

IRP PUBLIC COMMENTS

POST BEING DRAFTED ONLINE (Aug 29th – September 11th)

Background

REU values public input and has opened up a two week comment period on the draft Integrated Resource Plan (IRP). Below are the comments and responses with all public names removed.

Platform	Date
Online Form	9/1/2018

Customer Comment

Hello,

I am a REU customer of many years. I favor Option H is the draft IRP for many of the reasons stated in the draft plan...H projects 53%wind, 36%solar; rest hydro and other...by 2030.

This comment is submitted by the Sept 11 deadline on REU 8-30-18 press release

Thank you

REU Response

Customer elected for REU not to contact

Platform	Date
Online Form	9/2/2018

Customer Comment

It is hard to understand all of the alternatives, but would select Alternative D

With all of our sunshine, we should put an emphasis on solar energy and locally produced. If and when the open market prices accelerate for renewables in the future which they undoubtedly will do. If SB 100 is signed by Governor Brown, we can have our own source of energy.

As you know Shasta College is installing 1.6 MW of solar power over one of its parking lots in addition to 1MW of power already at the Redding Campus. I'm sure the City has lots of space like that, or the old dump near Benton Park that could be used for solar panels.

Thank you for allowing citizen input. I live outside the City, but do own property inside Redding and have had a REU account since 1980, plus business accounts since 1983 to about 2012.

Not sure if this is a double entry?



Redding Electric Utility

REU Response

Hi,

Thank you for taking your time to review the Integrated Resource Plan (IRP) and reaching out to our team.

We agree, there is a lot of alternative scenarios studied and discussed in the IRP. The reason is we wanted to show the dynamics of each. As you noted, we also believe it is important to take advantage of our sunny climate and have the power generated locally. That is why all of the scenarios, minus the existing system, included a solar project located here in Redding CA. As stated in the IRP, Redding Electric is in the design phase of researching possible locations to house the local solar project. This was approved by our Council on June 5th. As far as Shasta College’s solar farm, we are aware of it, but do not know too many details because they are served by Pacific Gas & Electric (PG&E).

Again we appreciate you being a valued customers and we will incorporate your comments in the IRP. Just to reiterate, the IRP is not a procurement process, it is intended to be a plan, so no action will take place without proper protocol.

Platform	Date
IRP@reupower.com	9/10/2018

Customer Comment

I was just watching you IRP Public Meeting #2 from 6/13/2018, I didn’t see how the plans would translate into electric rates for the home owner. Can you provide your estimates on the electricity rate for residential customers once this plan is in place.

Thank you

REU Response

Good morning,

The question you ask below is very nuanced as many different factors drive rates, including general operational and maintenance inflation, personnel costs, power supply costs including market prices, debt, etc. Power supply costs make up the lion’s share of our budget when considering debt associated with certain resources i.e. Redding Power, etc.

While the IRP does project that annual power portfolio costs will rise approximately \$20 million by 2037, the great news is that by 2035 we will be saving nearly \$20 million in annual debt service payments related to power supply resources. In a vacuum, we could say that total power costs could remain relatively neutral through 2037. Again, great news, but market forces and legislation could derail the best laid plans so no promises can be made.

Section 8-15 of the IRP, specifically page 113 of 166, speaks to the rate impacts of our preferred plan. See here: <https://www.cityofredding.org/Home/ShowDocument?id=19864>



Redding Electric Utility

8.6 Retail Rates and the Preferred Expansion Plan

Forecasts project power portfolio costs to increase by approximately \$20 million (nominal) from 2018-2037, or 2.25 percent annually (less than 1 percent when adjusted for inflation). Of this \$20 million, approximately \$15 million is due to the following power purchases related to environmental compliance:

- 60 MW share of Central Valley Solar beginning in 2026; despite the utility owning lower cost thermal generation, additional resources are required to meet state mandates.
- 65 MW share of Northern California/Oregon Wind beginning in 2034 despite the utility owning lower cost thermal generation, additional resources are required to meet state mandates.

