

Fiscal Year 2023-2024 CleanPowerSF Rates

Yee Nwe (Ma Yee) H. Yap
Principal Revenue/Rates Analyst

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San Francisco
Water Power Sewer
Services of the San Francisco Public Utilities Commission





Agenda

1. FY 2023-24 Rates Setting
2. Revenue Requirement
3. Cost of Service Rates
4. Rate Design: Methodology for Base Rates
5. Rate Design: Rebalancing
6. Proposed CleanPowerSF Generation (Green) Rates
7. Bill Impact
8. Delegated Authority: New Rate Schedules
9. Upcoming Milestones



FY 2023-24 Rates Setting

- Revenue Requirement
 - Commission adopted 10-Year Financial Plan
- Cost Functionalization, Classification, and Allocation
 - Leverage 2022 SFPUC Power Rates Study
 - Update FY 2023-24 power supply contracts for classification
 - Update with FY 2021-22 weighted energy price for customer class allocation
- Rate Design
 - Analyze FY 2023-24 bill impact for CleanPowerSF customers
 - Compare bills of CleanPowerSF customers to PG&E customers
 - Analyze rate schedules for rebalancing



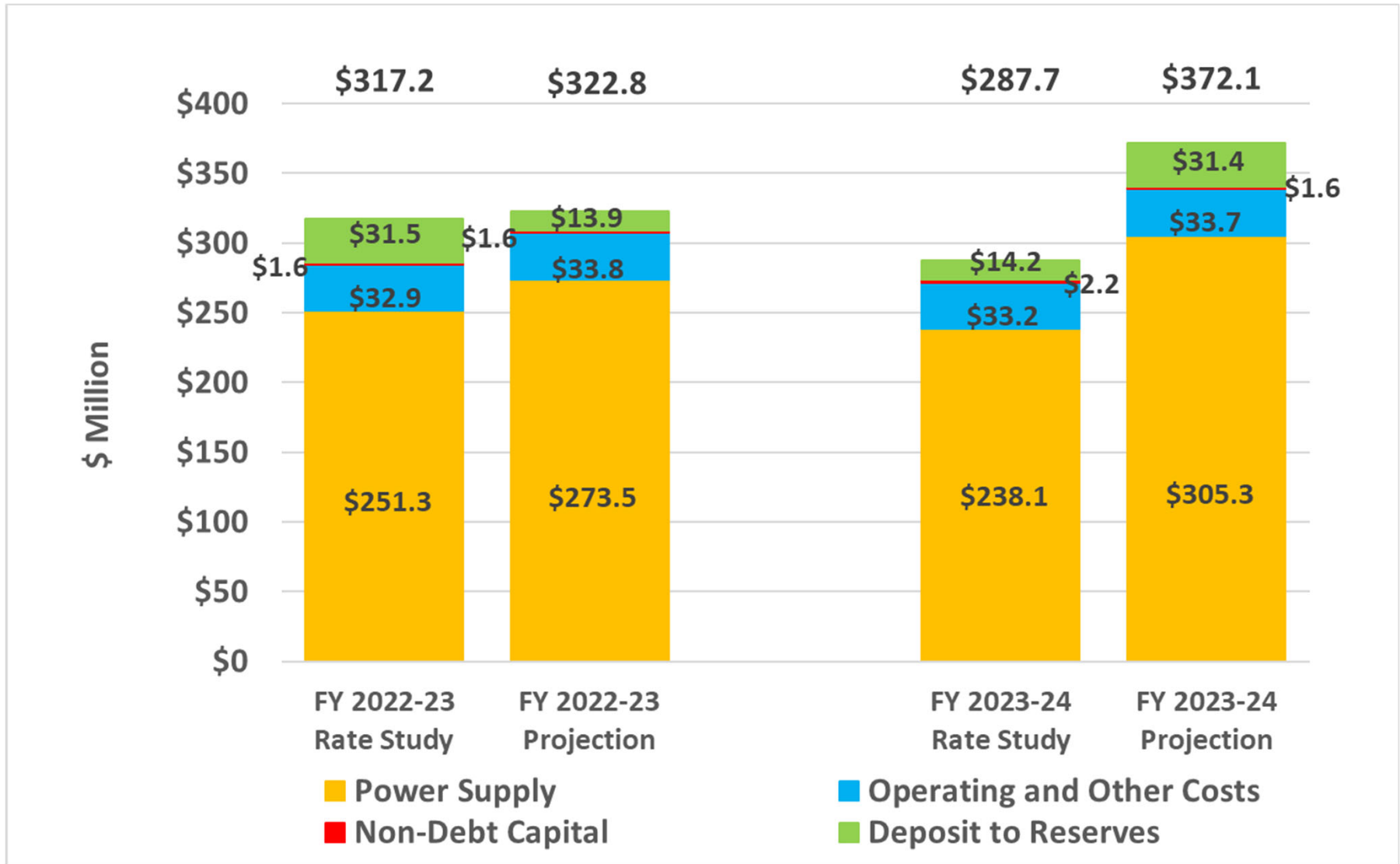


Revenue Requirement

- Exponential changes from time of Rate Study
 - Power supply is the biggest driver!

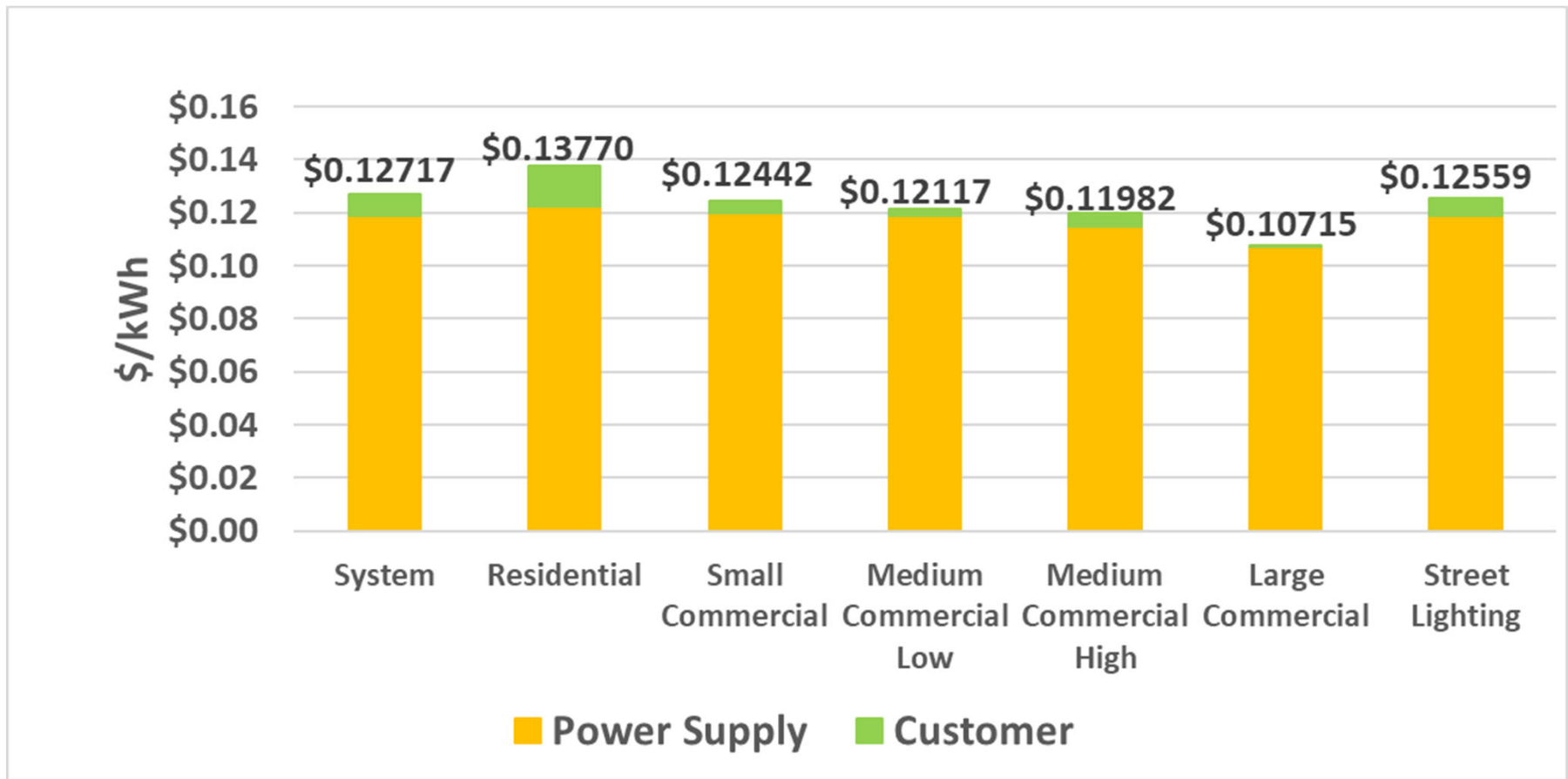
Line Item (\$M)	FY 2022-23 Rate Study	FY 2022-23 Projection	FY 2022-23 Change	FY 2023-24 Rate Study	FY 2023-24 Projection	FY 2023-24 Change
Power Supply	\$ 251.3	\$ 273.5	\$ 22.2	\$ 238.1	\$ 305.3	\$ 67.2
