



MARIN COUNTY | NAPA COUNTY | UNINCORPORATED CONTRA COSTA COUNTY | UNINCORPORATED SOLANO COUNTY
BENICIA | CONCORD | DANVILLE | EL CERRITO | LAFAYETTE | MARTINEZ | MORAGA | OAKLEY | PINOLE
PITTSBURG | PLEASANT HILL | RICHMOND | SAN PABLO | SAN RAMON | VALLEJO | WALNUT CREEK

Technical Committee Meeting Thursday, April 1, 2021 8:30 A.M.

The Technical Committee Meeting will be conducted pursuant to the provisions of the Governor's [Executive Order](#) N-29-20 (March 17, 2020) which suspends certain requirements of the Ralph M. Brown Act. Technical Committee Members will be teleconferencing into the Technical Committee Meeting.

Members of the public who wish to observe the meeting may do so telephonically via the following teleconference call-in number and meeting ID:

Dial: 1-669-900-9128
Meeting ID: 875 2925 3504
Meeting Password: 096067

For Viewing Access Join Zoom Meeting:
<https://us02web.zoom.us/j/87529253504?pwd=ZFdXRmlvbVVmVjBIVFJleDBsT202Zz09>

Agenda Page 1 of 2

1. Roll Call/Quorum
2. Board Announcements (Discussion)
3. Public Open Time (Discussion)
4. Report from Chief Executive Officer (Discussion)
5. Consent Calendar (Discussion/Action)
 - C.1 Approval of 2.4.21 Meeting Minutes
 - C.2 Master Services Agreement with R Systems International Limited
 - C.3 Third Agreement with Rising Sun Center for Opportunity

Agenda Page 2 of 2

6. Residential Energy Storage Direct Loan Fund (Discussion/Action)
7. Allocation Changes for Closed Business Rate Schedules (Discussion/Action)
8. 2021 Open Season Overview (Discussion)
9. Committee Matters & Staff Matters (Discussion)
10. Adjourn

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (925) 378-6732 as soon as possible to ensure arrangements for accommodation.



**My community.
My choice.**

April 1st, 2021

TO: MCE Technical Committee

FROM: Justin Kudo, Senior Strategic Analysis and Rates Manager

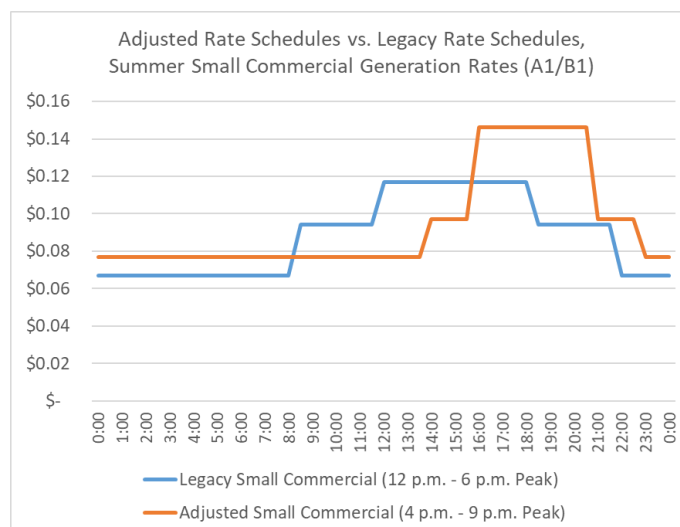
RE: Allocation Changes for Closed Business Rate Schedules (Agenda Item #07)

ATTACHMENT: Proposed Rate Reallocations

Dear Technical Committee Members:

SUMMARY:

In March 2021, MCE business customers were migrated to adjusted rate schedules by PG&E with an updated evening peak period as part of statewide transitions to reduce the California Independent System Operator “duck curve” and maximize renewable energy usage. As a result of these changes, most businesses now have a peak period of 4 p.m. - 9 p.m. every day (“Adjusted” rate schedules), rather than 12p-6p Monday through Friday (“Legacy” rate schedules). An example of these rates is provided below. These adjusted rates have different charges for service on both generation (MCE) and non-generation (PG&E) portions of the bill.



