

SACRAMENTO MUNICIPAL UTILITY DISTRICT
PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978
AS AMENDED BY THE ENERGY POLICY ACT OF 2005

Board Determination on Time-Based Metering and Communication Standard

Summary

The Sacramento Municipal Utility District's Board of Directors has made its determination on the Time-Based Metering and Communication Standard set forth in section 111 of the Public Utility Regulatory Policies Act of 1978 (PURPA), as amended by the Energy Policy Act of 2005. The Board considered the Time-Based Metering and Communication Standard on the basis of its effect on conservation of energy, efficient use of facilities and resources, and equity among electrical consumers, and the objective and requirements of the Municipal Utility District Act (Cal. Pub. Util. Code, § 11501 et seq.).

Statement of Facts

The Energy Policy Act of 2005 (EPAAct 2005) was enacted on August 8, 2005. EPAAct 2005 amended Section 111(d) of PURPA to require each non-regulated utility to consider a new proposed regulatory standard relating to time-based metering and communication. SMUD is a covered utility for the purposes of PURPA.

The District commenced consideration of the Standard on August 3, 2006, through Board Resolution No. 06-08-02. On Tuesday, July 17, 2007, the Staff Report and Findings on the Time-Based Metering and Communication Standard was publicly introduced and discussed at the Policy Committee of the SMUD Board. Data, views, and comments were requested from the public as to the need and desire for SMUD to adopt the Time-Based Metering and Communication standard. The Staff Report and Findings were also made available to the public on SMUD's website at <http://www.smud.org> prior to the hearing.

Advertising providing notification of the hearing and standard being considered was placed in local newspapers. A properly noticed public hearing was held on August 2, 2007. Staff made a presentation to the Board identifying Staff findings with respect to the Time-Based Metering and Communication Standard. The public had an opportunity to comment on Staff findings. No comments on the proposed standard were received. Copies of verbatim transcripts of the public hearings and written materials submitted are available for public inspection.

Determination

The Board of Directors of the Sacramento Municipal Utility District has considered the adoption of the Time-Based Metering and Communication Standard. The Board has determined that its consideration of the Time-Based Metering and Communication Standard, and the determinations made with respect thereto, are in accord with the provisions of the Sacramento Municipal Utility District Act and the Public Utility Regulatory Policies Act of 1978, as amended by EAct. The Time-Based Metering and Communication Standard has been considered in light of the record developed during the proceedings on the standard. The Board recognizes the importance of and concurs in the purpose of conservation of electrical energy, efficiency in the use of facilities and resources, and equitable rates as described in PURPA. These purposes were considered in reaching the determination below.

The Board's determination follows.

I. Standard Under Consideration:

TIME-BASED METERING AND COMMUNICATIONS.

“Section 111(d)(14)(A) . . . [E]ach electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

“(B) The types of time-based rate schedules that may be offered under the schedule referred to in subparagraph (A) include, among others-

“(i) time-of-use pricing whereby electricity prices are set for a specific time period on an advance or forward basis, typically not changing more often than twice a year, based on the utility's cost of generating and/or purchasing such electricity at the wholesale level for the benefit of the consumer. Prices paid for energy consumed during these periods shall be pre-established and known to consumers in advance of such consumption, allowing them to vary their demand and usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing their consumption overall;

“(ii) critical peak pricing whereby time-of-use prices are in effect except for certain peak days, when prices may reflect the costs of generating and/or purchase electricity at the wholesale level and when consumers may receive additional discounts for reducing peak period energy consumption;

“(iii) real-time pricing whereby electricity prices are set for a specific time period on an advanced or forward basis, reflecting the utility’s cost of generating and/or purchasing electricity at the wholesale level, and may change as often as hourly; and

“(iv) credits for consumers with large loads who enter into pre-established peak load reduction agreements that reduce a utility’s planned capacity obligations.

“(C) Each electric utility subject to subparagraph (A) shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.”

II. Findings

1. SMUD currently provides time-based rate options for all customers with the exception of lighting customers and substantially complies with the Time-Based Metering and Communication Standard under PURPA.

2. SMUD’s time-based rates are designed to account for the variance in the costs of purchasing and generating electricity.

3. SMUD has conducted a comprehensive Advanced Metering Infrastructure (AMI) Business Case, which determined that installation of an AMI network will create opportunities for additional demand response, time-based rates, and effective load management.

4. SMUD intends to rollout an AMI network solution to all of its customers.

5. SMUD is currently engaged in a public process called the, “Compact with the Customer,” in which new rate options and programs directed at increased energy efficiency, demand response and peak reduction will be considered.

III. DETERMINATION BY THE SMUD BOARD:

The Standard is appropriate for use by the District at the present time, except for the lighting customer class. District staff should continue to evaluate advanced metering technology and alternative rate options through the, “Compact with the Customer” process.