

# RESIDENTIAL TIME-OF-USE (TOU) TRANSITION

August 5, 2019



# OBJECTIVE

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- Make a recommendation on whether:
  1. SJCE should join PG&E in transitioning residential customers to a TOU rate in October 2020
  2. SJCE should offer full bill protection, and if so, for which customers

**PG&E Deadline:  
September 30, 2019**

# STATEWIDE TRANSITION

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- CPUC ordered IOUs to make TOU new default
- PG&E will begin transition in October 2020 with Santa Clara County
- Most customers will be “transitioned” to new TOU rate plan but can opt out.
  - Peak pricing from 4-9 p.m. every day
  - Off peak all other times

# WHO WILL NOT BE TRANSITIONED

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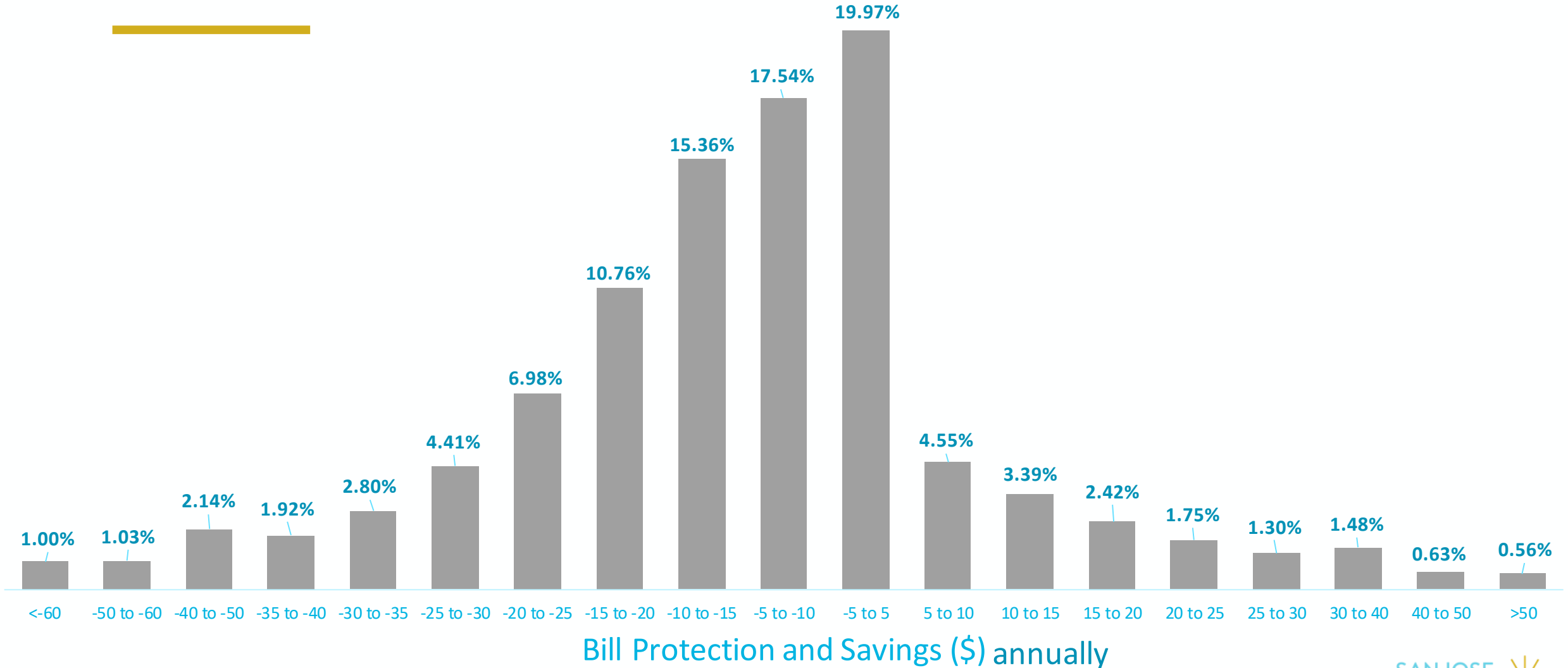
- Medical Baseline customers
- Customers with inadequate interval data or with less than 1 year of data
- Active Severance customers
- Customers who convert from NEM to non-NEM

# CONSIDERATIONS FOR SJCE

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- Bill protection
  - CPUC instructed IOUs to offer 1-year bill protection to customers who transition to TOU rate
  - CCAs are strongly urged to do the same
  - True-up happens at end of year, so customers who end up worse off than they would have been on tiered rate receive the difference
- Customer savings/customers who pay more on TOU rates

# SJCE Bill Protection and Savings - Distribution of Customers (negative numbers are bill savings)



# FINANCIAL IMPACT TO SJCE

## Base Case

# of Customers Saving = 159,972

Avg. Savings per Customer = (\$15.77)

