**RCEA Rate Change – Director Packet**

*Background*

* There are two major parts of electricity service: generation and distribution.
	+ Generation is the buying and selling of electricity. With the launch of our Community Choice Energy (CCE) program in 2017, RCEA took over the generation portion of electricity service for most Humboldt County customers. Those who opted out of RCEA generation service are called “bundled customers.” They pay PG&E for generation.
	+ Distribution is managing the physical infrastructure to move energy where it needs to go. PG&E provides distribution service to RCEA and bundled customers. PG&E also manages metering and billing for both bundled and unbundled customers.
* RCEA sets our customer generation rates to match PG&E’s generation rates for their bundled customers, minus a percentage discount, taking into account additional charges for customers that leave PG&E’s service.
	+ RCEA adjusts rates when PG&E changes their generation rate to maintain the same percentage discount.
	+ The Board voted to adjust the percentage discount a few times since the CCE program launched due to changes in the program’s financial outlook – see timeline below.
	+ **RCEA’s rates have consistently been lower than PG&E’s since launching in 2017.**
	+ However, electricity rates have increased since 2017. While RCEA customers pay a bit less than if they bought PG&E’s generation, RCEA customers’ overall bills have likely gone up.

*2021 Rate Changes*

* PG&E is adjusting both their generation and distribution rates on January 1, 2021, with the generation portion set to decline. RCEA will adjust our rates to maintain the current 1% discount.
* While PG&E is decreasing their generation rates, they are increasing their distribution rates significantly. Most customers will experience an increase in their total electricity bill.
* At the December 2020 meeting, the Board also voted to change RCEA’s discount on PG&E’s generation rate from 1% to 0.5% due to the negative financial outlook for our CCE program in 2021. RCEA’s Implementation Plan requires a 60-day customer comment period for any customer discount change before it can be implemented.
	+ RCEA could shift to the 0.5% discount as early as mid-February, but will wait until mi-March to change the percentage discount to allow two months between PG&E’s and RCEA’s rate changes. This is to eliminate possible billing confusion for customers.

*RCEA Generation Percentage Discount Since CCE Launch*



*Resources*

* Understanding your bill shows how to find your RCEA savings on your PG&E bill: <https://redwoodenergy.org/community-choice-energy/residential/bills/>. (Staff are creating a video to make this information more accessible to customers.)
* Rates page shows RCEA’s rates, including a template for calculating mobile home park rates: <https://redwoodenergy.org/community-choice-energy/residential/rates-residential-customers/>.
* Energy Efficiency and Management RCEA offers an array of customer programs to reduce energy usage and manage cost: <https://redwoodenergy.org/services/customerprograms/>.