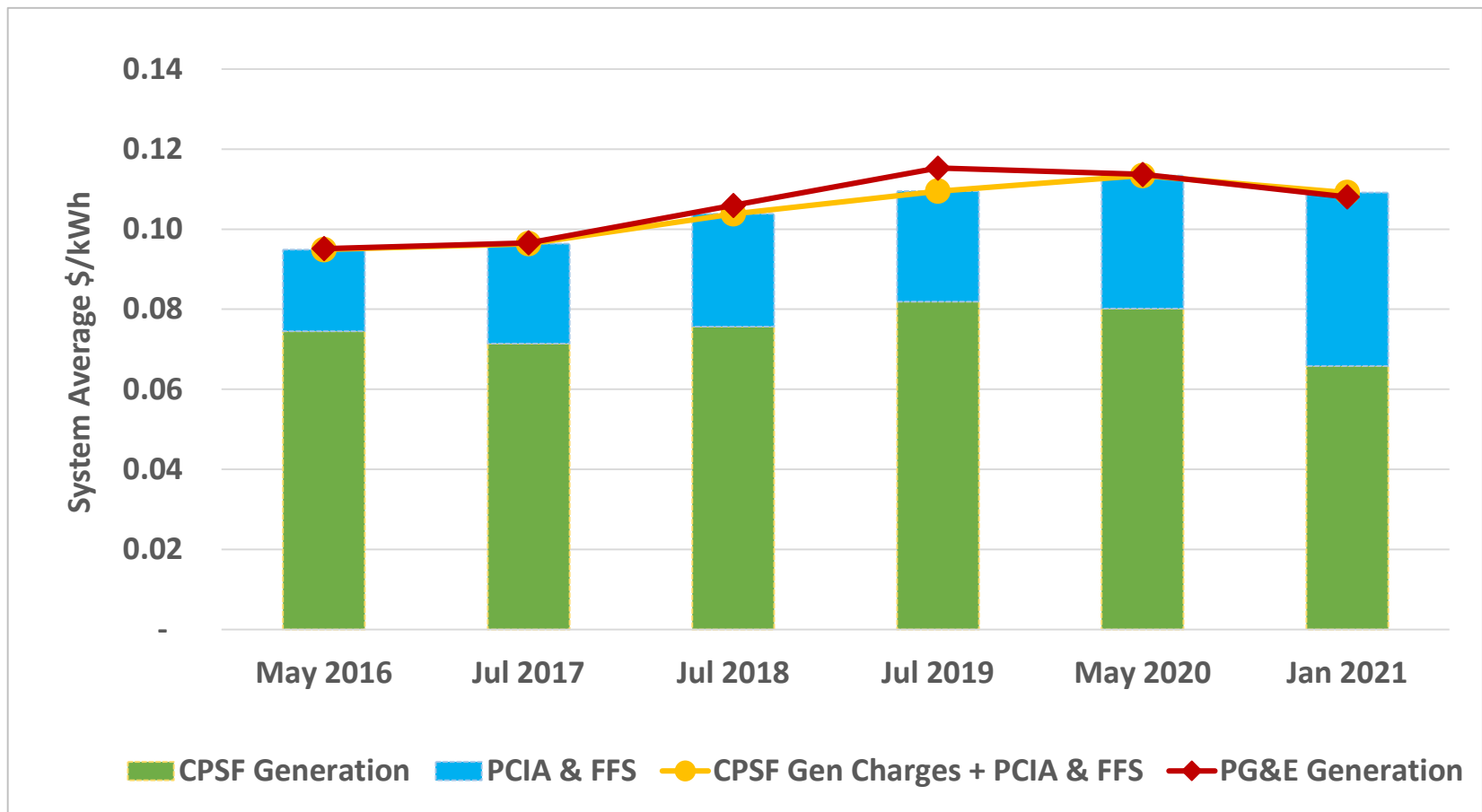
Rates Actions Since Resolution 20-0048

- Resolution 20-0048 delegated authority permits rates to be set +/-1% of PG&E
- CleanPowerSF has had two rate changes with current delegated authority
- PG&E PCIA and FFS Charges have increased significantly, whereas CleanPowerSF Generation Rate has decreased

	May 2020	January 2021
PG&E PCIA and FFS Charges	↑ 20%	↑ 30%
CleanPowerSF Generation Rate	↓ 2%	↓ 16%
CleanPowerSF Gen Charges + PCIA & FFS	↑ 4%	↓ 4%

CleanPowerSF Historic Rates Trend

CleanPowerSF Generation Rate has been decreased to account for the steep rise in PG&E PCIA and FFS Charges.





