

# Power Rate Study

Rate Fairness Board

Review of Hetch Hetchy Power Rate Recommendations

3/19/2026



# Presentation Agenda

## Topics

- Rate Study Key Steps
- Phase 1 Rate Updates
  - Updates of Existing Rates
  - Creation of Priority New Customer Classes
  - Review of Bill Impacts / Comparison to PG&E
  - Green Premium Rate
- Project Schedule

# Rate Study Key Steps

## •Completed Billing Data Analysis

Reconciled Unified Model with Detailed FY 25 Billing Data  
Updated 10-Year Plan Model

## Cost of Service Evaluation for Customer Classes

Worked with Power Staff to functionalize expenditures  
Allocated costs to customer classes to determine the Cost of Service

## Preparation of Phase 1 Rate Recommendations

Rate study scope is very broad  
Delivering priority updates to be effective July 1 now  
Phase 2 will begin after we complete this phase of the analysis

# Phase 1 Rate Updates

- **Update of Existing Rates**
- **Creation of Priority New Customer Classes**
- **Green Premium**

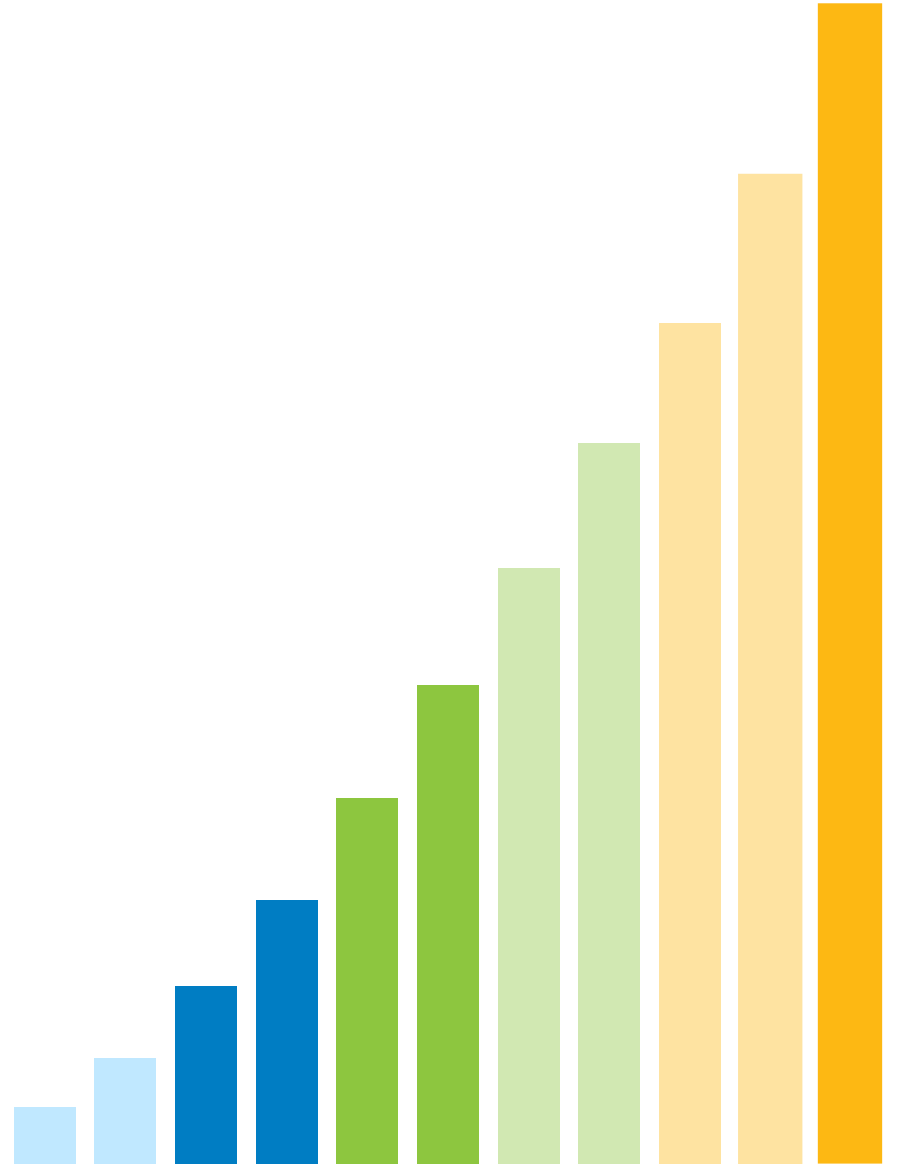
# Update of Existing Rates

- **GUSE – Preserve \$0.03/kWh increase in effective rates**
  - Solve for \$0.24877/kWh effective rate in all GUSE rate codes
  - Due to changes in usage from when rates were set, some current FY 25-26 GUSE effective rates are higher than expected, so some GUSE tariffs will decrease
  - Long Term goal to continue to increase GUSE rates until reaching parity with retail rate
- **6% average increase for retail rates**
  - To prevent rate shock, cap tariff increases at 9%
  - Customer classes under COS have larger percent increases
    - Most increase by ~7.3%
  - Large Commercial and Industrial have less than 6% increase
    - Puts them over COS
    - Some tariffs are now higher than PG&E

