

12/6/2022

item 7




City Council

Item 7
RTC 22-1231: Adoption of a Resolution Amending Rate Schedules for Electric Service

December 6, 2022

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City of Santa Clara
The Center of What's Possible

Public Outreach - 2022

- October & November – Notification to Schools and State Agencies
- November - Posts to Social Media - Twitter, Facebook, Nextdoor
- Inside Santa Clara article - Fall/Winter edition
- November – Notified SVP Key Accounts
- November - Sent notification on City's email platform, GovDelivery
- Posted the December 6th Council Meeting Details - Monitoring Social Media for questions and comments

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POST MEETING MATERIAL

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Need for Increase

- Maintenance and operations of the Utility
- Purchase and produce the power to meet the City's needs
- Proactive maintenance of the generation (power plants) and distribution and transmission system (poles and wires) to maintain SVP's high reliability.
- Continue to meet the State renewable energy requirements
- Continued drought reduces hydroelectric output
- Balance the Utility Budget to account for increase costs SVP does not control

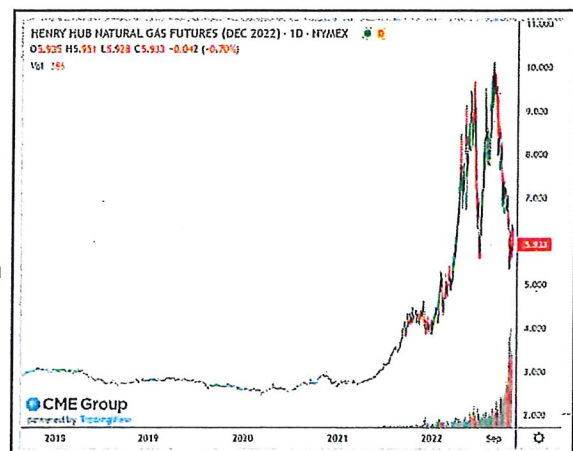
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Reasons for Increase

- The historic 40-year high Consumer Price Index that affects prices for materials, construction, maintenance, operations, etc.
- Increase natural gas commodity costs – at one time up 150% and remain 50% higher than at the end of last year
- Increases to Transmission Access Charges (TAC) – 31% Increase for low voltage and ~22% for high voltage
- Gas Transportation rates and access charges – 36% increase
- Higher renewable energy costs – we are seeing 15% to 20% higher costs for current offered Power Purchase Agreements



Gas Prices

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Proposed Rate Increase

- Proposed Rate Increase
 - 8% increase effective January 2023
 - Higher increases than the last few years but there have been similar increases in the past
 - Rate increase is slightly below inflation even with significant double digit percent increases on some of SVP costs
 - Lowest residential rates for any California Utility with more than 10,000 customers
 - Residential rates are 57% lower than PG&E
 - Average residential electric bill will increase by approximate \$4.44 per month



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Rate Comparison with 8% rate increase

SVP vs PG&E Average* Rates

Class of Service	SVP AVG Rates as of 01/01/23 (\$/kwh)	PG&E Average Total Rate as of 06/01/22 (\$/kwh) ***	SVP Lower (\$/kwh)	SVP lower (%)	PG&E Higher (\$/kwh)	PG&E Higher (%)
Residential	D-1 \$0.144	E-1 \$0.338	\$0.194	57%	\$0.194	135%
Small Commercial	C-1 \$0.214	B-1 \$0.325	\$0.112	34%	\$0.112	52%
Large Commercial	CB-1 \$0.157	B-10S \$0.302	\$0.145	48%	\$0.145	92%
Small Industrial	CB-1 \$0.157	B-19S \$0.262	\$0.105	40%	\$0.105	67%
Large Industrial	CB-3 \$0.142	B-20P \$0.220	\$0.079	36%	\$0.079	56%
Very Large Industrial	CB-6 \$0.126	B-20P \$0.220	\$0.094	43%	\$0.094	74%

* Average rates based on estimated forecasts, including surcharges. Average rates are provided for general reference, and individual customer's average rate will depend on its applicable kw and kwh.

** This comparison does not factor in the additional user tax charge levied in most PG&E service jurisdictions (typically 5%). Santa Clara customers are not charged these additional fees.

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Monthly Bill Comparisons

2023 Residential Customer

	Low User (300 kWh)	Average (420 kWh)	High User (1,000 kWh)
Before	\$39.31	\$55.61	\$134.38
Proposed	\$42.44	\$60.05	\$145.10
Increase	\$3.13	\$4.44	\$10.72

2023 Commercial/Industrial Customer

	Small Business C1 (1,000 kWh)	Large Commercial/Small Industrial CB-1 (500,000 kWh)	Large Industrial CB-3 (2,000,000 kWh)
Before	\$201.77	\$72,604	\$266,775
Proposed	\$217.88	\$78,398	\$288,082
Increase	\$16.11	\$5,794	\$21,307

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Support for Customers

- SVP applied and received funding from the California Arrearage Rate Assistance Program
 - SVP received \$1.3 million
 - Provided support for almost 8000 residential customer
 - Average amount was \$164
- Increasing our Rate Assistance Programs – currently a 25% reduction up to 800 kWh
 - Financial Rate Assistance Program (FRAP) - 35% rate discount for first 300 kWh, 25% rate discount from 300-800 kWh
 - Low Income Home Energy Assistance Program (LIHEAP) - 40% rate discount for first 300 kWh, 25% rate discount from 300-800 kWh
- Energy Efficiency Rebates and Programs still available

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Recommendation

Adopt a Resolution amending Rate Schedules for Electric Services to Increase Electric Rates and Charges in Each Rate Schedule by Eight Percent (8%), effective January 1, 2023.

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