

# Rates and Electric Transit

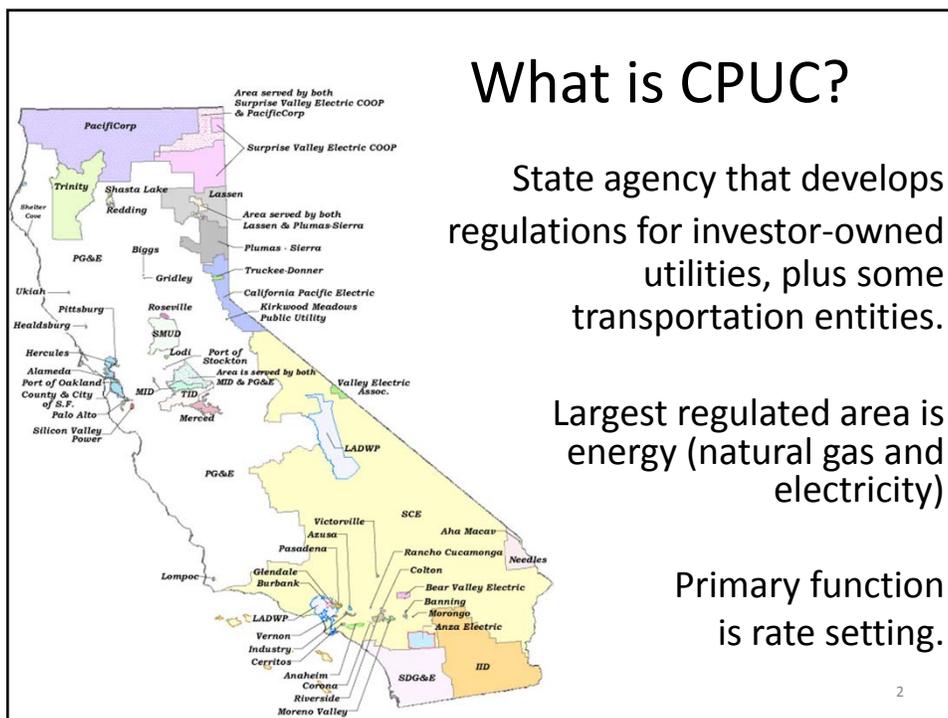
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## What is CPUC?

State agency that develops regulations for investor-owned utilities, plus some transportation entities.

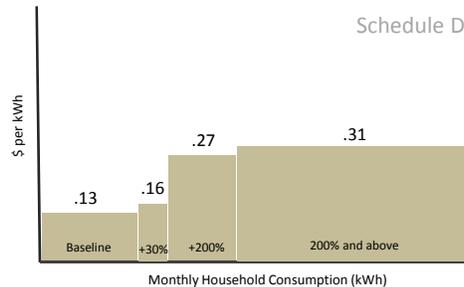
Largest regulated area is energy (natural gas and electricity)

Primary function is rate setting.



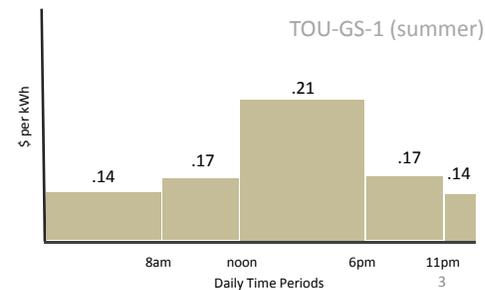
## Tiered Rates

- Rates increase as monthly usage increases
- Tiers set at different monthly usage levels
- Designed to encourage conservation
- Primarily used by residential customers