Approximately 1,000 MCE business customers (about 2%) were excluded from these rate changes due to exemptions established by the California Public Utilities Commission (CPUC), and remain on Legacy rate schedules. Of these, about 700 are net energy metering (“NEM”) customers with on-site solar energy generation facilities offsetting a portion of their bill. Legacy business rate schedules are now otherwise closed to customers, and should be terminated altogether in 2027.

Additionally, in March PG&E updated the allocations of generation rate components within Legacy rate schedules as part of the implementation of updated statewide time-of-use (TOU) policies. This was necessary because Legacy rates continue to have a peak period defined as 12 p.m. – 6 p.m., inconsistent with current market prices. The updated allocations reduce the 12 p.m. – 6 p.m. prices, and raise evening prices. The following table provides an example of these changes on the A-6 rate schedule, which is the predominant business NEM rate schedule:

PG&E Generation Rate Changes, A-6 Rate Schedule		1/1/2021		3/1/2021	Change
Summer Peak	12 p.m. - 6 p.m.	\$ 0.39027	→	\$ 0.23853	-39%
Summer Partial Peak	8:30 a.m. - 12 p.m. & 6 p.m. - 9:30 p.m.	\$ 0.15069	→	\$ 0.13981	-7%
Summer Off Peak	9:30 p.m. - 8:30 a.m.	\$ 0.09239	→	\$ 0.10928	18%
Winter Partial Peak	8:30 a.m. - 9:30 p.m.	\$ 0.11786	→	\$ 0.09990	-15%
Winter Off Peak	9:30 p.m. - 8:30 a.m.	\$ 0.10036	→	\$ 0.09919	-1%

Staff proposes that your Committee make the same adjustments to Legacy rate schedules as enacted by other service providers throughout the state. Staff has attached (see “Attachment A”) a list of proposed changes to the following Legacy rate schedules: A-1X, A-6, A-10, E-19, E-20, AG-1, AG-4, AG-5, AG-R, AG-V, and all variants thereof.

Cost Subsidization Issues

As more solar has been added to the grid in recent years, the value of mid-day solar production has dropped dramatically. The updated rate allocations better reflect solar value in the current market, and therefore help prevent non-solar customers from having to subsidize solar business customers beyond fair market value.

The average generation price per kWh currently paid by customers on the predominant business NEM rate schedule (A-6) is \$0.052/kWh. By updating these rate allocations, staff estimates that A-6 customers will pay an average rate of \$0.069/kWh.

While this change does increase costs paid by these customers, the rates will continue to be well below the system average price per kWh paid by MCE customers of \$0.085/kWh. Also, customers can minimize cost impacts if they are able to shift their energy use away from peak hours. The gradual changes to Legacy rates are part of the statewide transition plan for crediting of net energy metering. Staff will continue to monitor changes to these rates, and recommend further adjustments if appropriate.

Implementation and Notifications

If approved by your Committee these changes can be implemented beginning in May, 2021. Staff notes that PG&E does not appear to have provided any notification to customers of these changes

to Legacy rate schedules. While customers were informed that they would be allowed to keep certain solar-friendly rate schedules (A-6, E-19-R, and E-20-R), they were not notified by PG&E that the rates associated with these schedules would be changing significantly in March.

If approved, MCE Staff would be communicating with customers about this change via electronic communication and in some cases through one-on-one outreach. Many of the affected NEM customers are key stakeholders such as municipal entities or school districts, and it will be important for them to understand how this reallocation will impact their solar value in the year ahead.

Fiscal Impacts:

Fiscal impacts of these rate changes are expected to be minimal. The intent of these rate changes is that they be revenue neutral over the course a year's usage in most cases. Exact revenue impacts will depend on customer usage patterns, whether COVID impacts on business operations continue, and final lists of customers exempt from rate transition from PG&E.

Recommendation:

Approve the reallocation of rates for Legacy rate schedules, as proposed in Attachment.