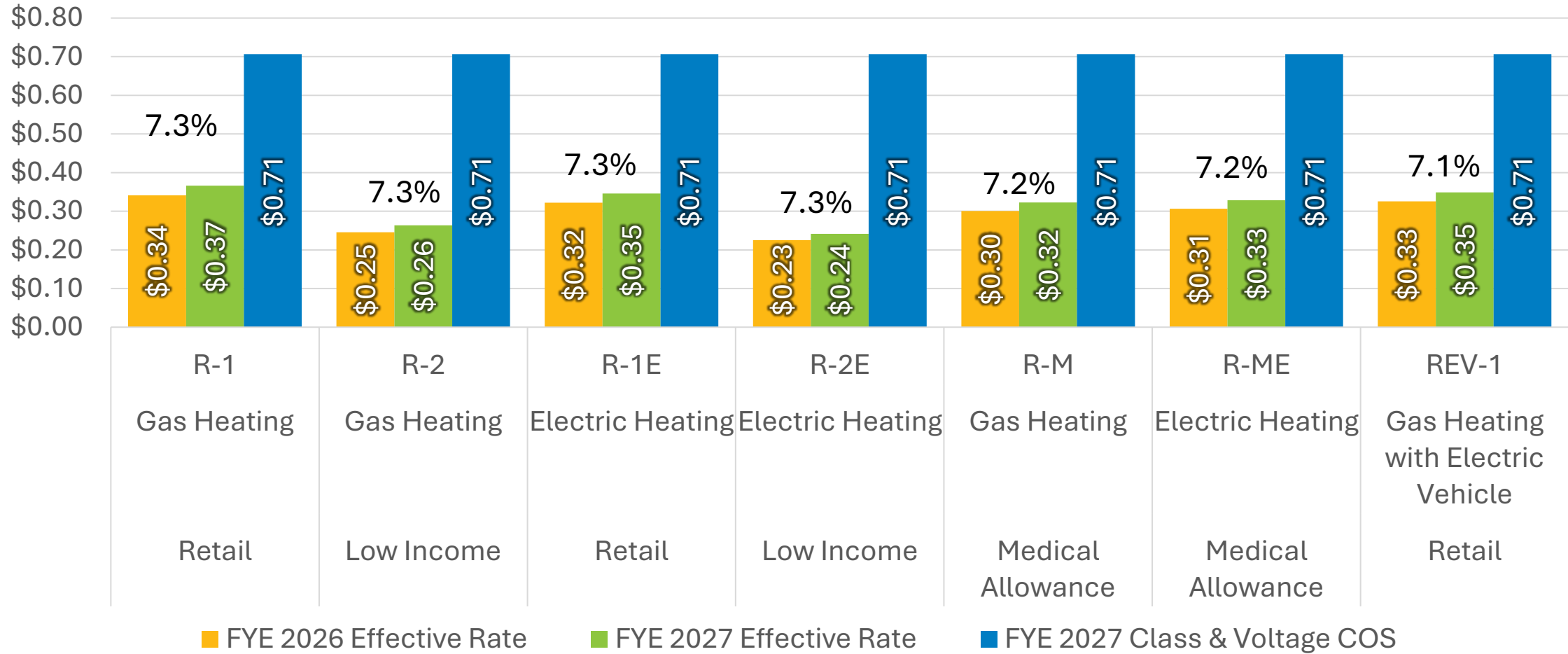
# New Customer Class Development

- **Airport**
  - Reflects SFO's different energy usage patterns vs. other industrial customers
  - Ability to direct charge future CIP projects to SFO
- **Riverbank – First COS Rate**
  - Was 30% of I-1T
  - Now based on cost of service (with annual rate increase cap like other retail rates)
- **Simplify Small Commercial**
  - Remove monthly service charge differentiation for single /polyphase meters