Operating	\$ 29.7	\$ 30.7	\$ 1.0	\$ 30.3	\$ 30.1	\$ (0.3)
Non-Debt Capital	\$ 1.6	\$ 1.6	\$ -	\$ 2.2	\$ 1.6	\$ (0.6)
Uncollectible	\$ 3.2	\$ 3.2	\$ 0.0	\$ 2.9	\$ 3.7	\$ 0.8
Total Expenses	\$ 285.8	\$ 308.9	\$ 23.2	\$ 273.5	\$ 340.7	\$ 67.1
(Less Other Revenues)	\$ -	\$ (4.9)	\$ (4.9)	\$ -	\$ (3.0)	\$ (3.0)
Deposit to/(Use of) Reserves	\$ 31.5	\$ 13.9	\$ (17.6)	\$ 14.2	\$ 31.4	\$ 17.2
Revenue Requirement	\$ 317.2	\$ 317.9	\$ 0.6	\$ 287.7	\$ 369.0	\$ 81.3
Beginning Fund Balance	\$ 66.2	\$ 51.3	\$ (14.9)	\$ 97.7	\$ 65.2	\$ (32.5)
Deposit to/(Use of) Reserves	\$ 31.5	\$ 13.9	\$ (17.6)	\$ 14.2	\$ 31.4	\$ 17.2
Ending Fund Balance	\$ 97.7	\$ 65.2	\$ (32.5)	\$ 111.9	\$ 96.6	\$ (15.3)
Days Cash on Hand	127	78	(49)	152	105	(47)

