

Seattle City Light Review Panel Rate Design Feedback

Based on the initial report and attachments there are two things that I'd like to provide further feedback on. First, the proposed timelines for implementing rate design does not match the pace of change impacting the utility or a proactive approach to anticipating new loads. Second, traditional demand charges as a rate structure do not effectively allow a customer to reduce their costs to the utility, even with improved customer education.

For context, Ameresco is a nationwide energy services company. In the Pacific Northwest, since 1999, we have worked primarily with municipalities, schools, hospitals and universities to identify and construct cost effective energy efficiency and renewable energy renovation projects. I personally have lived and owned a home in Seattle since 2008.

The proposed timeline of options that could be implemented in 2021-2022 lacks ambition and continues to leave Seattle City Light in the position of being reactive instead of proactive. The utility market and grid demands are changing faster than the proposed timeline seems to acknowledge. As one example, Plug In electric vehicle sales increased 81% from 2017 to 2018. <https://bit.ly/2BUKWNV> The early adopters of these cars are making capital investments in charging equipment which with small incremental first costs could respond to price signals, be scheduled or participate in demand response programs. However, the lowest cost charging infrastructure doesn't have this and to retrofit it in the future will be costly. These same early adopters I would argue would be the prime candidates to participate in opt-in trial rate schedules and programs. I worry that based on the proposed schedule, in 2021 SCL will already be facing T&D peak load issues with no programs and systems tested and in place. With a more aggressive rollout of opt-in trial rates and a pro-active approach would allow SCL to use this large customer funded capital investment as a resource to reduce utility operating and future capital costs. Similar dynamics are playing out with the cost of distributed energy storage and solar energy that can have different but similar impacts to a utility, SCL, that has already been slow to adapt.

Earlier I provided feedback about monthly peak demand charges and how most of my commercial customers don't know how they work or when their peak demand occurs. I saw in the feedback themes and follow-up discussion it was proposed that more customer education can help address this problem. Providing additional information to the customer by including in the monthly bill a time stamp indicating when the peak demand occurred would be valuable. In regard to education, there is no one or two people inside a commercial or industrial customer you could actually educate and then they would be able to take action to manage peak demand. Would you educate the finance person who pays the bill, the facility manager responsible for maintaining equipment, or all of the staff using energy? A 15min peak demand is very hard to track and then manage to reduce, there are too many pieces of equipment and human actions that can easily cause a months' worth of well managed load to be lost to 15 minutes of transitory events that lead to a high bill. Educating your customers is a fine idea, but I don't think it can address the fundamental challenge of giving customers control over their energy costs with traditional 15 minute monthly peak demand charges.

Sincerely,
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