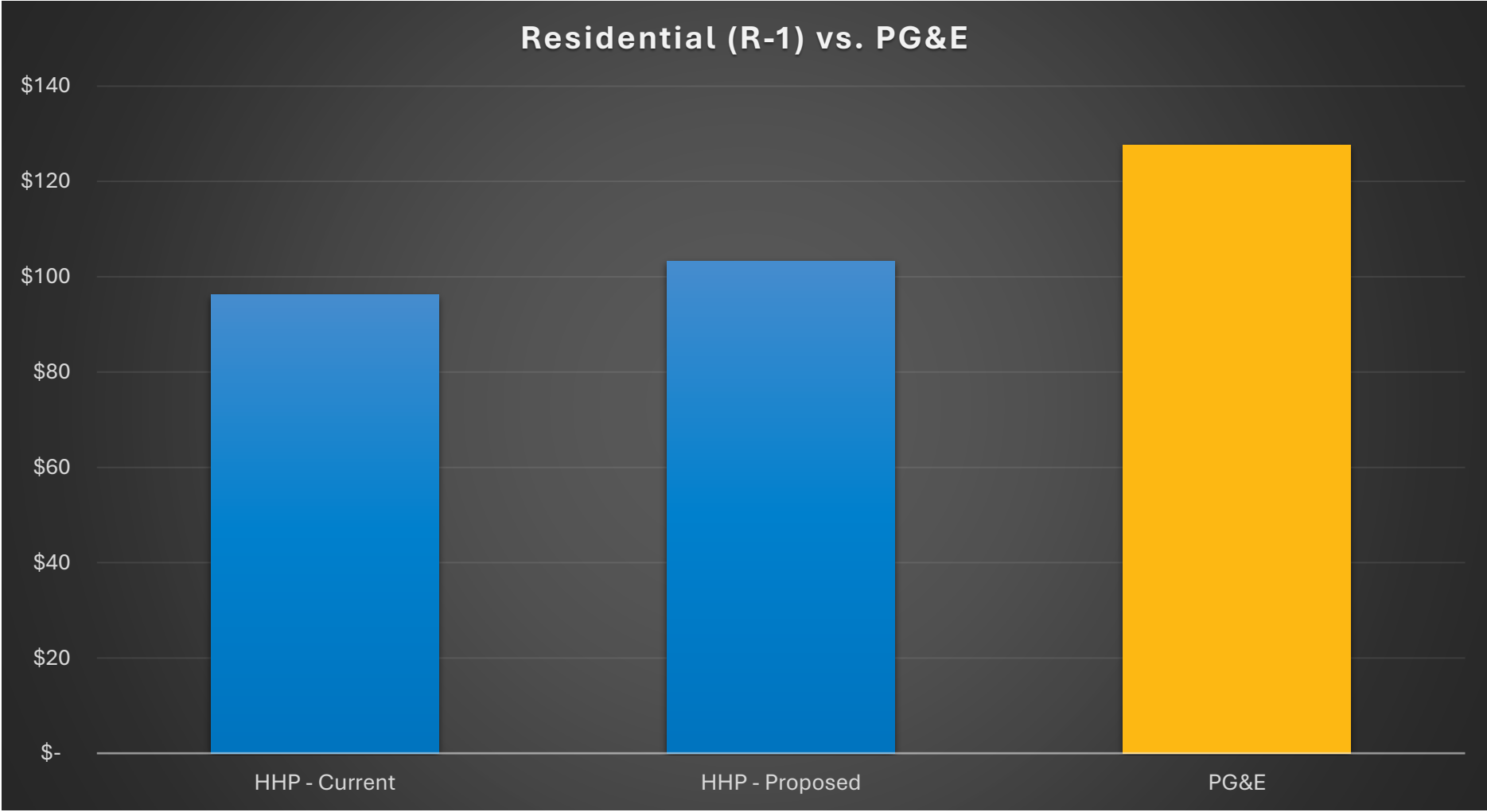
# Rate Design Bill Impacts



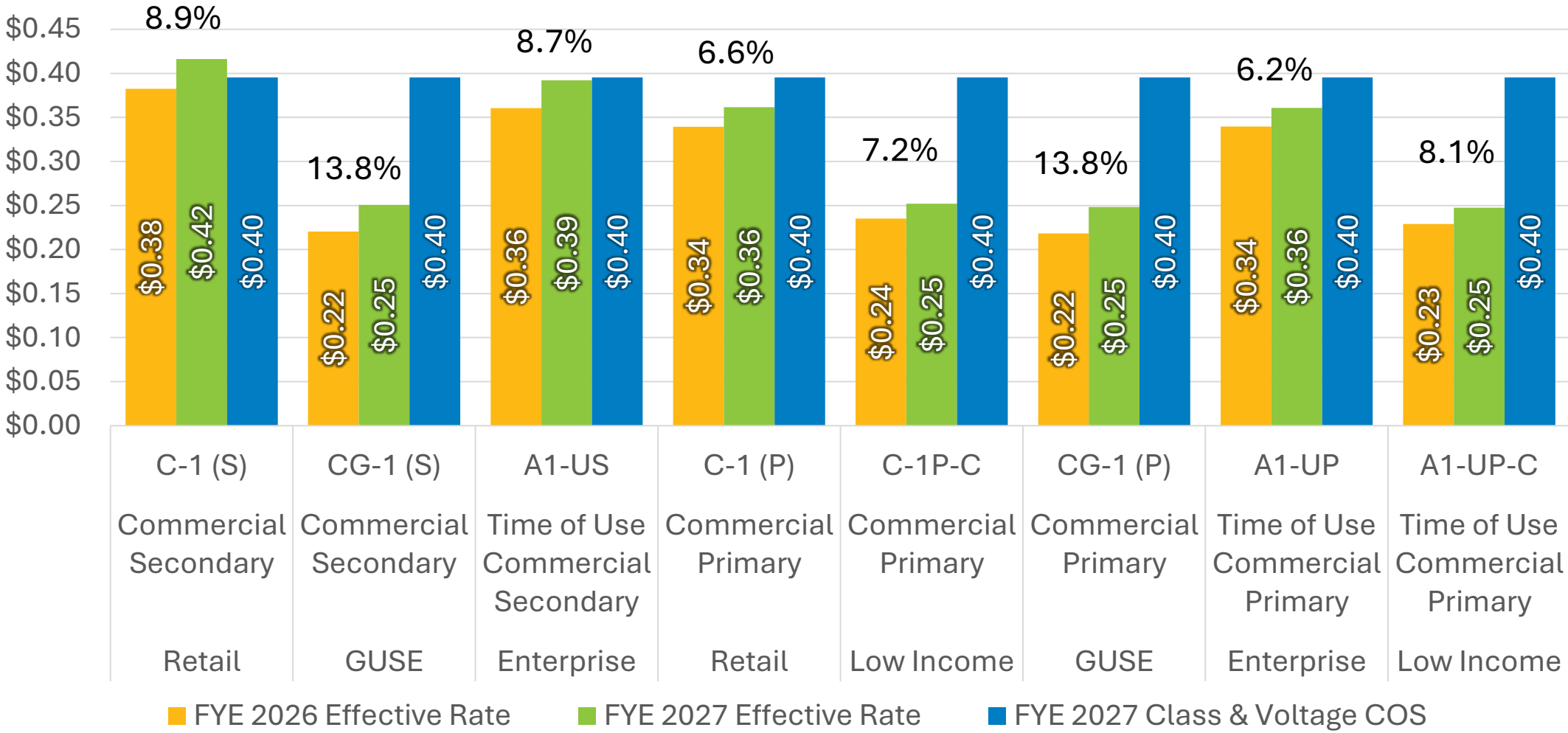