Proposed MCE Rate Reallocations

Rate		MCE	Reallocated
Schedule	Period	1/1/21	Rates
A1X	Summer Peak	\$ 0.117	\$ 0.110
A1X	Summer Partial Peak	\$ 0.094	\$ 0.110
A1X	Summer Off Peak	\$ 0.067	\$ 0.081
A1X	Winter Partial Peak	\$ 0.094	\$ 0.073
A1X	Winter Off Peak	\$ 0.073	\$ 0.073
A6	Summer Peak	\$ 0.356	\$ 0.236
A6	Summer Partial Peak	\$ 0.118	\$ 0.120
A6	Summer Off Peak	\$ 0.060	\$ 0.084
A6	Winter Partial Peak	\$ 0.085	\$ 0.073
A6	Winter Off Peak	\$ 0.067	\$ 0.072
A10S	Summer	\$ 0.091	\$ 0.102
A10S	Winter	\$ 0.064	\$ 0.076
A10S	Dmd Summer Maximum	\$ 5.70	\$ -
A10SX	Summer Peak	\$ 0.144	\$ 0.117
A10SX	Summer Partial Peak	\$ 0.090	\$ 0.117
A10SX	Summer Off Peak	\$ 0.062	\$ 0.085
A10SX	Winter Partial Peak	\$ 0.074	\$ 0.076
A10SX	Winter Off Peak	\$ 0.057	\$ 0.075
A10SX	Dmd Summer Maximum	\$ 5.70	\$ -
A10P	Summer	\$ 0.081	\$ 0.088
A10P	Winter	\$ 0.058	\$ 0.066
A10P	Dmd Summer Maximum	\$ 4.98	\$ -
A10PX	Summer Peak	\$ 0.133	\$ 0.104
A10PX	Summer Partial Peak	\$ 0.082	\$ 0.104
A10PX	Summer Off Peak	\$ 0.056	\$ 0.075
A10PX	Winter Partial Peak	\$ 0.069	\$ 0.066
A10PX	Winter Off Peak	\$ 0.053	\$ 0.065
A10PX	Dmd Summer Maximum	\$ 4.98	\$ -
E19S	Summer Peak	\$ 0.118	\$ 0.062
E19S	Summer Partial Peak	\$ 0.071	\$ 0.062
E19S	Summer Off Peak	\$ 0.039	\$ 0.055
E19S	Winter Partial Peak	\$ 0.064	\$ 0.052
E19S	Winter Off Peak	\$ 0.047	\$ 0.052
E19S	Dmd Summer Peak	\$ 14.78	\$ 10.86
E19S	Dmd Summer Partial Peak	\$ 3.65	\$ 10.86
E19P	Summer Peak	\$ 0.107	\$ 0.054