Due to forecasted retail sales in 2038 being within 3 percent of 2018 retail sales (energy efficiency measures reducing base load growth), a \$20 million increase in annual power portfolio costs represents an increase from today's rates of approximately 15 percent, or less than 1 percent annually (this is less than CPI). Due to the expected limited impact on rates from power supply costs over the forecast period, a separate report or study was not conducted. Any future update to COR's IRP will continue to appropriately evaluate rate impacts related to power supply costs. While Power Supply is a significant portion of the utility's budget (see Figure 8-7), it is not the only driver for rate changes. Other factors not included in this study such as debt service, personnel costs, maintaining the distribution system, and increasing reserves to manage financial risk associated with intermittent resources, will have significant impacts on the revenue requirement. In addition, while the 2018 Carr Fire had a substantial impact on the community, the COR had adequate reserves to fund infrastructure restoration efforts (zero rate impact). Figure 8-8 shows the projected portfolio cost of Scenario H and the level of retail sales through 2037.

If you have any additional questions please let me know and maybe we can speak on the phone.

Thank you so much for your interest in the planning process.

Regards,

Platform	Date
Online Form	9/11/2018

Customer Comment

We would like to see community solar adopted as part of REU's plan, which we understand is being evaluated by the City at this time. Such a project will be an important step forward to carbon-free electricity in Redding. It could allow REU and the community to embrace a greener future while reducing the sometimes-competing interests of rooftop solar and REU.

REU Response

Hi,

Thanks for your comment and reaching out to us.

In the [two public meetings](#) and in the [IRP draft report](#) we discuss a local 10 MW solar project. The only scenario we do not include the local solar project is the existing system. These are the resources we



Redding Electric Utility

have today and we used this as a baseline to compare against the other seven scenarios. We are currently working on the design of the local solar project because, as you mentioned, there are a lot of benefits having it located here in Redding. If by Community Solar you are referring to the utility designing and building the solar farm and offering ownership to customers, we have already completed a lot of legwork and have a working paper on the details and possible structure. This is one of the details we are still working on and invite any feedback.

Again thank you and feel free to continue to reach out.

Customer Comment #2

Thank you, Brian. Your description is generally what I meant by Community Solar, though I understand it can take different forms. Perhaps REU's will be something like SMUD's SolarShares program.

I'll be following this exciting project and look forward to learning more.

Thanks again.

Platform	Date
Employee email	9/10/2018

Customer Comment

Dan Beans, Director

Redding Electric Utility

Good Morning Mr. Beans,

I don't know if you were able to view the DVD of Made in the Shade that I dropped off awhile ago. As part of the IRP process, I sent the comment below to Nick S. and wanted to see an evaluation of potential energy savings in the plan should a comprehensive effort of similar scale be adopted by Redding. The current REU tree program is not at a scale nor focused to evaluate or achieve the significant results along the lines of Sacramento's embedded program. This is the community conversation we hope to begin and are kicking it off with showing the film. I hoped to have a projection of cost and savings from REU and hoped that this would have been included in the plan feedback survey as a significant path forward. The SMUD staff seem enthusiastic about sharing their insights as we are similar in so many ways: we have a customer-owned utility; a hot climate; and our community culture has a high level of volunteerism.

The IRP is missing information on a huge opportunity that many sectors could enthusiastically support.

REU Response

Ms.,

Thank you for reaching out regarding the Redding Shade Tree Program and thank you for circulating the Made in the Shade video. I watched the video and found it very interesting.



Redding Electric Utility

As you know, the Redding program has been up and running for about 18 months. We are still in the ramp up phase and we expect more favorable cost/benefit projections in a few years once the program has realized the benefits of the work that the Community Services Department is putting in place now. At this point, the tree program is a very small portion of our energy efficiency program portfolio relative to the program cost.

Regarding the scale of the program, our perspective is that we are currently funding the program at a similar scale to SMUD. They serve about 14x more customers than we have in Redding, and Redding's contribution to the Shade Tree Program is proportionally higher, about 1/10 of SMUDs. If we play our cards right, we should be able to plant proportionally more trees!

Lastly, we did not evaluate the rate impacts of the Shade Tree Program or any other individual energy efficiency program in the IRP. Instead, we looked at energy efficiency market potential (shown in figure 5-2) relative to our energy savings targets, and then looked for new programs that will help us address any gaps. The shade tree program is identified as one of these programs in section 5.2.1.3. As we get ready to file our annual EE report in March of 2019, we will need to quantify the exact costs and benefits of the shade tree program, and I can share those values with you when they become available.

I have copied Travis Menne on this email. Travis manages this program for the City of Redding and he is the driving force behind getting these trees out into the community.

If you have further questions please don't hesitate to phone or email.

Best Regards,