



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: May 1, 2017

Re: Addition of a thermal storage rider to Section 27-116 Large General Service Electric Rate

Executive Summary

Staff has prepared for Council consideration an ordinance amending Chapter 27 of the City Code as it relates to Large General Service Rate charged by the electric utility.

Discussion

Part of Chapter 27 of the City Code governs the charges paid by customers of the electric utility. This proposal would add a thermal storage rider to Section 27-116 Large General Service rate. This is similar to the thermal storage rider in Section 27-117 Industrial Service rate.

The proposed addition to Sec. 27-116 establishes a discount for customers that install a thermal storage unit which can be operated to reduce peak load (kW) during the electric utility's peak load times. The customer will be offered a discounted energy charge between 12:00 Midnight and 6:00 AM. The "off-peak" kWh rate is proposed to be eighty (80) percent of the rate otherwise charged. The demand charge (kW) will remain the same; however, the period of time when demand is measured will be defined in an agreement with a customer applying for the Thermal Storage Rider. The agreement will identify the electric utility's peak hours, when the demand (kW) is measured for billing. These systems do not reduce energy (kWh) usage, but instead shift usage to low use times during the day, leveling the daily load (kW) profile.

The benefit to the utility is the reduced peak energy loads on the distribution, transmission and generation systems. Energy usage is shifted to the off peak hours of 12:00 midnight to 6:00 AM which helps levelize the daily energy profile.

The customer benefits by receiving reduced energy and demand charges that provides for better utility budget management.

Fiscal Impact

Short-Term Impact: Reduction in system impact and revenue from the customer.

Long-Term Impact: Reduction in future capacity, capacity reserve requirements and associated cost.



Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Environment, Secondary Impact: Economic Development, Tertiary Impact: Not Applicable

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Economy, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Environmental Management, Secondary Impact: Infrastructure, Tertiary Impact: Not Applicable

Legislative History

Date	Action
	None

Suggested Council Action

Staff recommends that Council amend Chapter 27 as outlined in the accompanying ordinance.