**Customer Savings = (\$2,522,119)**

\*Approx. 3.0% of Revenue

# of Bill Protect Customers = 40,709

Avg. Bill Protect per Customer = \$14.01

Bill Protect Amount = \$570,510

## Worst Case (Only “losers” decline transition)

# of Customers Saving = 183,424

Avg. Savings per Customer = (\$15.77)

**Customer Savings = (\$2,891,869)**

\*Approx. 3.4% of Revenue

# of Bill Protect Customers = 0

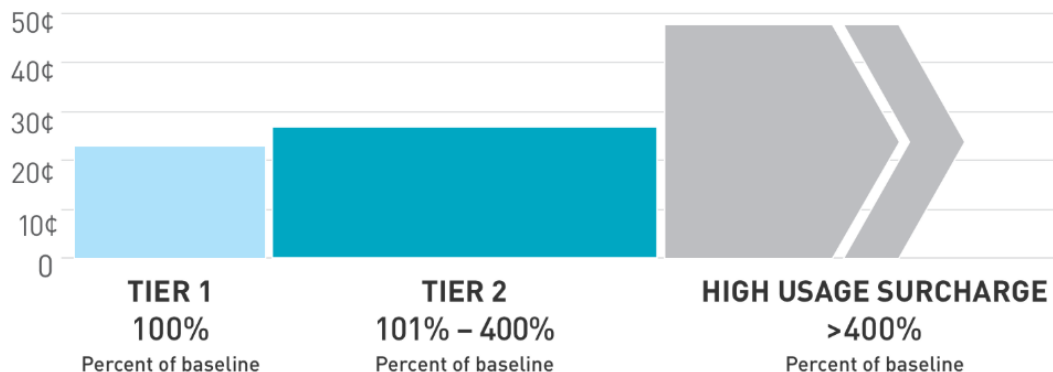
\*\*Assumes all customers needing bill protection opt-out of transition

# DEFAULT RATE COMPARISON

## Current Default: Tiered (E-1)

\*Price based on *how much* energy is used

<b>Baseline</b>	\$0.22376
<b>101% - 400%</b>	\$0.28159
<b>400%</b>	\$0.49334



## Proposed Default: Time-of-Use (E-TOU-C3)

\*Price based on *when* energy is used

	Peak	Off-Peak
<b>Summer</b>	\$0.38412	\$0.32068
<b>Winter</b>	\$0.29703	\$0.27970

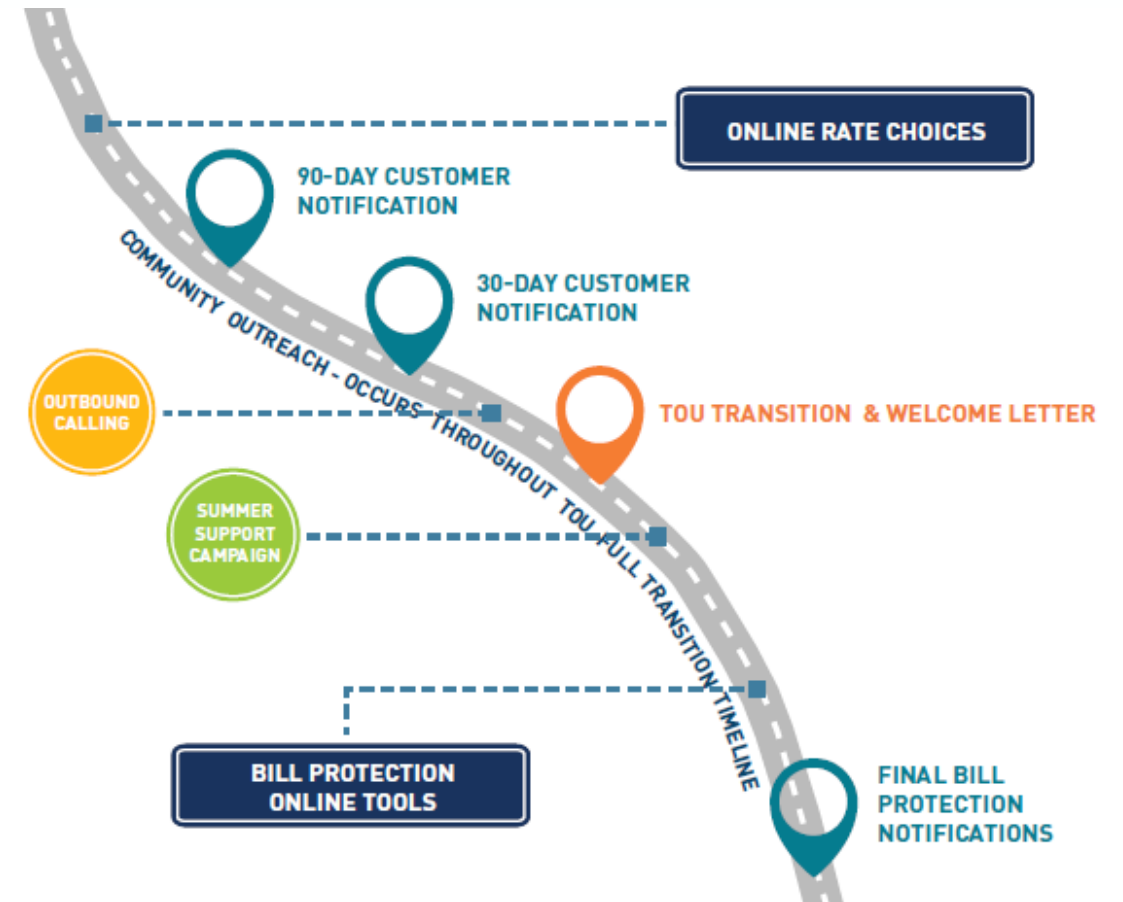
EVERY DAY (WEEKDAYS AND WEEKENDS)