# Residential Rates



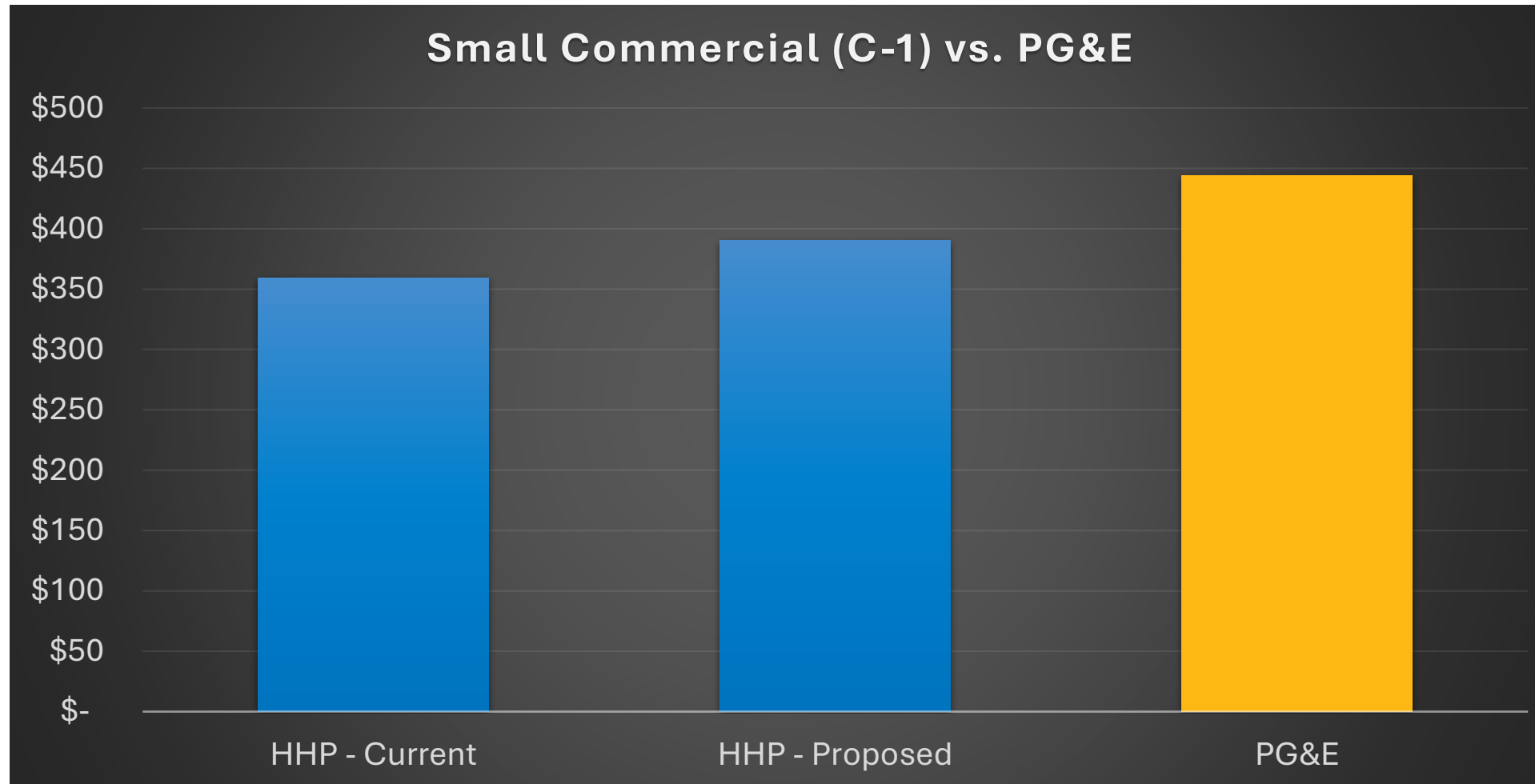
# Draft Bill Survey – Monthly Bills, Residential