Current Rates Impact on Program Finances

- Due to decrease in PG&E generation rate and increase in PCIA, Resolution 20-0048 maximum +1% of comparable PG&E Generation Rates will not cover CleanPowerSF operations cost.
- Keeping current CleanPowerSF rates (making no change) results in significant losses over the next few years.

No Rate Change	FYE 2021	FYE 2022	FYE 2023
Net Operating Margin	\$ (8M)	\$ (47M)	\$ (28M)
Ending Fund Balance	\$ 107M	\$ 65M	\$ 37M

Policy Considerations

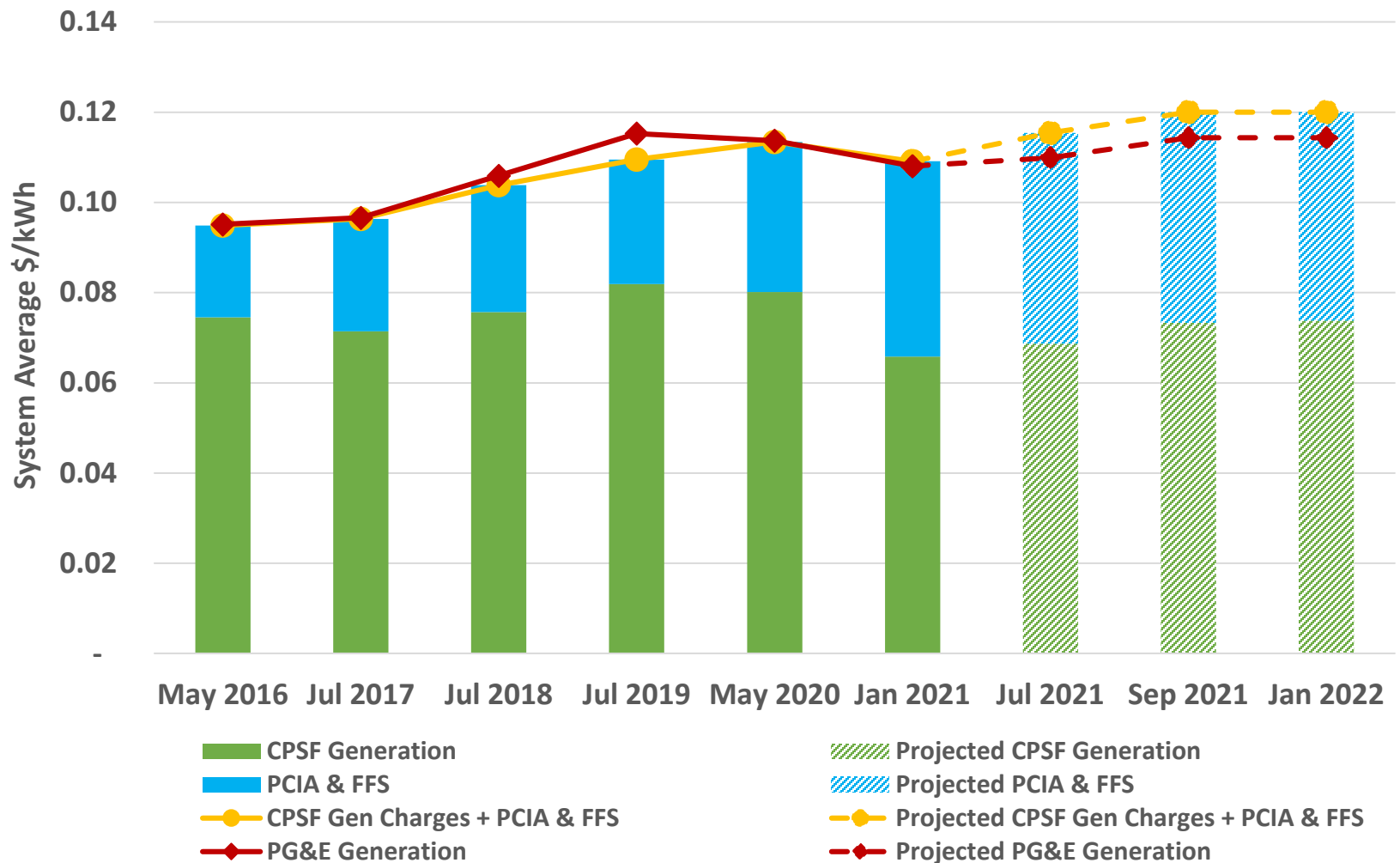
- Rate study is underway, will propose and adopt new rates in Spring 2022 for FY 2022-23
 - Need rates for the next fiscal year, but will review and discuss big picture as part of the rate study
- Need to balance competing goals:
 - Cover program costs
 - Remain competitive so customers don't leave the program
 - Provide value to customers (e.g., greener energy, local control, cheaper price)