# CUSTOMER NOTIFICATIONS

- 2-3 notices:
  - July 2020: direct mail
  - September 2020: direct mail and email (if customer consented to email notifications)
- Direct mail would be co-branded (PG&E and CCA)
- CARE customers: additional call between July and September



# CUSTOMER NOTIFICATIONS

- Key messages:
  - Try TOU risk-free
  - You can choose another rate plan at any time
- Notifications show customer's estimated annual costs for 3 rate plans:
  - Transition TOU (4-9 p.m. peak every day)
  - Tiered (most common rate – E-1)
  - Alternate TOU (5-8 p.m. peak weekdays)
- How to opt out: phone, online, or business reply card



### Time-of-Use: The plan for California

California leads the nation in generating clean, renewable energy from sources such as wind and solar. PG&E Time-of-Use rate plans are an easy way for Californians to continue our clean energy leadership while ensuring a more responsible and sustainable energy future for generations to come.

Time-of-Use plans offer:

- Lower-priced power when demand is less
- Greater use of renewable energy
- A path to a better and healthier energy future for California

PG&E is committed to our customers, our community, and the environment. Together, we can make a big difference without sacrificing comfort, simply by shifting some usage away from high-demand times—all while receiving safer, cleaner and more reliable energy.

### Check the hour before using power

The Time-of-Use (Peak Pricing 4–9 p.m. Every Day) rate plan has two time periods:

- Lowest price (OFF-PEAK) 19 hours each day
- Highest price (PEAK) 5 hours each day



7 DAYS A WEEK

12 a.m. 4 p.m. 9 p.m. 12 a.m.

OFF-PEAK \$ PEAK \$\$ OFF-PEAK \$

Visit [pge.com/TOUchoice](http://pge.com/TOUchoice) by March 1, 2018 to make your rate plan choice.

 Together, Building a Better California

# CALIFORNIA ENERGY UPGRADE CAMPAIGNS

- \$60 million statewide public education campaign to shift energy usage
- Currently: Keep It Golden

ENERGY UPGRADE CALIFORNIA

SIGN UP TAKE ACTION ENERGY HEROES SHARE

## Join the Keep It Golden™ Movement.

The growing community of Californians working towards a zero carbon state wants you! Together we can make better energy decisions so we can shrink our carbon footprints and protect our Golden State.

I will use energy better to Keep California Golden.

First Name Last Name

Zip Code Email Address

JOIN NOW →

# POWER DOWN FROM 4 TO 9



## Time Matters

Help California by reducing your energy use from 4-9PM when energy demand is high and less clean energy is available.

### How To Use Clean Energy

Read these tips to learn how to optimize your clean energy usage.



#### Power Down From 4-9PM

Procrastinators! 4-9PM is your time to shine. Turn off, turn down, and unplug your devices during these hours to ensure you're using cleaner energy.



#### Recharge While You Sleep

Recharge your devices while you do the same, so when you wake up your devices are fully charged with cleaner energy.



#### Hold Off On Chores

Take a break from chores! Wait to start your dishwasher and laundry until after 9PM or the next morning so that you're cleaning with cleaner energy.



#### Set a Timer

Use timing to your advantage to use cleaner energy. Know exactly when it's available with a simple alarm setting.



#### Ready. Set. Go.

By setting your thermostat to 74° from 4-9PM, you'll be cooling down with cleaner energy.



#### Precooling is Cool

There's nothing better than walking into a chilled home. Keep it cool by turning your A/C on in the morning and turning it off at 4PM.