Revenue Requirement



Cost of Service Rates

- 15% rate increase for CleanPowerSF generation rates proposed in 10-Year Financial Plan





Rate Design: Methodology for Base Rates

- “Effective rate” = all-in \$/kWh or \$/kW rate
 - Rate schedules with no demand charge allocate all costs to energy effective rate, even if they have different time-of-use or seasonal periods
 - Rate schedules with a demand component (kW) have separate energy and demand effective rates
- Calculate % change in effective rate for green rates needed for each rate schedule to get to customer class COS
 - for example, residential class has energy effective rate; medium commercial (high demand) class has effective energy rate and effective demand rate
- Scale effective rate up/down for each line item of rate schedule (i.e. season/TOU)

Rate Design: Rebalancing

- Rate Design: evaluate rebalancing
 - bill impact for CleanPowerSF customers to comparable PG&E rates
 - include generation, PCIA, and FFS for both CleanPowerSF and PG&E bills
 - every rate schedule with CleanPowerSF customers except two has lower bills
 - E-EV (separately metered residential EVs) rebalanced: ~\$4K shifted, increased other residential rates by \$0.00001/kWh
 - Streetlights not rebalanced: generation (+PCIA/FFS) higher by \$0.00130/kWh
- Revenue requirement met!





Proposed CleanPowerSF Generation (Green) Rates

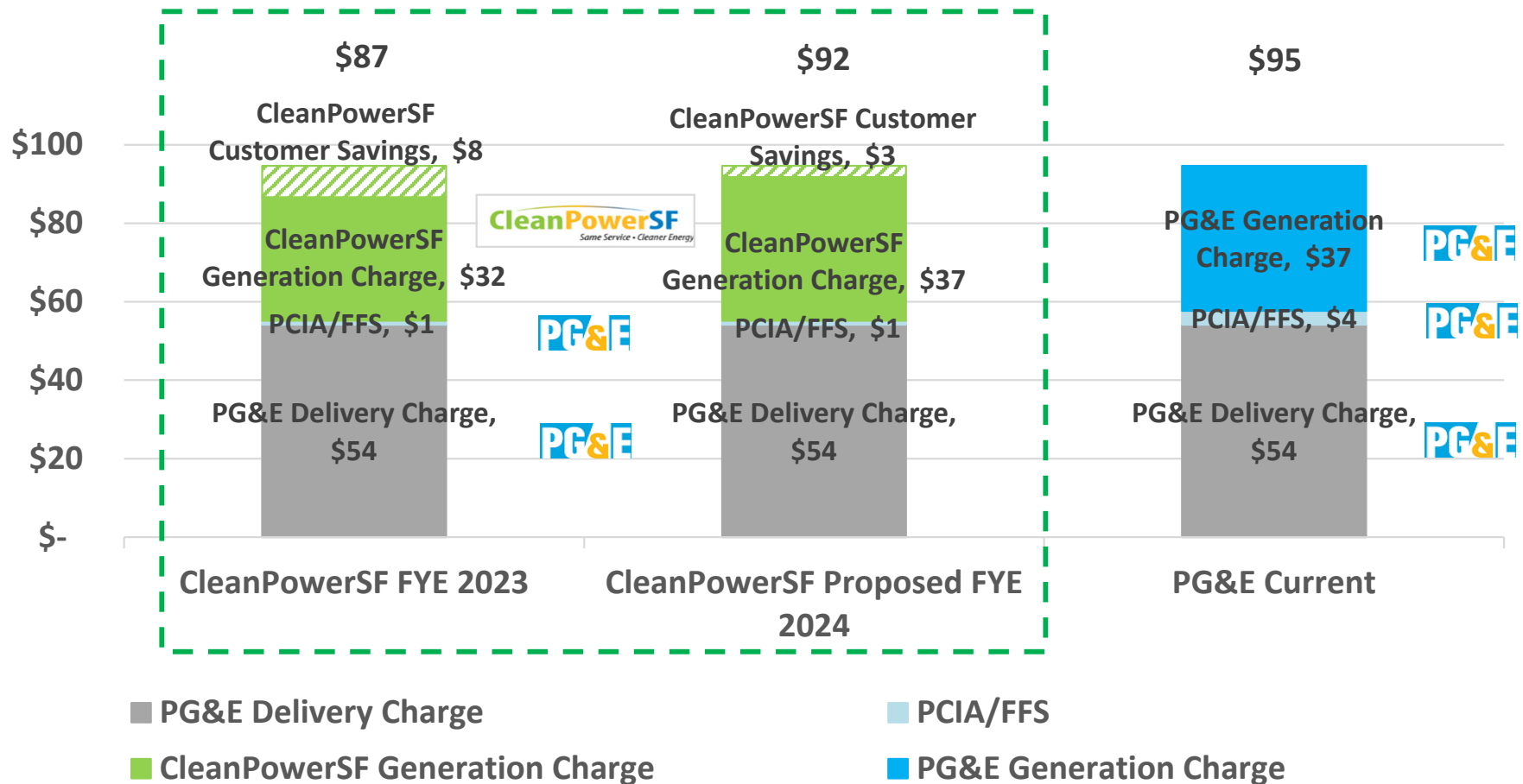
Customer Class	FY 2023-24 Rates (\$/kWh)	% Gen Rate Change	% Total Bill Change for Avg Customer*
Residential	\$0.13748	16%	6%
Small General Service	\$0.12431	13%	4%
Medium General Service – Low Demand	\$0.12099	7%	3%
Medium General Service – High Demand	\$0.11936	17%	8%
Large General Service	\$0.10586	6%	5%
Agriculture	\$0.09065	8%	**
Street Lighting	\$0.12559	21%	**
Traffic Control	\$0.12559	14%	**

All average CleanPowerSF customers (except Streetlights) are projected to have **lower total bills than** comparable current (effective March 2023) **PG&E** rates.

