



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson
FROM: Erin Erben, Power and Strategic Planning Manager
DATE: February 21, 2014
SUBJECT: Residential Time of Use Rate Pilot
OBJECTIVE: Board Action – Approval of proposed changes to *Residential Service – Schedule Pilot Time of Use*

Issue

The resolution seeks to clarify language in the Residential Time of Use (TOU) pilot rate schedule and make the changes described below.

Background

On September 4, 2012 the EWEB Board unanimously approved Resolution No. 1215,¹ which authorized the General Manager to adjust residential electric rates for a residential TOU pilot, per the Exhibit A to the resolution. As outlined in Exhibit A, the rates are subject to annual rates adjustments and other terms and conditions. Subsequently, the Board approved Resolution No. 1223² for the 2013 annual rate adjustment, Resolution No. 1315³ for the BPA pass-through, and Resolution No. 1328⁴ for the 2014 annual rate adjustment, which all adjusted the TOU rate.

Discussion

Proposed changes (in bold) to *Residential Service – Schedule Pilot Time of Use*:

- The TOU pilot rate is available for up to **450** customers. This level of customer participation will provide a statistically valid sample of EWEB's residential class; therefore, EWEB will be better positioned to make future business decisions for this customer class.

¹ Reference, EWEB September 4, 2012 Board Agenda
http://www.eweb.org/public/commissioners/meetings/2012/120904/M7_ResolutionNo1215-TOUPilotProposal.pdf

² Reference, EWEB December 4, 2012 Board Agenda
http://www.eweb.org/public/commissioners/meetings/2012/121204/M8_No1223-May2013ElectricRateIncrease.pdf

³ Reference, EWEB July 16, 2013, Board Agenda
http://www.eweb.org/public/commissioners/meetings/2013/130716/CC7_ResNo1315-ElectricRateSetting.pdf

⁴ Reference, EWEB December 3, 2013 Board Agenda
http://www.eweb.org/public/commissioners/meetings/2013/131203/M9_Resolution1327-1329.pdf

- Proposed pilot rate sunset date of **December 31, 2017**. This new sunset date is necessary to accommodate the two year research cycle due to a delayed start date. The delay came from a longer than anticipated development cycle for the meter-to-bill presentment enhancements and an interest in trying to coordinate meter acquisition with AMI deployment. Upon Board approval of the Opt-In AMI strategy, the decision was made to proceed with the TOU pilot independent of the AMI metering effort to avoid further delay. The revised “go live” date for the TOU pilot rate is now November 1, 2014. Prior to the November go live date, the TOU project team will be performing meter tests, finalizing the operational deployment plan, recruit customers and install new TOU meters.
- On-Peak Energy and **Delivery** Charge or Off-Peak Energy and **Delivery** Charge. Energy and Delivery Charges are combined charges. The word **Delivery** was omitted from the original resolution.
- Off-Peak days include all hours on Saturday, Sunday and **NERC Holidays**.⁵ The North American Electric Reliability Corporation (NERC) recognizes six standard holidays as Off-Peak days. These six holidays were omitted from the original resolution.

TBL analysis

While a formal TBL assessment has not been written for the pilot project as a whole, TOU was considered in the AMI Business Case as part of the potential program offerings that could result. In addition, the TOU Project Team is using TBL assessment tools throughout all phases of this pilot.

Recommendation

The above changes and language modifications facilitate the enactment of the TOU pilot to achieve the goals set forth in the original resolution to provide EWEB the opportunity to gain insight into customer responsiveness and acceptance of TOU rates, test internal system, and integrate TOU rates with other programs.

Requested Board Action

Staff requests approval of proposed changes to *Residential Service – Schedule Pilot Time of Use* as outlined above and in Exhibit A.⁶

⁵ North American Electric Reliability Corporation (NERC) Off-Peak Holidays
http://www.nerc.com/comm/OC/RS%20Agendas%20Highlights%20and%20Minutes%20DL/Additional_Off-peak_Days.pdf

⁶ Exhibit A: Residential Service – Schedule Pilot Time of Use
(proposed changes highlighted in yellow)



Exhibit A

N. Residential Service – Schedule Pilot Time of Use
Resolution No. 1406

1. Applicability

The pilot rate is available for up to 450 customers. Participation is at the sole discretion of EWEB and may be applied to either sub-metered customer load, such as EV or water heater end use devices, or to whole house loads. This rate will sunset as of December 31, 2017 without further Board action. Customers will be allowed to return to the standard Residential Service – Schedule R-6 rate at any time, but EWEB will not allow customers to return to the Pilot Time of Use rate once opted out of the rate.