Delegated Authority Proposal

- Delegate authority to increase rates to the lesser of:
 - 5% above comparable PG&E rates OR
 - Cost of service
- Effective only during FY 2021-22, to be replaced by rates adopted in Spring 2022
- Based on current PG&E CPUC filings and financial modelling, we expect this would work out to rate increases to 5% above PG&E in July 2021, September 2021, and January 2022

Delegated Authority Proposal Projected Rates





Delegated Authority Proposal Financial Impact

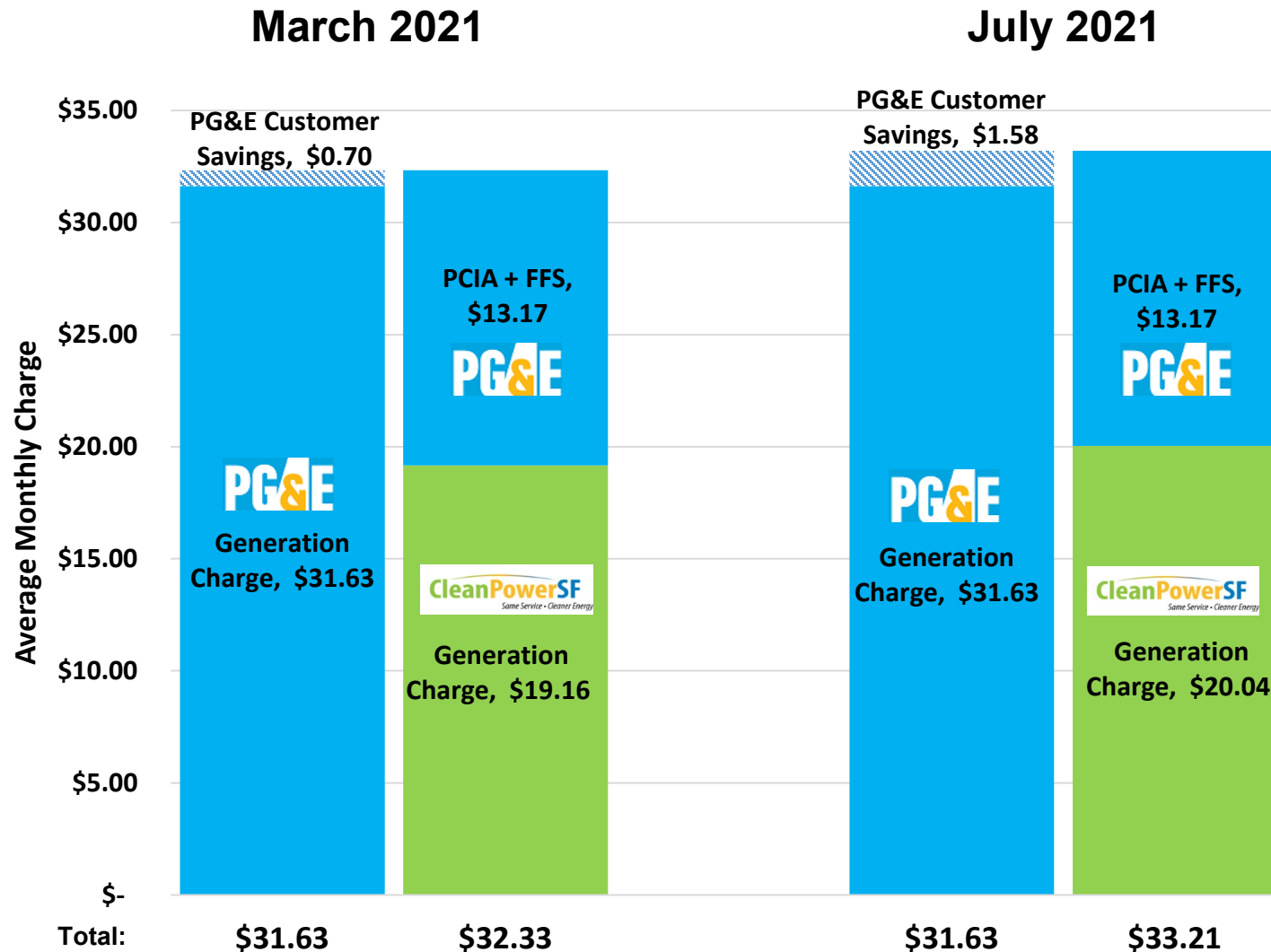
	FYE 2022		FYE 2023	
	Current Rates	With +5% Margin	Current Rates	With +5% Margin
Net Operating Margin	\$ (47M)	\$ (28M)	\$ (28M)	\$ (7M)
Ending Fund Balance	\$ 65M	\$ 84M	\$ 37M	\$ 78M

