

The City of Provo
Department of Energy
Minutes of the Provo City Energy Board Meeting
March 21, 2019
St. George, Utah

Energy Board Members

Ned Hill
Cheryl Taylor
Paul Greenwood

City Staff & Administration

Mayor Kaufusi
Travis Ball
Kat Linford
Charlie Fuller
John Borget

Municipal Council & Staff

Gary Winterton
George Stewart
George Handley
Kay Van Buren
David Harding
David Knecht

Visitors:

Don Jarvis, Provo City Sustainability Chair

Welcome & Introduction

Chairman Ned Hill conducted the meeting and welcomed everyone.

Financial Report

Charlie Fuller gave a report on the financials from January and February. There are some expenditures and other misc. revenues that we are unfamiliar with so the Finance department is looking into that. The budget numbers look good and there aren't any major unexpected surprises with a small surplus expected going into the end of year.

Key Performance Indicators (KPI's)

In January there were a couple of outages affecting our reliability numbers, but for January and February the overall the averages are still at or below industry municipal and national averages. There are no areas of concern.

Rate Comparisons

Every year we look at the electricity rates to see where Provo Power stacks up against other local utilities, for both municipal and IOU (Investor Owned) utilities. Provo hasn't changed the rates for three years (besides modifying the rate and customer service charges which were revenue neutral changes). Provo's rates rank in the middle and strives to be very closely compared to Rocky Mountain Power. It is not anticipated that there will not be a rate increase this year.

Energy Portfolio

From the last board meeting, the question came up regarding the percentage of renewable (non-carbon) resources in our portfolio and what it would look like if Provo was at 50% renewable. Travis and Charlie put together some charts showing the breakdown and forecast of what it would take to keep the demand and reliability stable (base load) in utilizing renewable resources. This would include nuclear and geothermal options that Provo doesn't currently have, but other utilities in Utah (UAMPS) are in the beginning political phases of building a nuclear plant.

To achieve a 50% renewable (non-carbon) goal, there is a lot of work and financial resources that needs to be done and could be out another 10-20 years due to ongoing contracts, base load demands, financials, etc.

Rate Changes/Solar Rate/Net Metering Discussion

In regards to net metering, it is our belief that we need to look at the rate schedules and modifying the tiered structures. With the wholesale solar rates coming in so low – less than \$0.03 cents per kWh, it is hard to justify continuing to pay customers the \$0.06742 cents per kWh without making up the base rate charges elsewhere. We are going to propose changing the customer service charge from \$10.63 to around \$12.65 a month, and changing the first-tier block (1 to 500 kWh) to \$0.075 cents down from \$0.0797 cents.

Changes similar to this will be proposed for the next couple of years according to the cost of service study which will rectify the imbalance of the base rate and service charges vs. the subsidies that all customers have been inadvertently responsible for regardless of if they have solar or not. Customers shouldn't notice the difference in costs as it is a revenue neutral change, but it will help fill the gap and appropriate the budget accordingly while still offering a retail incentive to solar customers.

Calendaring and Scheduling

- Next Energy Board Meeting
 - Monday, April 29th, 2019 at 4:00pm (modified date)
 - APPA National Conference June 7th-12th 2019 (San Antonio, TX)

Meeting adjourned at 8:10 a m.