



Resolution Opposing Proposed Changes To Residential Tariffs

Sustainable Energy Advisory Board

July 23, 2014



THE CITY OF SAN DIEGO

SB1X

- SB1X established 5 tier residential rate structure (modified to 4 tiers for SDG&E customers).
- SB1X froze prices in lowest 2 tiers to protect customers from “price shocks” for electricity.
- Currently the higher and lower tiers are separated by about 16 cents.
- SDG&E low income customers receive a 41% rate subsidy through the CARE program.



AB 327

- AB 327 signed into law 2013, effective Jan 2014.
- Authorizes the CPUC to modify 4 tier rate system.
- Allows a max \$10 monthly fee for residential customers and \$5 for CARE customers.
 - Covers fixed system costs, GHG emissions costs, etc.
- Sets minimum discount of 30% and max of 35% on rates for CARE customers.
- Allows CPUC to require TOU rates for residential rates beginning January 2018.



AB 327

- Requires utilities to offer NEM to new customer thru July 2017 or until NEM cap reached.
- Requires new NEM tariff by Dec 2015 for new customers after July 2017 or NEM cap reached.
- Requires a Distributed Resources Plan by July 2015 to EE, RE, EV, DR, and ES.
- CPUC can require IOUs to exceed 33% RPS requirement.



SDG&E Proposal

- Consolidate Tier 1 & 2, and Tiers 3 & 4 to create a two tier structure.
- Transition Tier differential to 20% by 2017.
- Transition CARE subsidy from 41% to 34% by 2017.
- Implement a monthly \$5/month fee for residential customers and \$2.50 for CARE.
- Raise same monthly fees to \$10 and \$5 by 2017.
- Implement optional experimental TOU rates.



Proposed Resolution

- SDG&E residential rate design will cause low tier users to experience an 11% to 15% increase.
- High tier users will have a 21% to 24% decrease.
- Low income customers will be disadvantaged.
- Proposed changes negatively impacts customers that are conserving and rewards those that aren't.
- Monthly fixed fee discourages energy conservation.



Proposed Resolution

- Proposed rate design is not in line with energy conservation and renewable energy goals of CAP.
- Resolution opposes SDG&E's proposed changes to residential electricity tariff structure as detrimental to achieving the City's CAP goals and punishing to customers that are conserving energy.





City of San Diego

Questions?