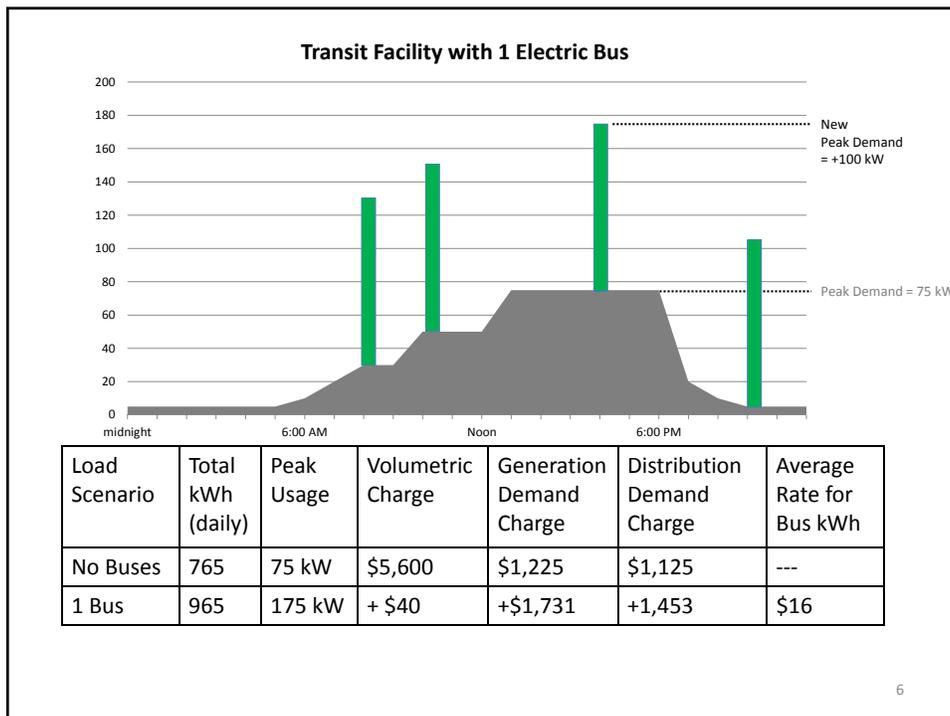
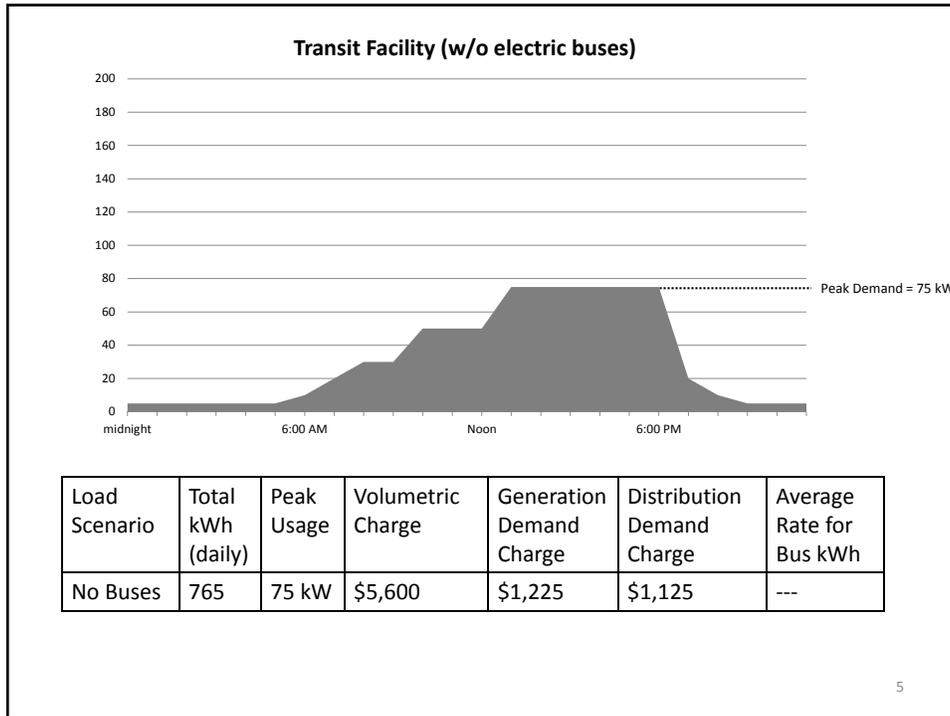
## Time of Use Rates

