



Rate Design Project Phase 1

Jeff Bishop
Vice President and Chief Financial Officer
August 15, 2023

Board Workshop Findings Review

OPPD conducted three board workshops in 2022 to establish rate design principles that will guide future rate design action. The principles include:



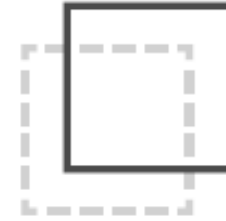
**Fair,
Reasonable
and Non-
discriminatory
Rates**



**Rate Stability
and Gradualism**



**Systemic
Review of
Affordability**



**Simplicity and
Transparency**



**Customer
Choice and
Flexibility**

Concept Identification

12 concepts were identified and classified into two groups: General Concepts and Advanced Metering Infrastructure (AMI)-dependent concepts. Broader concepts reflect those currently underway or under evaluation through separate initiatives.

General Concepts

- Service and Energy Charges for Non-Demand Rate Classes
- All-Electric Rate
- Evolving Industry
- Net Metering
- Bundled Green Power
- Residential Parameters
- Fundamental Procedure Education

AMI- Dependent Concepts

- Critical Peak Rider
- Electric Vehicle Rate
- Three-part Rate
- TOU Rate
- Shadow Billing

Broader Concepts

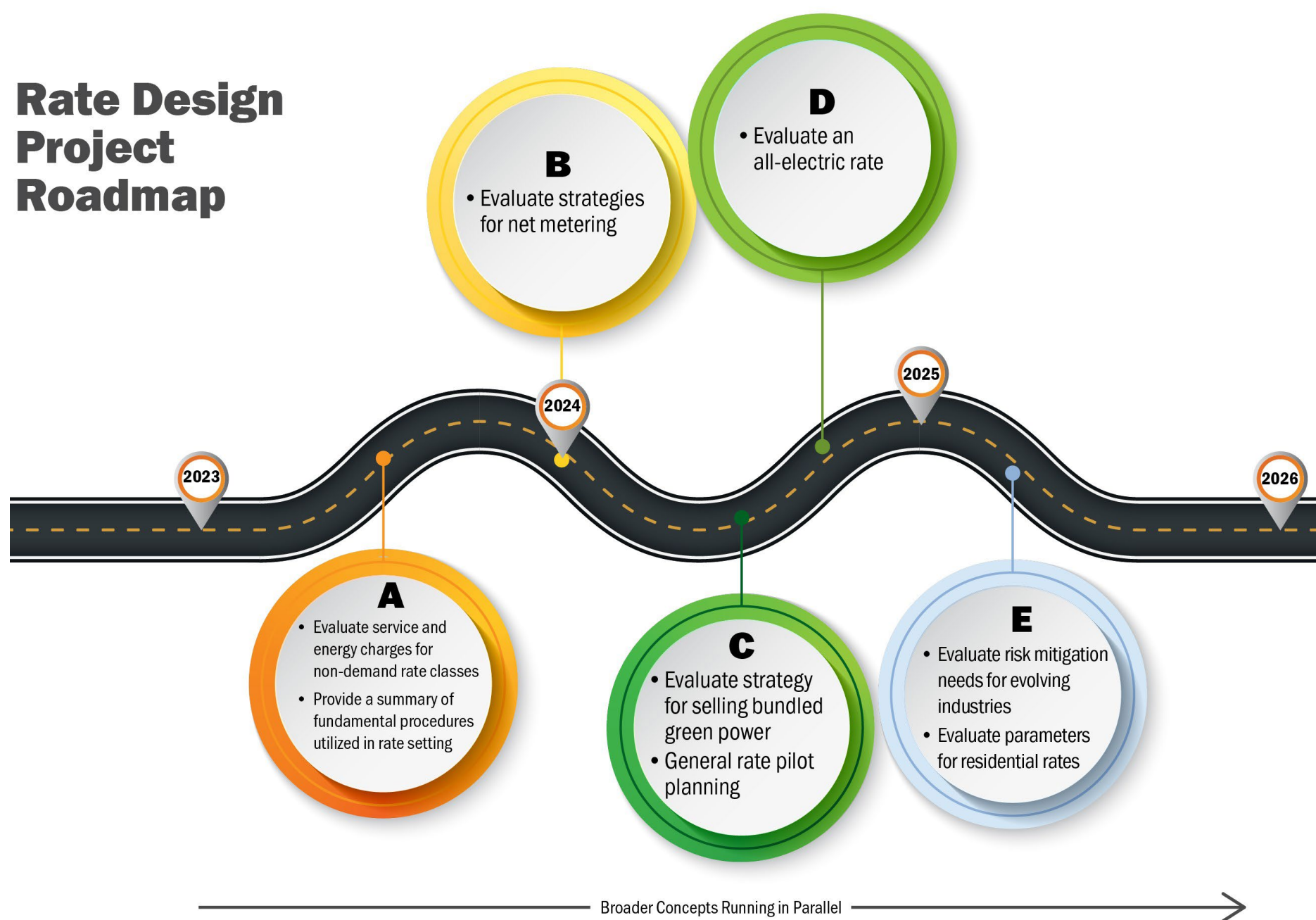
- Affordability
- Bill Redesign and Communication
- Customer Choice and Flexibility
- Education on Identified Topics

Concept Ranking

- Concepts evaluated according to the following value attributes:
 - Impact Score
 - Appropriate Cost Recovery
 - Resource Adequacy
 - Promotes Conservation
 - Addresses Customer Pain Points
 - OPPD Financial Stability
 - Technical and Operational Complexity
 - Brand and Reputation Impact
 - Legal and Regulatory Risk
 - Outside Drivers (Incentives, Rebates)
 - Alignment with PF 2050

Individual Concepts		Overall Rank	Group Rank
General Concepts	Evaluate service and energy charges for non-demand rate classes	1	1
	Evaluate strategies for net metering	5	2
	Evaluate strategy for selling bundled green power	6	3
	Evaluate an all-electric rate	9	4
	Provide a summary of fundamental procedures utilized in rate setting	10	5
	Evaluate risk mitigation needs for evolving industries	11	6
	Evaluate parameters for residential rates	12	7
AMI-Dependent Concepts	Evaluate a time-of-use (TOU) rate pilot strategy	2	1
	Evaluate three-part rate pilot strategy	3	2
	Evaluate a critical peak rider pilot strategy	4	3
	Evaluate an electric vehicle rate pilot strategy	7	4
	Evaluate shadow billing for improving customer choice and flexibility	8	5

Rate Design Project Roadmap



Phase 1 Report

- More information around the workshops, selection of principles, development and ranking of concepts, and the roadmap are contained within the final report.
- The final report will be shared on OPPD Community Connect.

Questions?