* Shows total bill change for the default rate schedule in each customer class

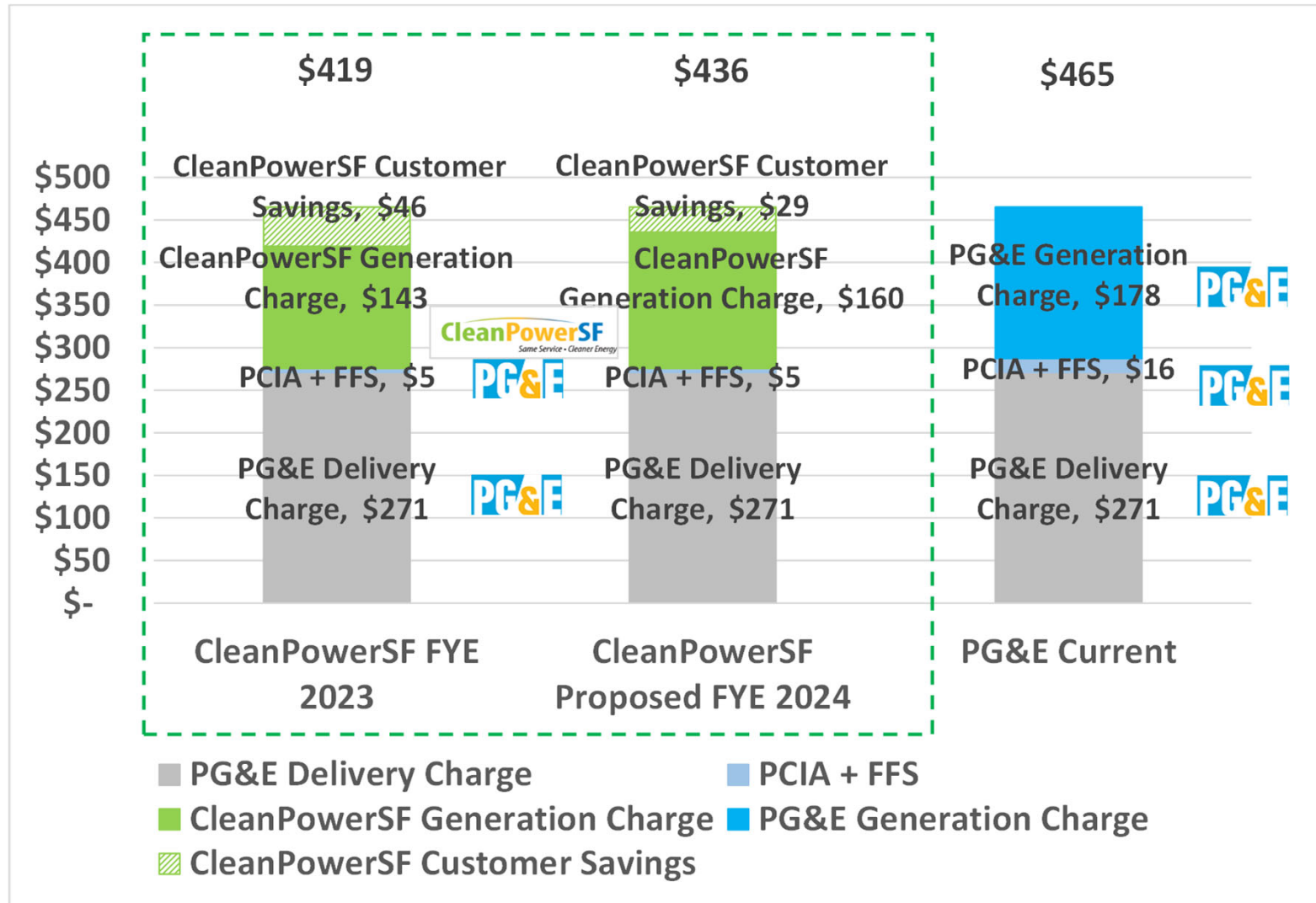
** Very few customers

Bill Impact: Residential E-TOU-C



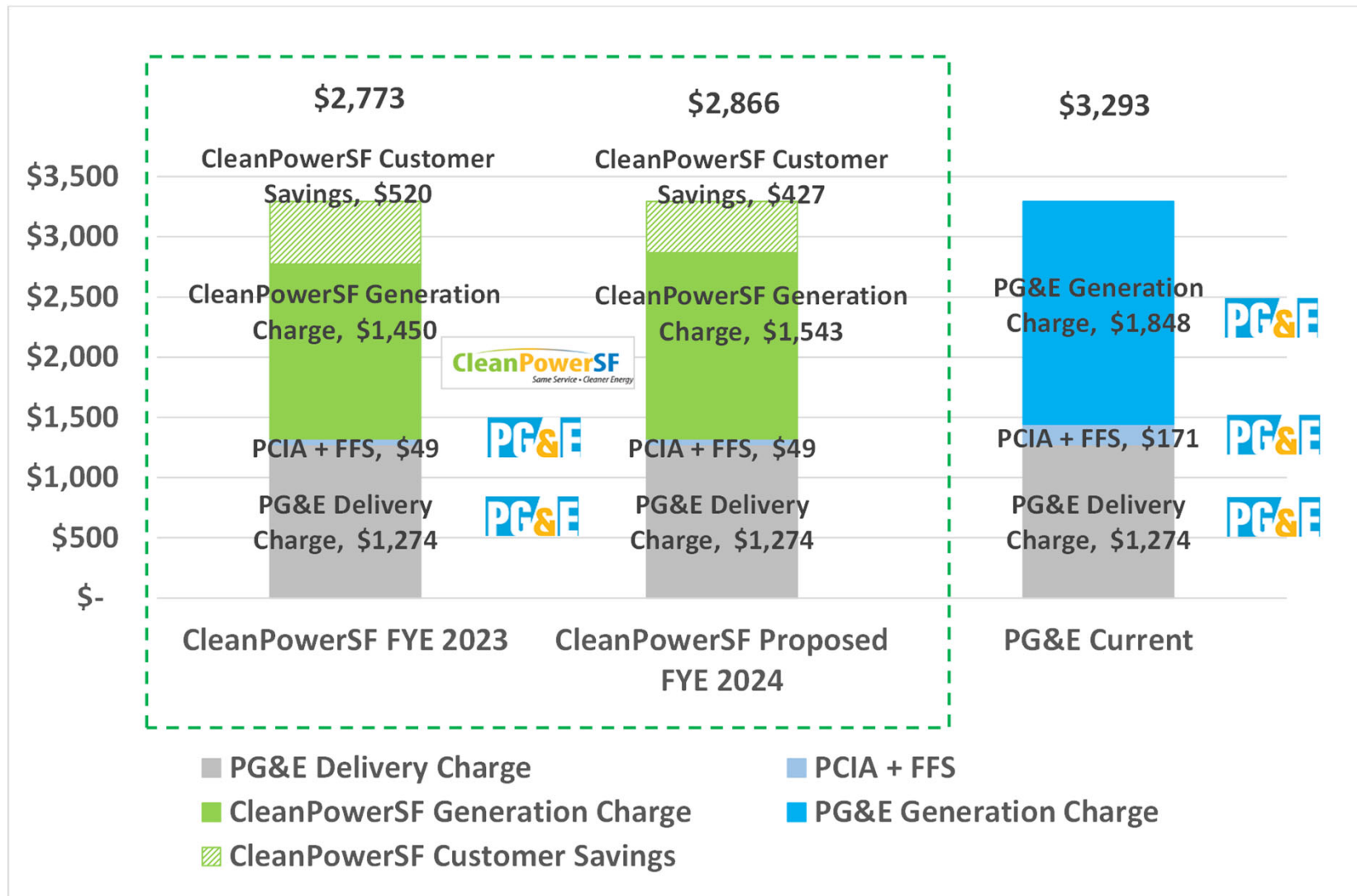
Assumes 270 kWh monthly usage on default E-TOU-C rate schedule. Customers' bills on time-of use rates can vary significantly based on usage patterns.

Bill Impact: Small Commercial (B-1)



Assumes 1304 kWh monthly usage. Customers' bills on time-of use rates can vary significantly based on usage patterns.