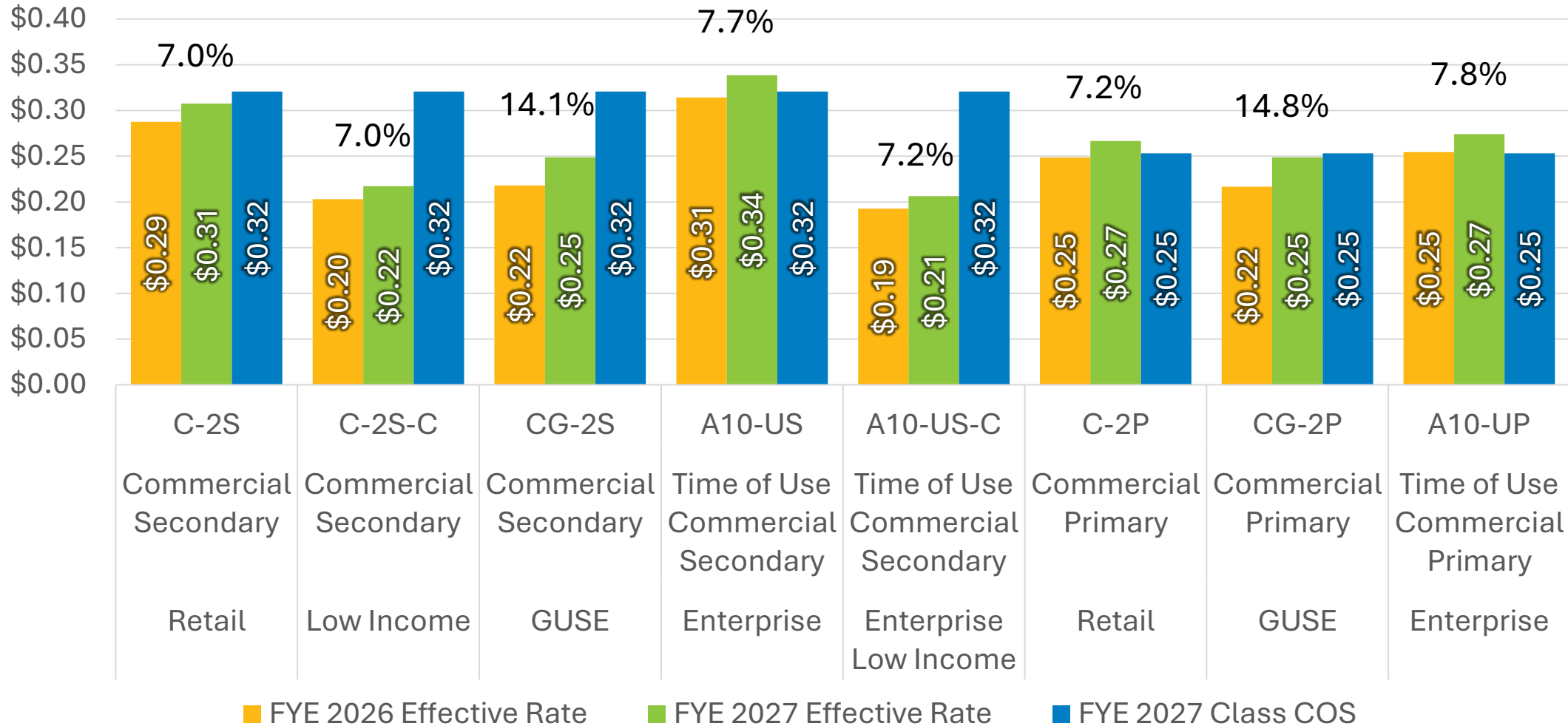
# Small Commercial Rates (Demand <75kW)



