AGENDA

1. Study Background
2. Study Status
3. Study Timeline
4. Next Steps
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

2020
- Identify Rates & Fees
- Customer Profiles
- Revenue Requirement
- Cost of Service Analysis
- Outreach Phase 1

2021
- Budget Update
- Develop Power Rates and Charges
- Outreach Phase 2

2022
- Rate Adoption
- Rate Implementation
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