To underground or overhead electric services for separately metered single-family residences, duplexes, triplexes, quads, townhouses, multifamily structures with less than four living units, and mobile homes, except as may be otherwise specified by prior contract. Boarding, lodging, rooming houses, or group care facilities shall also be considered residential services if not more than five private sleeping rooms are used by members of the customer's family.

When a major portion of a dwelling is regularly used for the conduct of business, the customer may separate the wiring so that the residential portion may be metered separately and billed on the Residential Schedule, otherwise the entire dwelling shall be billed on a General Service Schedule.

Rate schedules apply to the sale of electrical energy for the sole and exclusive use of the customer. The customer shall not resell electrical energy supplied by EWEB.

2. Character of Service

Single-phase, 60-cycle, nominal 120, 208Y/120 or 240/120 volts, subject to voltage classification available and compatibility with geographic area.

Approved: 09/12
Adopted: xx/xx

Revision Date Effective: xx/xx/14
Revision: x



3. Monthly Rate
(Resolution No. 1406)

Basic Charge \$13.50 per month

On-Peak Energy and Delivery Charge* \$0.15725 per kWh

Off-Peak Energy and Delivery Charge* \$0.06905 per kWh

***Energy and Delivery Charges are combined charges.**

On and Off Peak Hours

Winter (beginning November 1st of each year)

On-Peak	7:00 a.m. to 11:00 a.m.	Monday - Friday
	5:00 p.m. to 9:00 p.m.	Monday - Friday
Off-Peak	9:00 p.m. to 7:00 a.m.	Monday - Friday
	11:00 a.m. to 5:00 p.m.	Monday - Friday
	All hours	Saturday, Sunday and NERC Holidays**

Summer (beginning May 1st of each year)

On-Peak	12:00 p.m. to 8:00 p.m.	Monday - Friday
Off-Peak	8:00 p.m. to 12:00 p.m.	Monday - Friday
	All hours	Saturday, Sunday and NERC Holidays**

****North American Electric Reliability Corporation (NERC) Holidays include:**

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Source:

http://www.nerc.com/comm/OC/RS%20Agendas%20Highlights%20and%20Minutes%20DL/Additional_Off-peak_Days.pdf



4. Minimum Charge

The minimum charge per month shall be the applicable basic charge.

5. Annual Rate Adjustments

As established in Board Policy SD9, the EWEB Board has exclusive jurisdiction to approve annual operating budgets and establish rates for electric service. The rates established under this schedule (Schedule Pilot TOU R) will be adjusted annually to reflect the overall change for the Residential Service – Schedule R-6 rates.

6. Power Cost Recovery Adjustment

At the discretion of the Board, the rates may be adjusted for 12 months to reflect the variance between budgeted and actual power cost for the previous calendar year. The adjustment is determined by dividing the amount to be rebated or recovered by the projected annual kilowatt-hour sales in that calendar year, and then decreasing or increasing the energy or power component of the rate accordingly.

7. BPA Power Cost Adjustment

Electric rates may be automatically adjusted for up to 12 months to reflect a future variance in projected power costs due to changes in Bonneville Power Administration (BPA) wholesale rates. The adjustment is determined by dividing the amount to be rebated or recovered by the projected kilowatt-hour sales for the appropriate period and then decreasing or increasing the energy or power component of the rate accordingly.

8. Special Provisions

Individual single-phase motors larger than 7.5 horsepower may be connected only with the written permission of EWEB.

9. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.

**RESOLUTION NO. 1406
March 2014**

**EUGENE WATER & ELECTRIC BOARD
Residential Time of Use (TOU) Pilot Rates**

WHEREAS, the Eugene Water & Electric Board (EWEB) has exclusive jurisdiction to establish electric rates;

WHEREAS, the changes and language modifications in the attached Exhibit A facilitate the enactment of the TOU pilot to achieve the goals set forth in the Resolution 1215 for the residential time of use pilot;

THEREFORE, BE IT RESOLVED that the Eugene Water & Electric Board hereby authorizes the General Manager to adjust residential electric rates for the TOU pilot as recommended in Exhibit A.

Dated this 4th day of March 2014.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, TARYN M. JOHNSON, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its March 4, 2014 Regular Board Meeting.

Assistant Secretary