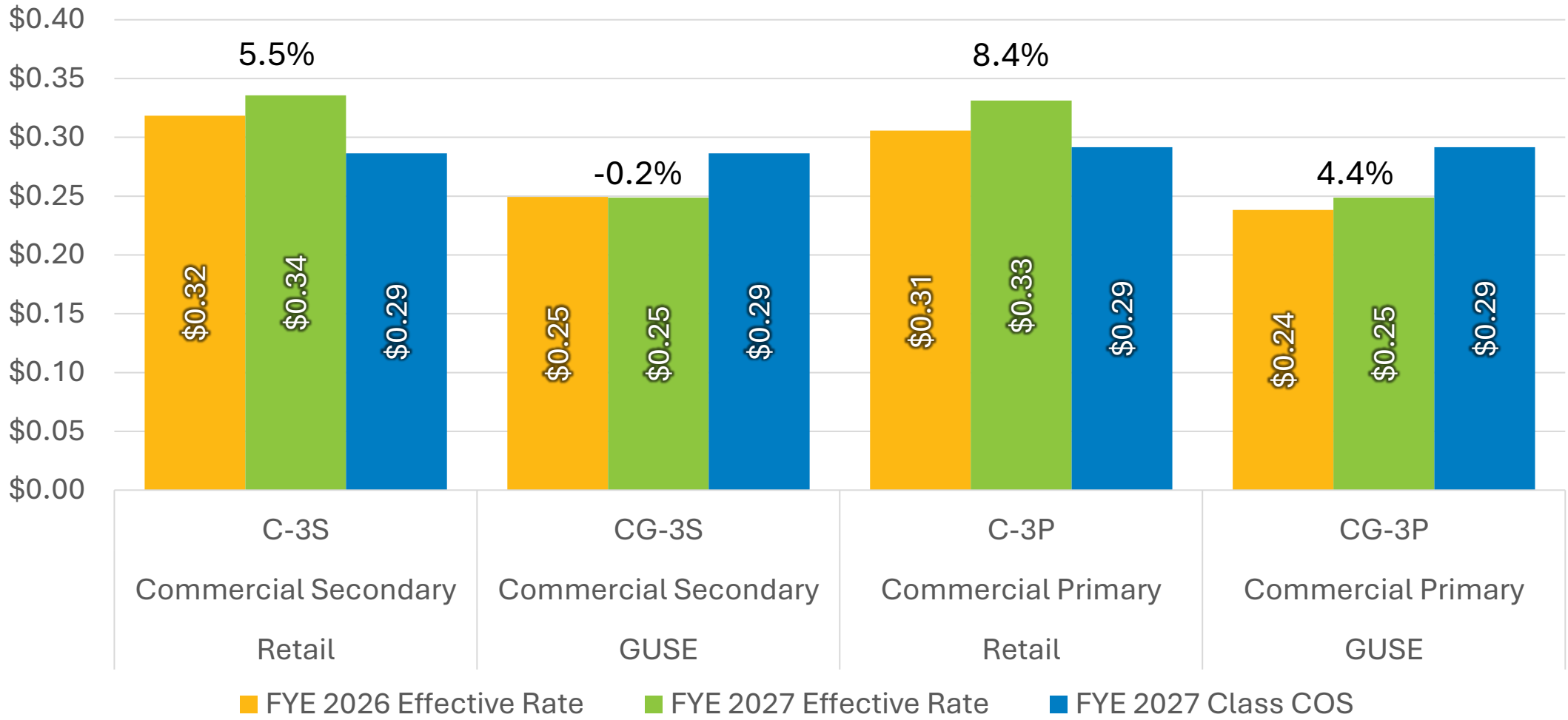
# Draft Bill Survey – Monthly Bills, Small Commercial



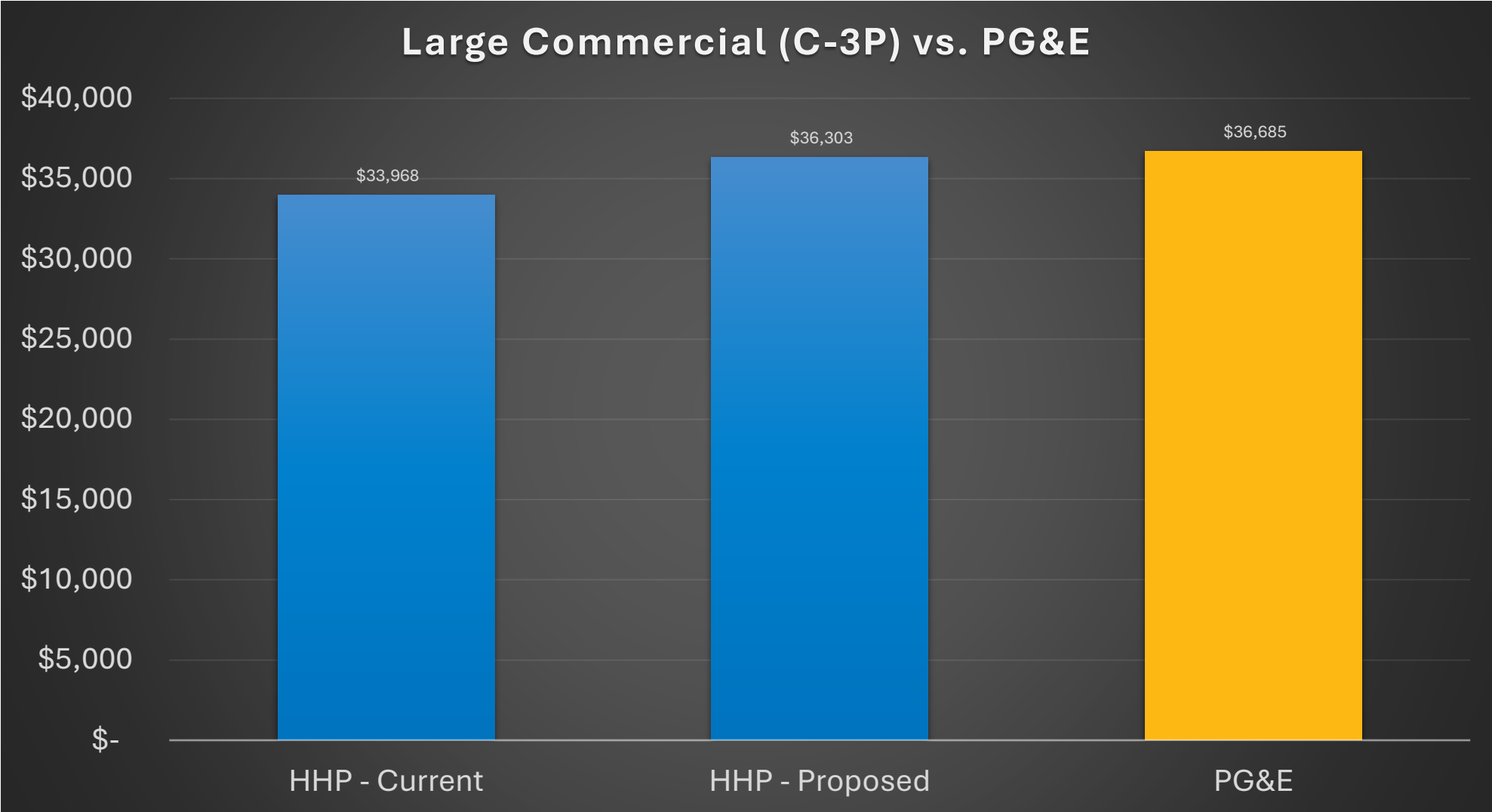
# Medium Commercial Rates (Demand 75-100kW)