AI #07_Att: Proposed MCE Rate Reallocations

E19P	Summer Partial Peak	\$ 0.062	\$ 0.054
E19P	Summer Off Peak	\$ 0.033	\$ 0.047
E19P	Winter Partial Peak	\$ 0.056	\$ 0.044
E19P	Winter Off Peak	\$ 0.040	\$ 0.043
E19P	Dmd Summer Peak	\$ 13.15	\$ 9.63
E19P	Dmd Summer Partial Peak	\$ 3.20	\$ 9.63
E19T	Summer Peak	\$ 0.065	\$ 0.045
E19T	Summer Partial Peak	\$ 0.050	\$ 0.045
E19T	Summer Off Peak	\$ 0.031	\$ 0.038
E19T	Winter Partial Peak	\$ 0.052	\$ 0.036
E19T	Winter Off Peak	\$ 0.037	\$ 0.035
E19T	Dmd Summer Peak	\$ 14.46	\$ 10.61
E19T	Dmd Summer Partial Peak	\$ 3.62	\$ 10.61
E19SR	Summer Peak	\$ 0.278	\$ 0.144
E19SR	Summer Partial Peak	\$ 0.111	\$ 0.104
E19SR	Summer Off Peak	\$ 0.043	\$ 0.074
E19SR	Winter Partial Peak	\$ 0.068	\$ 0.071
E19SR	Winter Off Peak	\$ 0.051	\$ 0.070
E19PR	Summer Peak	\$ 0.263	\$ 0.130
E19PR	Summer Partial Peak	\$ 0.100	\$ 0.093
E19PR	Summer Off Peak	\$ 0.038	\$ 0.066
E19PR	Winter Partial Peak	\$ 0.059	\$ 0.063
E19PR	Winter Off Peak	\$ 0.044	\$ 0.062
E19TR	Summer Peak	\$ 0.255	\$ 0.125
E19TR	Summer Partial Peak	\$ 0.100	\$ 0.093
E19TR	Summer Off Peak	\$ 0.037	\$ 0.069
E19TR	Winter Partial Peak	\$ 0.058	\$ 0.066
E19TR	Winter Off Peak	\$ 0.044	\$ 0.065
E20S	Summer Peak	\$ 0.109	\$ 0.059
E20S	Summer Partial Peak	\$ 0.066	\$ 0.059
E20S	Summer Off Peak	\$ 0.036	\$ 0.052
E20S	Winter Partial Peak	\$ 0.059	\$ 0.049
E20S	Winter Off Peak	\$ 0.043	\$ 0.048
E20S	Dmd Summer Peak	\$ 14.34	\$ 10.46
E20S	Dmd Summer Partial Peak	\$ 3.53	\$ 10.46
E20P	Summer Peak	\$ 0.113	\$ 0.056
E20P	Summer Partial Peak	\$ 0.066	\$ 0.056
E20P	Summer Off Peak	\$ 0.037	\$ 0.050
E20P	Winter Partial Peak	\$ 0.060	\$ 0.047
E20P	Winter Off Peak	\$ 0.044	\$ 0.046
E20P	Dmd Summer Peak	\$ 15.70	\$ 11.27

E20P	Dmd Summer Partial Peak	\$ 3.71	\$ 11.27
E20T	Summer Peak	\$ 0.067	\$ 0.044
E20T	Summer Partial Peak	\$ 0.053	\$ 0.044
E20T	Summer Off Peak	\$ 0.034	\$ 0.037
E20T	Winter Partial Peak	\$ 0.055	\$ 0.035
E20T	Winter Off Peak	\$ 0.040	\$ 0.034
E20T	Dmd Summer Peak	\$ 18.72	\$ 13.42
E20T	Dmd Summer Partial Peak	\$ 4.46	\$ 13.42
E20SR	Summer Peak	\$ 0.252	\$ 0.134
E20SR	Summer Partial Peak	\$ 0.102	\$ 0.098
E20SR	Summer Off Peak	\$ 0.040	\$ 0.071
E20SR	Winter Partial Peak	\$ 0.062	\$ 0.068
E20SR	Winter Off Peak	\$ 0.047	\$ 0.067
E20PR	Summer Peak	\$ 0.270	\$ 0.138
E20PR	Summer Partial Peak	\$ 0.102	\$ 0.097
E20PR	Summer Off Peak	\$ 0.040	\$ 0.069
E20PR	Winter Partial Peak	\$ 0.062	\$ 0.066
E20PR	Winter Off Peak	\$ 0.047	\$ 0.065
E20TR	Summer Peak	\$ 0.264	\$ 0.132
E20TR	Summer Partial Peak	\$ 0.096	\$ 0.091
E20TR	Summer Off Peak	\$ 0.036	\$ 0.063
E20TR	Winter Partial Peak	\$ 0.057	\$ 0.061
E20TR	Winter Off Peak	\$ 0.042	\$ 0.060
AG1A	Summer	\$ 0.086	\$ 0.069
AG1A	Winter	\$ 0.065	\$ 0.053
AG1A	Conn. Load Sum.	\$ 1.55	\$ 2.26
AG1B	Summer	\$ 0.090	\$ 0.079
AG1B	Winter	\$ 0.065	\$ 0.047
AG1B	Dmd Summer Maximum	\$ 2.33	\$ 3.71
AG4A	Summer Peak	\$ 0.154	\$ 0.114
AG4A	Summer Off Peak	\$ 0.054	\$ 0.061
AG4A	Winter Partial Peak	\$ 0.058	\$ 0.052
AG4A	Winter Off Peak	\$ 0.046	\$ 0.051
AG4A	Conn. Load Sum.	\$ 1.56	\$ 1.79
AG4B	Summer Peak	\$ 0.111	\$ 0.095
AG4B	Summer Off Peak	\$ 0.055	\$ 0.065
AG4B	Winter Partial Peak	\$ 0.053	\$ 0.060
AG4B	Winter Off Peak	\$ 0.042	\$ 0.059
AG4B	Dmd Summer Maximum	\$ 2.77	\$ 3.19