Assumptions:

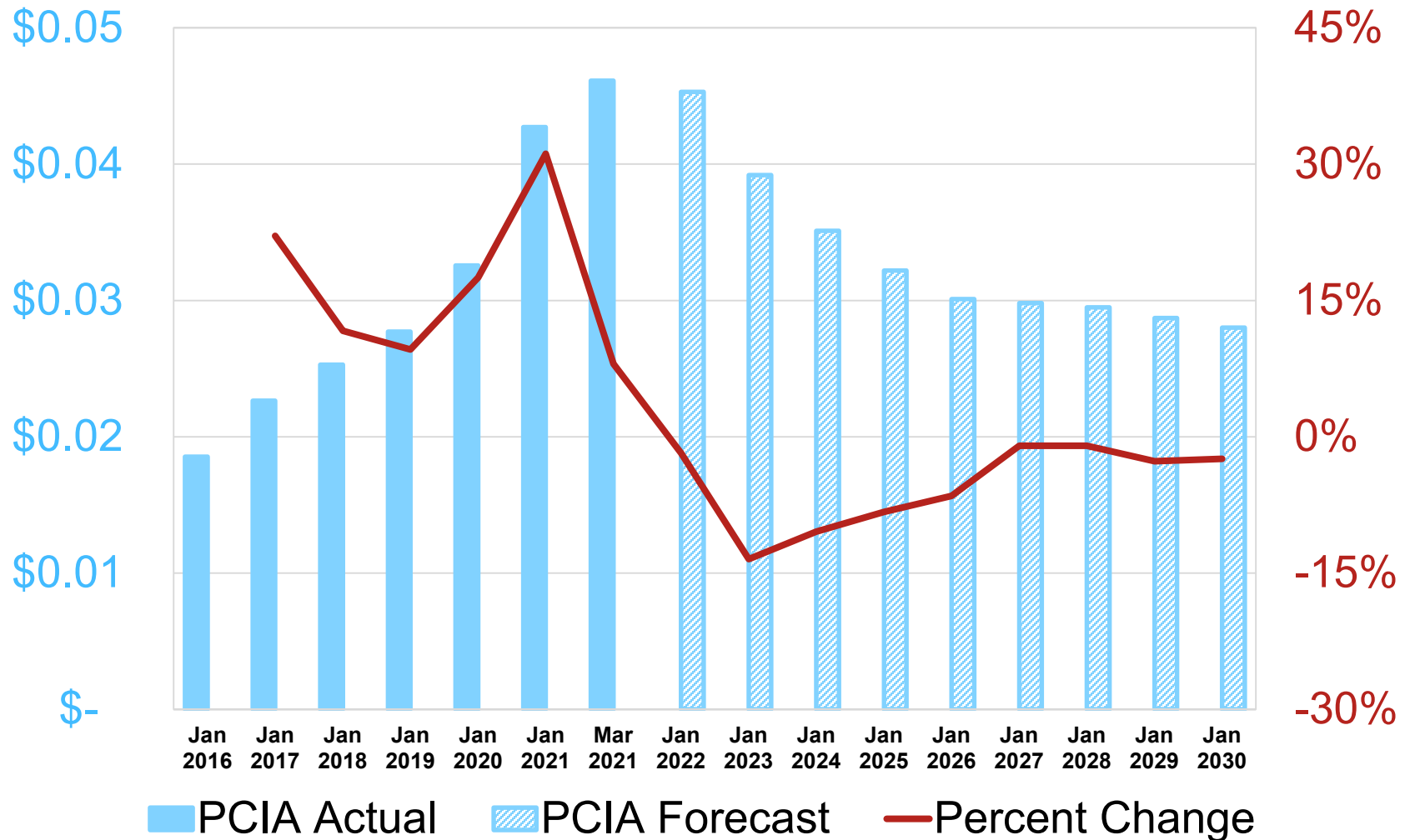
- PG&E's rates and PCIA follow expected timelines and magnitude from current rate filings
- CleanPowerSF increases rates to be 5% above PG&E's rates (inclusive of PCIA + FFS) in July 2021 and September 2021
- Does not incorporate small projected January 2022 rate change or July 2022 rate change from rate study