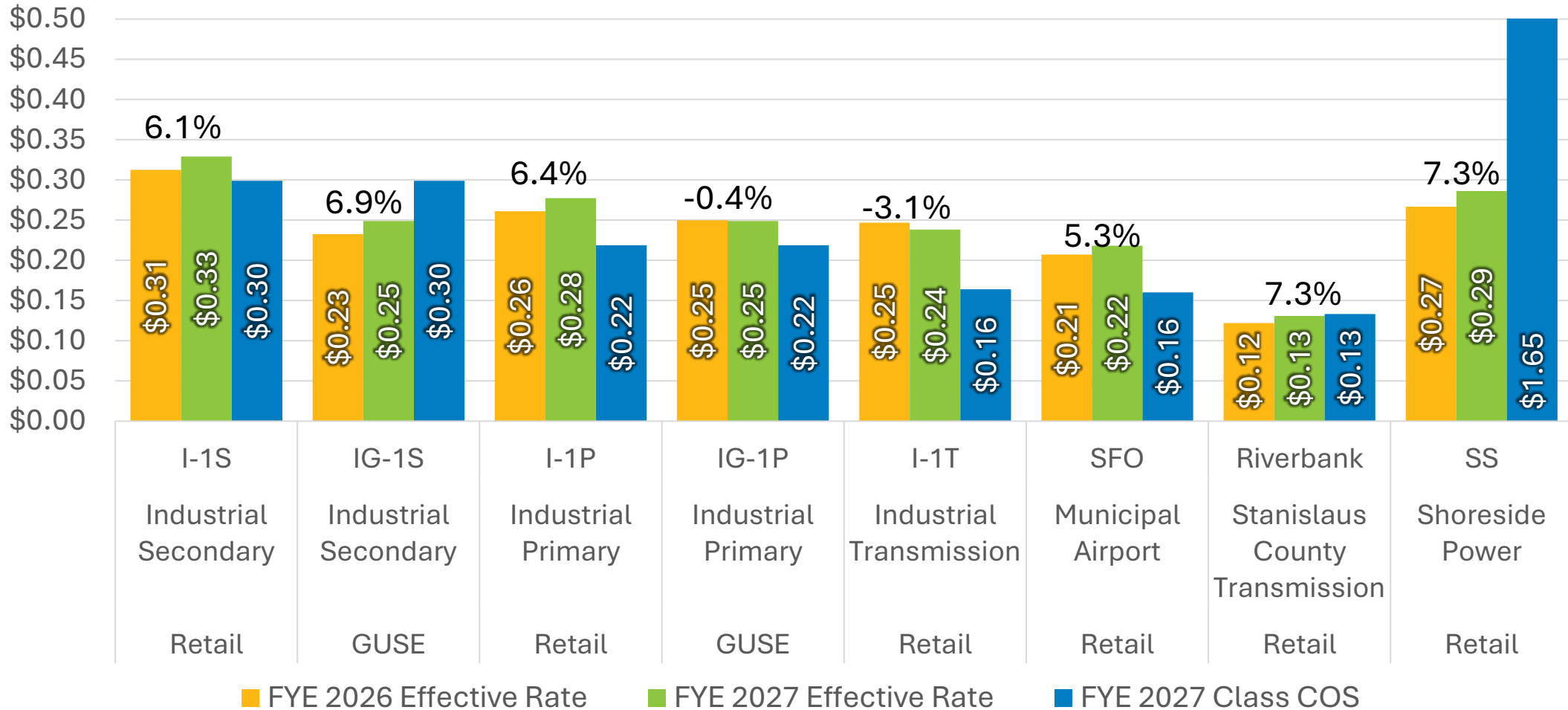
# Large Commercial Rates (Demand 500 – 1,000 kW)