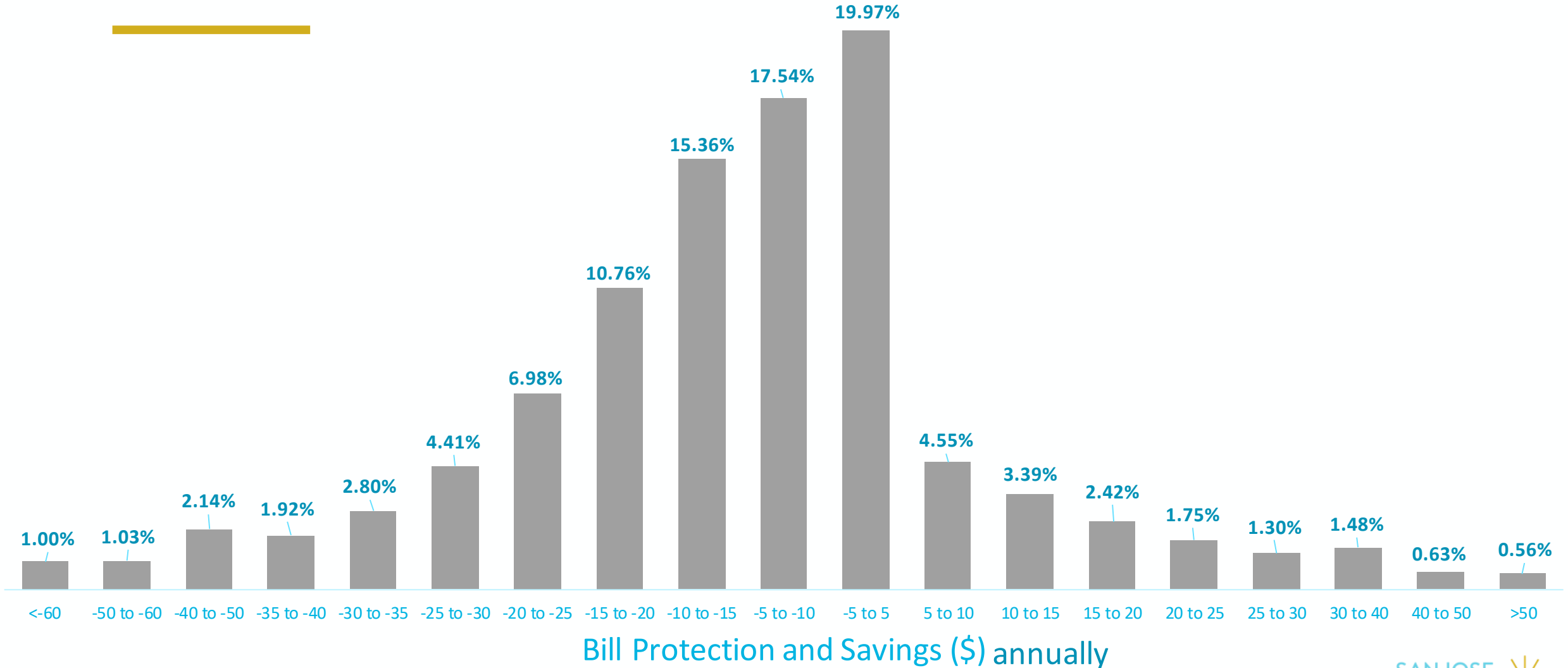
# SJCE RESIDENTIAL TOU OUTREACH

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- Total budget: \$22,500
- October: post website FAQ & update call center FAQs
- Ongoing: incorporate in social media, Nextdoor, community group presentations
- TBD: joint outreach with SVCE
  - Educational seminars about clean energy future



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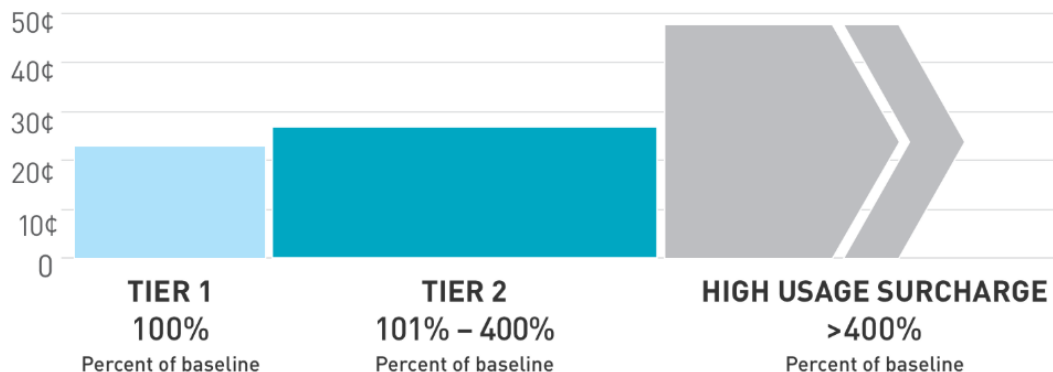
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