Delegated Authority Proposal Avg. Residential Customer Bill Impact



PCIA Forecast to Decline

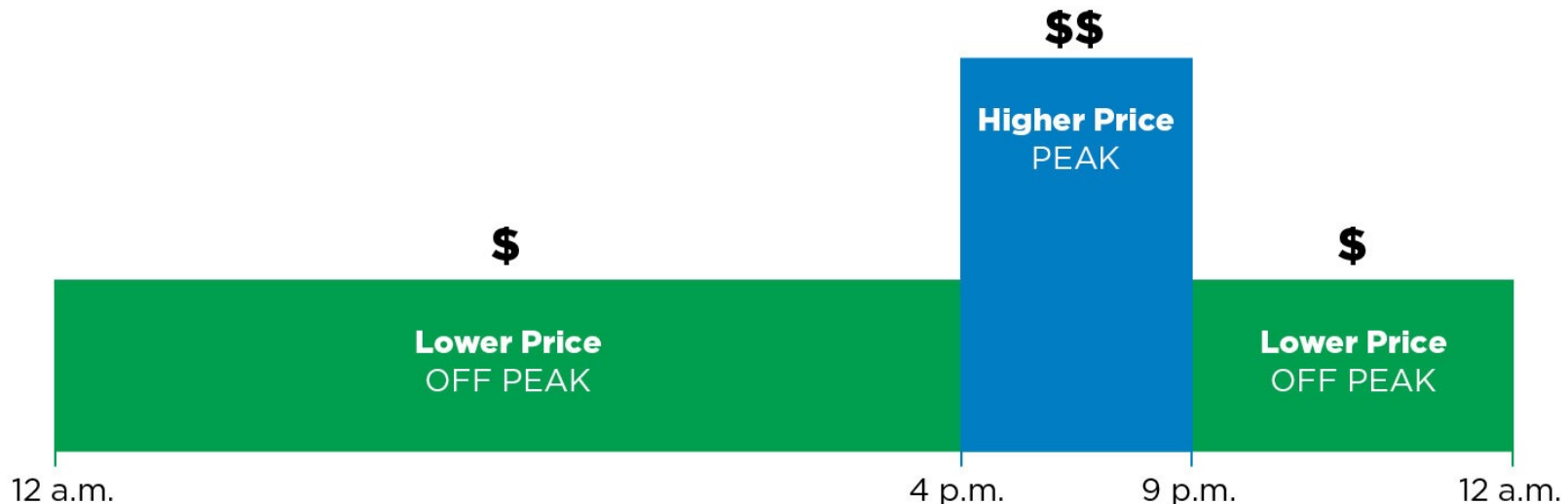


Time-of-Use Transition

- Resolution 19-0236 endorsed the SFPUC's plan to:
 1. Transition eligible residential customers to time-of-use (TOU) rates as the default rate
 2. Provide "bill protection" in the form of a one-time credit after the customer's first full year of service on the TOU rate
- Resolution 19-0236 directed SFPUC staff to return to the Commission with both a proposed TOU rate structure and bill protection plan for consideration and possible implementation