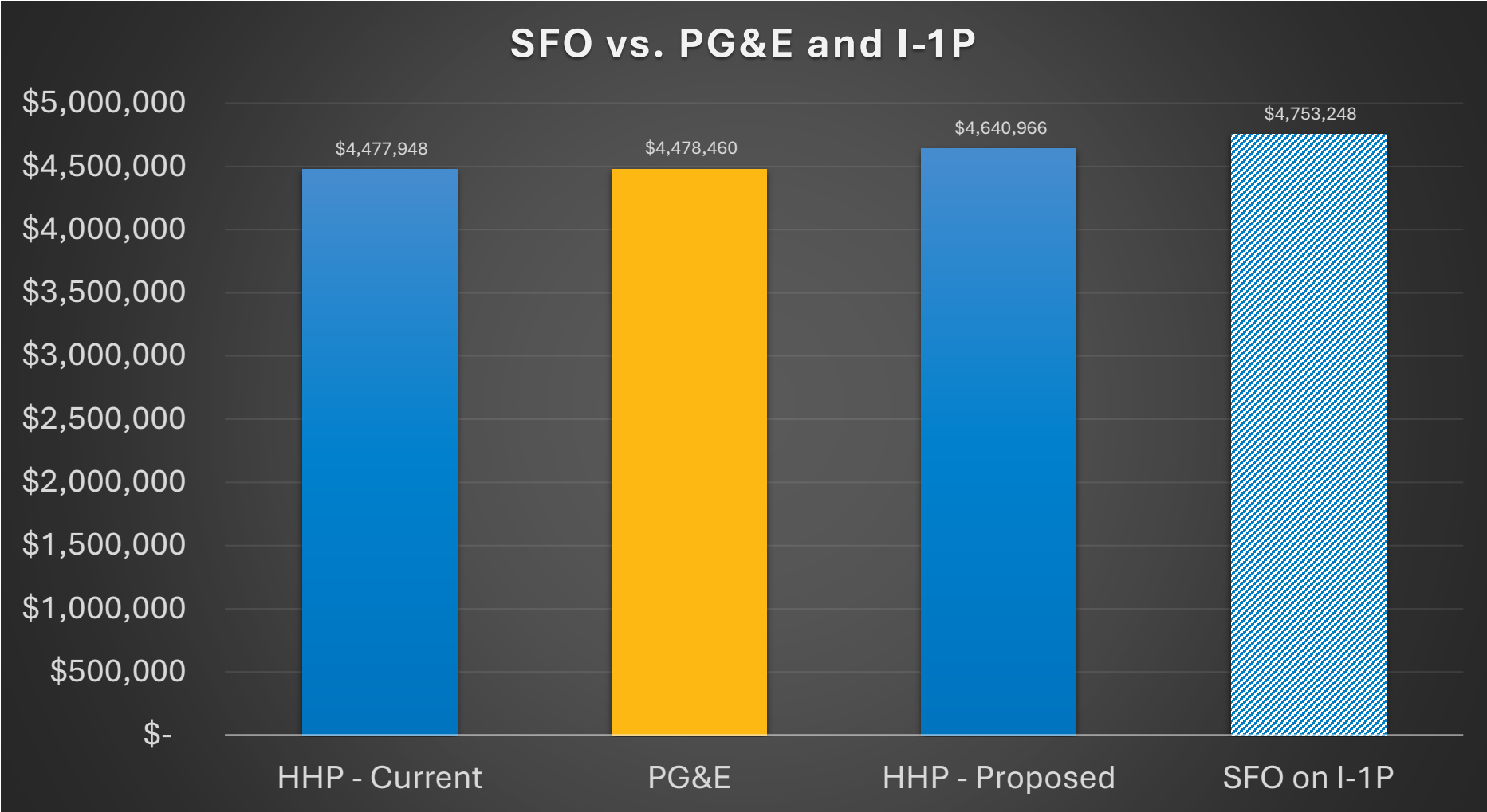
# Bill Survey – Monthly Bills, Large Commercial



# Industrial Rates (Demand >1,000 kW)



# Bill Survey – Monthly Bills, Industrial



# Green Tariff Proposal

- Hetchy Power Premium = opt-in for 100% RPS-certified renewable energy
  - Used by 3 city depts to qualify for state Low-Carbon Fuel Standard credits
  - Port/Airport: adds \$0.008/kWh surcharge to all energy usage
- Proposal for FY 2026-27 rates:
  - Raise Green Tariff surcharge to \$0.0095/kWh cover Hetch Hetchy's marginal costs (goal: to not lose money on the program)

# Next Steps - Schedule

**March 1, 2026:**  
Interim  
CleanPowerSF Rates  
Live  
(No Changes for 15-  
Months)

**March 2026:**  
Continued QC  
Review  
Commission Item  
and Report  
Development

**April 28, 2026:**  
Commission Rate  
Hearing

**March 16,  
2026:** Executive  
Review of Draft  
Rate Study  
Proposal

**March 20,  
2026:**  
Commission  
Item Routing to  
CFO  
  
Begin Phase 2  
and Line  
Extension  
Analysis

**July 1, 2026:**  
Updated Rates  
Go Live

**Customer and Elected Official Outreach**

# Proposal

## Utility Rates

- Continue increasing GUSE rates by \$0.03/kWh until on parity with retail rate
- Apply an average 6% rate increase to retail rates

## Green Premium

- Increase Green Premium Rate from \$0.08/kWh to \$0.095/kWh