AG4B	Dmd Summer Peak	\$ 2.94	\$ 1.70
AG4C	Summer Peak	\$ 0.132	\$ 0.084
AG4C	Summer Partial Peak	\$ 0.065	\$ 0.049
AG4C	Summer Off Peak	\$ 0.040	\$ 0.036
AG4C	Winter Partial Peak	\$ 0.047	\$ 0.043
AG4C	Winter Off Peak	\$ 0.037	\$ 0.043
AG4C	Dmd Summer Peak	\$ 6.83	\$ 5.36
AG4C	Dmd Summer Partial Peak	\$ 1.16	\$ 3.21
AG5A	Summer Peak	\$ 0.141	\$ 0.110
AG5A	Summer Off Peak	\$ 0.058	\$ 0.066
AG5A	Winter Partial Peak	\$ 0.062	\$ 0.059
AG5A	Winter Off Peak	\$ 0.050	\$ 0.058
AG5A	Conn. Load Sum.	\$ 4.26	\$ 4.91
AG5B	Summer Peak	\$ 0.138	\$ 0.153
AG5B	Summer Off Peak	\$ 0.031	\$ 0.026
AG5B	Winter Partial Peak	\$ 0.053	\$ 0.053
AG5B	Winter Off Peak	\$ 0.022	\$ 0.015
AG5B	Dmd Summer Maximum	\$ 5.18	\$ 6.13
AG5B	Dmd Summer Peak	\$ 6.49	\$ 3.85
AG5C	Summer Peak	\$ 0.110	\$ 0.073
AG5C	Summer Partial Peak	\$ 0.054	\$ 0.044
AG5C	Summer Off Peak	\$ 0.033	\$ 0.033
AG5C	Winter Partial Peak	\$ 0.039	\$ 0.043
AG5C	Winter Off Peak	\$ 0.030	\$ 0.042
AG5C	Dmd Summer Peak	\$ 12.03	\$ 10.41
AG5C	Dmd Summer Partial Peak	\$ 2.26	\$ 6.92
AGRA	Summer Peak	\$ 0.275	\$ 0.179
AGRA	Summer Off Peak	\$ 0.052	\$ 0.061
AGRA	Winter Partial Peak	\$ 0.060	\$ 0.050
AGRA	Winter Off Peak	\$ 0.048	\$ 0.049
AGRA	Conn. Load Sum.	\$ 1.53	\$ 1.72
AGRB	Summer Peak	\$ 0.246	\$ 0.157
AGRB	Summer Off Peak	\$ 0.052	\$ 0.055
AGRB	Winter Partial Peak	\$ 0.045	\$ 0.050
AGRB	Winter Off Peak	\$ 0.035	\$ 0.049
AGRB	Dmd Summer Peak	\$ 2.27	\$ 1.43
AGRB	Dmd Summer Maximum	\$ 2.55	\$ 2.54
AGVA	Summer Peak	\$ 0.237	\$ 0.158
AGVA	Summer Off Peak	\$ 0.049	\$ 0.066
AGVA	Winter Partial Peak	\$ 0.059	\$ 0.049

AI #07_Att: Proposed MCE Rate Reallocations

AGVA	Winter Off Peak	\$	0.046	\$	0.048
AGVA	Conn. Load Sum.	\$	1.60	\$	1.81
AGVB	Summer Peak	\$	0.220	\$	0.141
AGVB	Summer Off Peak	\$	0.050	\$	0.053
AGVB	Winter Partial Peak	\$	0.046	\$	0.043
AGVB	Winter Off Peak	\$	0.036	\$	0.043
AGVB	Dmd Summer Peak	\$	2.10	\$	1.50
AGVB	Dmd Summer Maximum	\$	2.71	\$	2.33