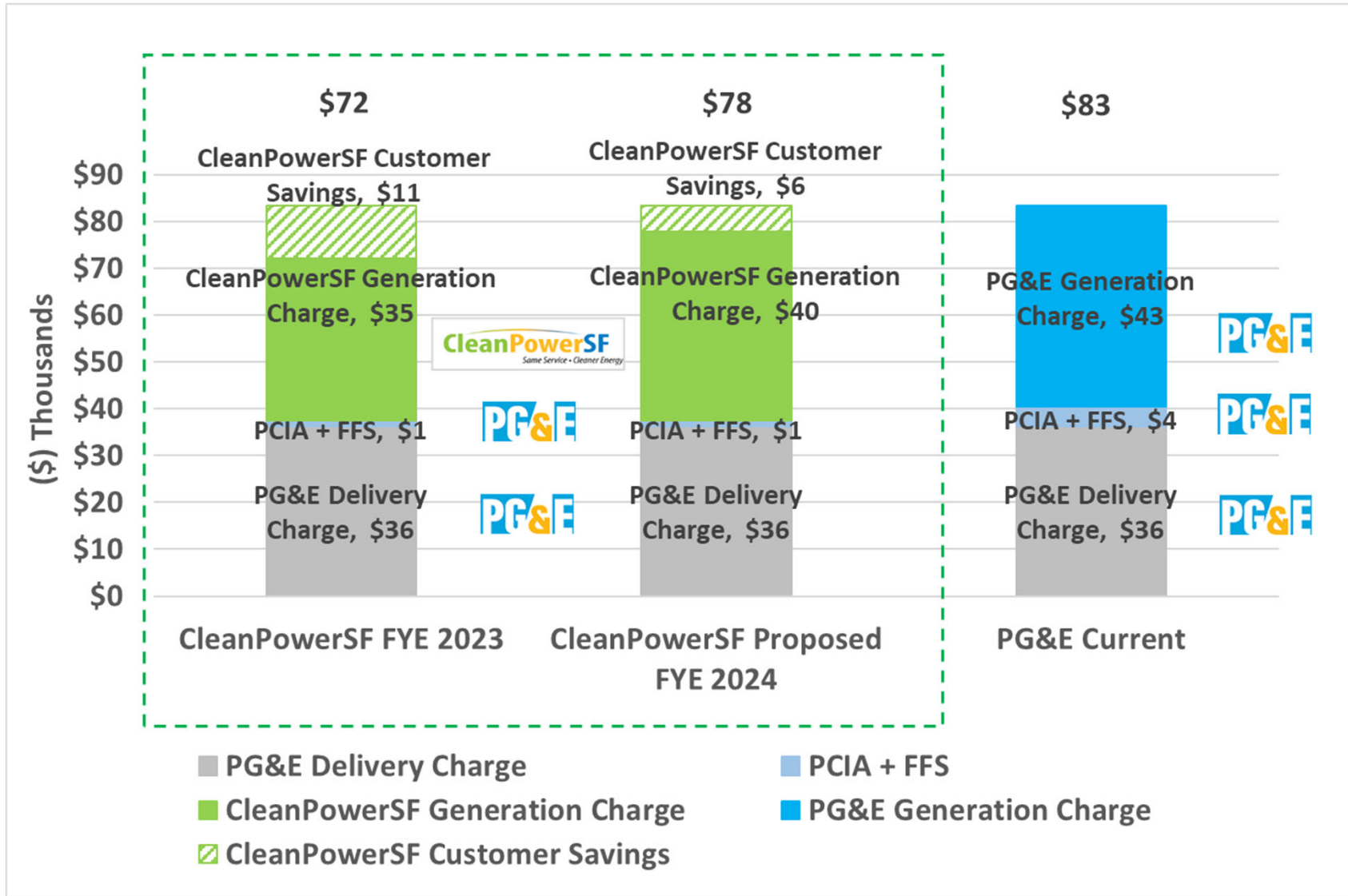
Bill Impact: Medium Commercial - Low (B-10)



Assumes 12,941 kWh monthly usage. Customers' bills on time-of use rates can vary significantly based on usage patterns.