Time-of-Use Rate Structure

- In July 2021, eligible CleanPowerSF residential customers will transition to E-TOU-C rate plan
- E-TOU-C is an existing rate option with over 23,000 CleanPowerSF customers enrolled
 - Higher-cost electricity: PEAK 4-9 p.m.
 - Lower-cost electricity: 19 OFF PEAK hours





Time-of-Use Transition Bill Protection Plan

- Customers who pay >\$10.00 more over 12-month period for CleanPowerSF generation on TOU rate compared to the flat E-1 rate will be provided a one-time bill credit

Bill credit =

12 Months ETOUC Charges – 12 Months E1 Charges

- Eligibility for Bill Protection:
 1. Customers must be automatically transitioned from E-1 to E-TOU-C
 2. Customers must remain on the CleanPowerSF E-TOU-C rate for 12 consecutive billing cycles following their transition



Time-of-Use Transition Customers Have Options

Your Personalized Electric Rate Plan Comparison

This report is based on your last 12 months of electricity usage and assumes no change to how you use energy. Consider any changes in energy usage patterns when choosing your rate plan. Estimates do not include gas.

Your Rate Plan Options	Current Rate Plan Tiered (E-1)	Transition Rate Plan Time-of-Use (Peak Pricing 4–9 p.m. Every Day) (E-TOU-C)	Optional Rate Plan Time-of-Use (Peak Pricing 5–8 p.m. Weekdays) (E-TOU-D)
	Two pricing levels based on monthly usage. Price does not vary by hour of the day.	Higher prices 4–9 p.m. every day. Lower prices at all other times.	Higher prices 5–8 p.m. on weekdays. Lower prices at all other times.
Total Electricity Costs*	\$574/year	\$667/year	\$412/year

Your lowest cost rate plan is: **E1**.

* Estimates assume current PG&E prices and will not match your previous 12 months' bills.

Make your rate plan choice by November 18, 2020.

Option 1: Take action to stay on your current rate plan or choose a different rate plan.

Visit pge.com/TOUchoice, or call 1-866-743-7945, or complete and mail back the form below.

Option 2: Take no action and automatically transition to the Time-of-Use (Peak Pricing 4–9 p.m. Every Day) rate plan in December 2020.



To stay on your current rate plan or to choose a different rate plan, make a selection and return this portion by November 18, 2020.

Anh Dong
Karthika house
Person ID: 3319028972
Account No: 8423585399-5
SA ID: 8423271498
Solar: No

Make a selection and mail in this form

☐

Current Rate Plan: Tiered (E-1)

☐

Transition Rate Plan: Time-of-Use (Peak Pricing 4–9 p.m. Every Day) (E-TOU-C)

☐

Optional Rate Plan: Time-of-Use (Peak Pricing 5–8 p.m. Weekdays) (E-TOU-D)

No action is required

A Signature is Required

Date: _____

Discussion

Appendix



Time-of-Use Transition On-Bill Messaging

- 1 Standard Message

Risk-Free Bill Protection. You are currently enrolled in Time-of-Use (Peak Pricing 4-9 p.m. Every Day) (E-TOU-C) rate plan with Bill Protection. Your Bill Protection on your Electric Generation Charges is active until **MONTH, YEAR**. Learn more at **CCA URL**.

- 3 Standard Messages for Bill Protection Settlement

Saver After	Risk-Free Bill Protection. Your Bill Protection has ended. You have saved \$XX.XX on your Electric Generation Charges by switching to the Time-of-Use (Peak Pricing 4-9 p.m. Every Day) (E-TOU-C) rate plan. Learn more at CCA URL .
Credit After	Risk-Free Bill Protection. Your Bill Protection has ended. You spent more on your Electric Generation Charges while on the Time-of-Use (Peak Pricing 4-9 p.m. Every Day) (E-TOU-C) rate plan, so we've applied a credit of \$XX.XX to your bill. Learn more at CCA URL .
Neutral After	Risk-Free Bill Protection. Your Bill Protection has ended. There was no change in cost in your Electric Generation Charges by switching to the Time-of-Use (Peak Pricing 4-9 p.m. Every Day) (E-TOU-C) rate plan. Learn more at CCA URL .