



# County of Los Alamos

## Council Meeting Staff Report

April 18, 2018

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<b>Agenda No.:</b>	7.A
<b>Indexes (Council Goals):</b>	BCC - N/A
<b>Presenters:</b>	Bob Westervelt
<b>Legislative File:</b>	10316-18

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### **Title**

Discussion of Potential Rate Structure Alternatives

### **Recommended Action**

**None. Discussion item only.**

### **Staff Recommendation**

None. Discussion item only.

### **Body**

There has been discussion for quite some time on changes to historical rate design to address issues in the modern utilities world. Specifically, with the rapid expansion of distributed generation, rate design needs to address the issue of offsetting electric costs with distributed generation, while continuing to rely on the distribution system for backup or base load power. Other opportunities for properly apportioning costs to relevant cost drivers present themselves with the implementation of advanced metering, and should be considered in rate design as well.

There are several possible approaches to rate design that address these issues. There are Pro's and Con's, in differing degrees, to any potential rate design. Several of the more common rate structures emerging in the current electric utility environment are presented on the attached, with a discussion of some of the identified Pros and Cons. Since one of the biggest drivers of this discussion is the rapid expansion of distributed generation, and the resulting pressures on the electric distribution system, we have included a comparison for a real, actual utilities customer, over a two-year period, showing what the impact to that customer of each rate alternative would be.

### **Alternatives**

None. Discussion item only.

### **Fiscal and Staff Impact**

None. Discussion item only.

### **Attachments**

A - Electric Rate Options Comparison