



## City Light Review Panel Meeting Meeting Minutes

**Date of Meeting: December 18, 2018 | 11:00AM – 2:00PM | SMT32 “Draft”**

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	David Allen	√	John Putz	Skype
Sara Patton	√	Patrick Jablonski	√		
Thomas Buchanan		Leon Garnett	Skype		
Staff and Others:					
Debra Smith	√	Paula Laschober	√	Karen Reed (Consultant Contractor/RP Facilitator)	√
Carsten Croff	√	Kirsty Grainger	√	Leigh Barreca	√
Robert Cromwell	√	Calvin Chow	√	Maura Brueger	√
Gregory Shiring	√	Joni Bosh	√	Kiersten Grove	
Eric McConaghy	√	Aretha Basu		Kathleen Wingers	√
Josh Czebotar	√	Joni Bosh	√	Alex Tsimerman	√
Daniel Beekman					

Welcome: Patrick Jablonski convened the meeting at 11:03 A.M. John Putz and Leon Garnett joined the meeting by telephone.

Public Comment: Alex Tsimerman offered his comments: he said that every nation deserves a government; the panel is selected by our government leaders whom he believes are corrupt. Half of City Light’s employees should be fired. There was no additional public comment.

Review of Agenda: Karen Reed reviewed the agenda.

Meeting Minutes: Approved the November 27, 2018 meeting summary as submitted with corrections to the meeting attendance.

Chair’s Report: Patrick had no report. Observed that we are continuing to work through the rate design work plan; it has been a lot of time and he appreciates the Review Panel’s perseverance.

Panel Vacancies: Robert Cromwell reported that the nominees for the economist position are before the Mayor for her decision. The Council’s decision on a replacement for the financial analyst position is also pending. The Mayor has asked for some additional names for David Allen’s position; David noted he has served on the Panel since its inception in 2010 and it makes sense to him that there may be a change made.

Communications to the Panel: There was one email to the Panel asking for information about construction standards; it was forwarded to SCL engineering staff for response.

SCL in the news and other updates: **Large Solar Tariff.** Maura Brueger explained that City Council will be asked in the next quarter to approve a new tariff for customers with solar installations



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capable of generating over 100 kW of electricity. Currently, there are three pilot projects in place for customers with installations of this size. The new tariff is proposed for these customers. The Utility has done a lot of outreach about this. The proposal will be sent to Council in the first quarter of 2019. It provides for a net metering rate as well as a rate for excess power generated. It is not part of the retail rate design project that the Panel is working on. The current subsidy of solar producers is generous, and it will remain generous to incentivize solar generation. ***Council requested a Briefing in Quarter 1 2019 to learn more about this new tariff.***

Continued Discussion of Rate Design. Kirsty Grainger reviewed a document that presented updated list of policy goals ("ends") and potential action items to support these goals ("means"), based on Panel input in November and additional staff discussion. The list of "ends" no longer includes economic development. Customer choice has been added—the Utility thinks this is where a lot of the rate design trends are going. It would include an interruptible power rate for those who want it. Kirsty noted that SCL feels that the goal of customer choice is supportive of economic development. The Panel approved the proposed list of goals/ends as a working draft. The Panel then discussed the proposed list of action items/"means" and decided which items to keep on the list for future discussion. Discussion points included:

### *Near term ideas (implement in 2021)*

- **Redesign bills.** Clarify the text—it is not clearly rate design; it is important educational step. Messaging here will be important to use of AMI and facilitate Time of Use Rates. Keep this on the list of potential action items.
- **Adjust Residential block rates.** Keep this on the list of potential action items.
- **Time of Use Rates.** Note that these must be based on the costs to the Utility. It also highlights the need for customer education. This action item will help move consumption to maximize revenue. There is a natural synergy between City Light and the California energy markets. Keep this on the list of potential action items.
- **Budget and flat rate residential billing.** The Utility will try to speed up access to budget billing—it currently takes a year to qualify. On the flat rate residential pilot, it was noted that we need more data to shore up the idea and connect it to the Utility Discount Program. Keep this on the list of potential action items.
- **Fixed Charges.** A Panel member noted that this idea is arguably in opposition to other ideas here—not as transparent. The definition of what goes into the fixed charges is key. Keep this on the list of potential action items, however, the different fixed charge for single versus multi-family accounts is politically challenging so this should be shifted to a longer-term effort, rather than near term. Not clear we could do the required education in the near term.

### *Mid-term ideas (implement after 2021)*

- **Simplify general service rate classes.** AMI could eliminate the need for rate classes. This proposal addresses the issue raised by County Dept. of Natural Resources and Parks staff about County concerns about losing money if they invest in energy efficiency improvements at the West Point Treatment Plant. Keep this on the list of potential action



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items.

- **Interruptible/demand response.** Keep this on the list of potential action items but move to near term.
- **Green Option.** Keep this on the list of potential action items.
- **Demand Charges.** Keep this on the list of potential action items.
- **Bill redesign 2.0.** How is this different from item 1? A: It's more extensive. How do you decide what goes in the longer term effort, versus the near term? What can really happen now? This will be a big IT lift and communication lift. It will take longer. Keep this on the list of potential action items.
- **Cost alignment.** Undergrounding premium is a large decision, will take longer to work through. This idea is about moving towards cost allocation based on attributes of the service being provided, rather than "customer class." Keep this on the list of potential action items.
- **Decoupling.** Some Panel members feel this should be addressed sooner; others noted their concerns that this strategy undermines the goal of rate predictability—larger customers oppose for this reason. The language should be revised to sound less negative. Keep this on the list of potential action items.
- **Utility Discount Program (UDP).** The City interdepartmental team continues to work on this; they are engaging outside stakeholders, including Leon Garnett. They will be addressing rate design next year in this program. Keep this on the list of potential action items.

Matrix of goals and action items. The Panel supports the sample matrix approach outlined in Kirsty's memo. The next steps here are to examine the near-term stuff and include decoupling and RSA assessment in the matrix.

Interim Report on Rate Design to Council. Karen reviewed the report outline. The interim report will include no final recommendations from the Panel, it will simply note where we are in the work and what we have left to do. Discussion points included:

- The problem statement can be pulled from the strategic plan discussion about the rate design initiative.
- Please send the draft to the Panel as far in advance as possible.
- Note that we will have another round of outreach to stakeholders
- Outreach to residential ratepayers in the form of a survey makes sense. It can focus on policy ideas and customer awareness.
- Note that we did not get good response in the outreach from small businesses and we have also yet to engage residential ratepayers.
- The stakeholder meeting format was helpful to getting in depth ideas from people
- Staff did a great job in putting the stakeholder meetings together.
- Include links to video of the stakeholder meetings.
- Include link to Cuthbert's report.

***Karen will draft the report and circulate it first to the steering committee for review and***



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***editing, and then to the Panel.*** The Mayor's office needs to receive a draft before the end of the year.

Cuthbert Report on Rate Design. ***Patrick requested time to discuss the revised report at the Panel's January Meeting.***

The meeting was adjourned at 1:30PM.