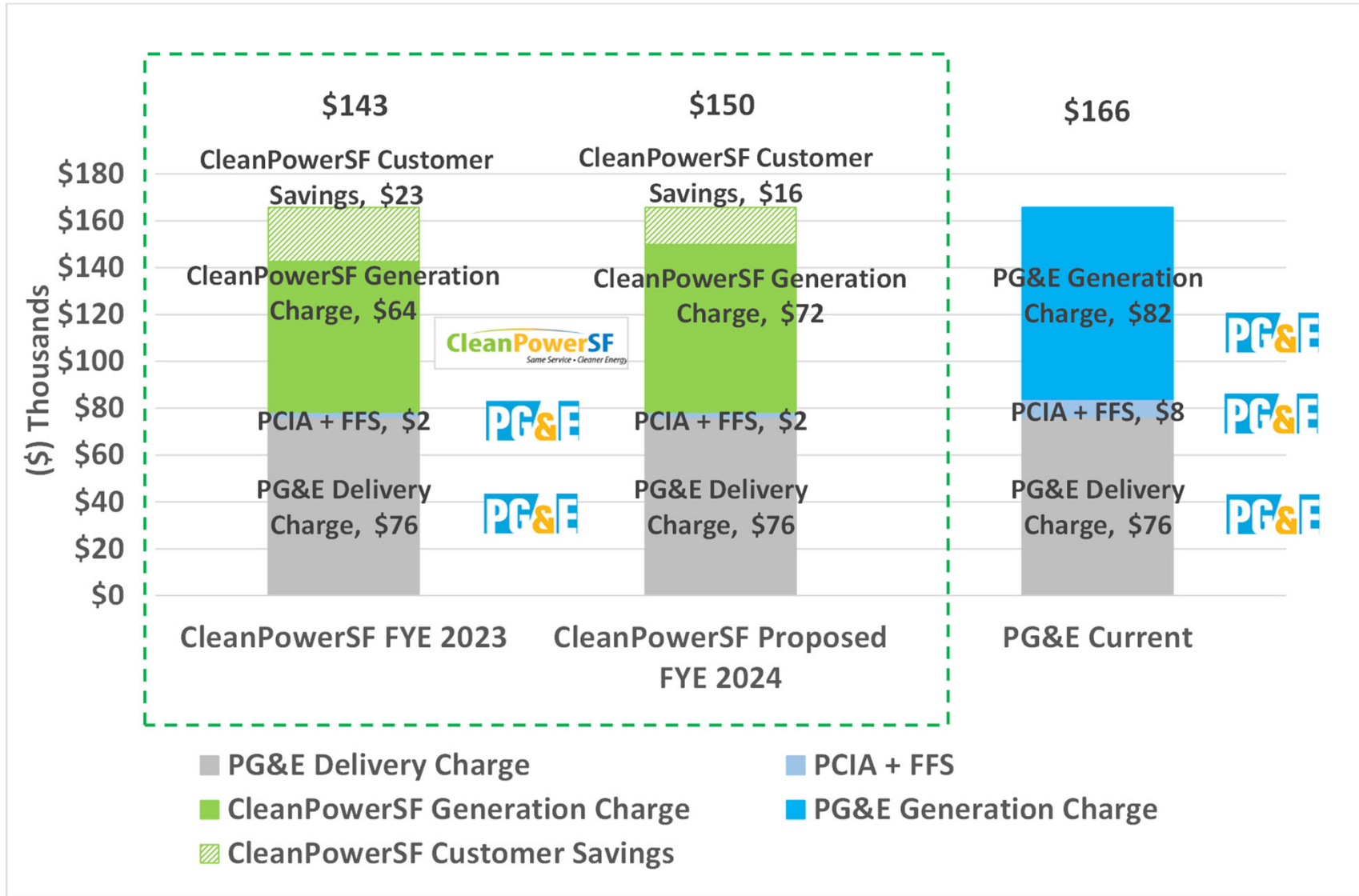


Bill Impact: Medium Commercial – High (B-19S)



Assumes average of higher demand customers with 335,250 kWh and 673 kW monthly usage. Customers' bills on time-of-use rates can vary significantly based on usage patterns.

Bill Impact: Large Commercial (B-20S)



Assumes 645.5 MWh and 1,445 kW monthly usage. Customers' bills on time-of use rates can vary significantly based on usage patterns.



Delegated Authority for New Rate Schedules

- CleanPowerSF suite of rate schedules matches PG&E
 - New rates arise; e.g., Residential Electric Home (E-ELEC)
- Current options:
 - Wait until the next rates-setting process
 - Take to Commission to adopt new rate schedule
- Proposal: give General Manager delegated authority to adopt new rate schedule and use a “new rate schedule methodology” to set temporary rates until next rates-setting process
 - Efficient use of staff time
 - Alternative power supply provider with cleaner energy
 - Support the City’s climate action goal to reduce emissions and move toward higher renewable content energy
 - Prevent potential opt-outs



Delegated Authority: New Rate Schedule Methodology

Methodology sets the new rate schedule to CleanPowerSF's applicable customer class effective rate that has been adopted:

1. Calculate ratios of PG&E's generation rate components of the new rate schedule to PG&E's default rate schedule in the applicable customer class
2. Apply resulting ratios in Step 1 to CleanPowerSF's comparable default rate schedule in the same customer class to set CleanPowerSF new rate schedule generation rate components.



Delegated Authority: New Rate Schedule Methodology Example

- Apply time-of-use ratio of PG&E's residential E-ELEC rates and its standard Electric E-1 rate to CleanPowerSF's standard E-1 rate

PG&E E-ELEC rates / PG&E E-1 rate = E-ELEC Ratio



CleanPowerSF E-1 rate x E-ELEC Ratio = CleanPowerSF E-ELEC rates



Upcoming Milestones

Date	Item
04/14/2023	Commission Staff Report and Resolution Draft
05/01/2023 Noon	Presentation Submission to Commission Secretary
05/09/2023	SFPUC Commission Meeting
05/12/2023 (est.)	Board of Supervisors Submission

Thank You