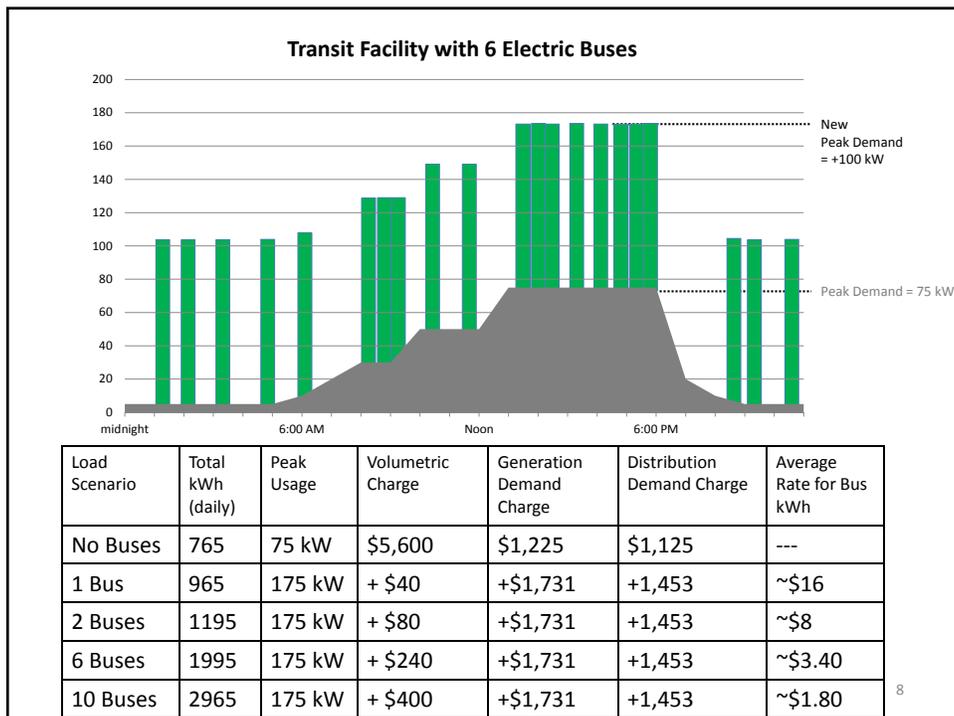
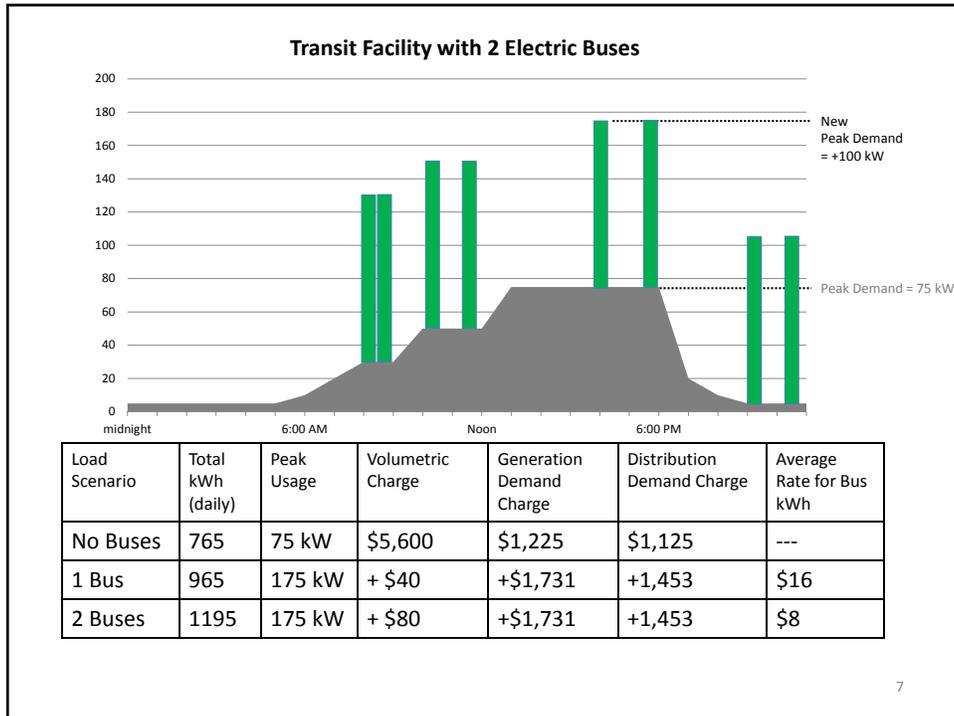
- Rates aligned with system energy costs
- Peak, Shoulder, Nighttime Rates
- Time periods vary by utility



## Other Cost Recovery Mechanisms

- Distribution Upgrade Assessments
  - New load that requires an upgrade is usually paid by the customer
  - Residential customers get ~\$2K allowance
  - Residential PEV upgrades are socialized
- Demand Charges
  - Generation Demand Charges: Highest peak-time usage is assessed a separate rate to capture peak energy costs (\$ per kW)
  - Distribution Demand Charges: Highest momentary usage is assessed a separate rate to capture infrastructure costs (\$ per kW)





## Foothill Transit CPUC Proposed Solution

- Rate Limiter of \$.16 kWh for three years
- Avoids having demand charges limit adoption of small numbers of vehicles
- Preserves demand charges for high bus adoption (when they are diluted across many kWh's of bus charging)
- Temporary solution until bus rates are examined in a regulatory proceeding

9

## Final Settlement

- Flat rate of ~\$.16 per kWh (TOU-GS-1), no demand charge
- Temporary three year tariff, pending bus rates proceeding
- All government entities that operate bus fleets are eligible for this tariff in SCE's territory

10

## Next Steps

- Important for transit operators to understand demand charges and upgrade charges to evaluate total cost of ownership
- Connect with CPUC and your utility to learn more
- Electric bus adoption is important, but existing rates are not well suited to support electric bus adoption
- New PEV proceeding will examine a variety of PEV rate issues in the near future

11

## Questions?

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12