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SDG&E Electric Rate Issues & Drivers

Assembly Utilities and Energy Committee



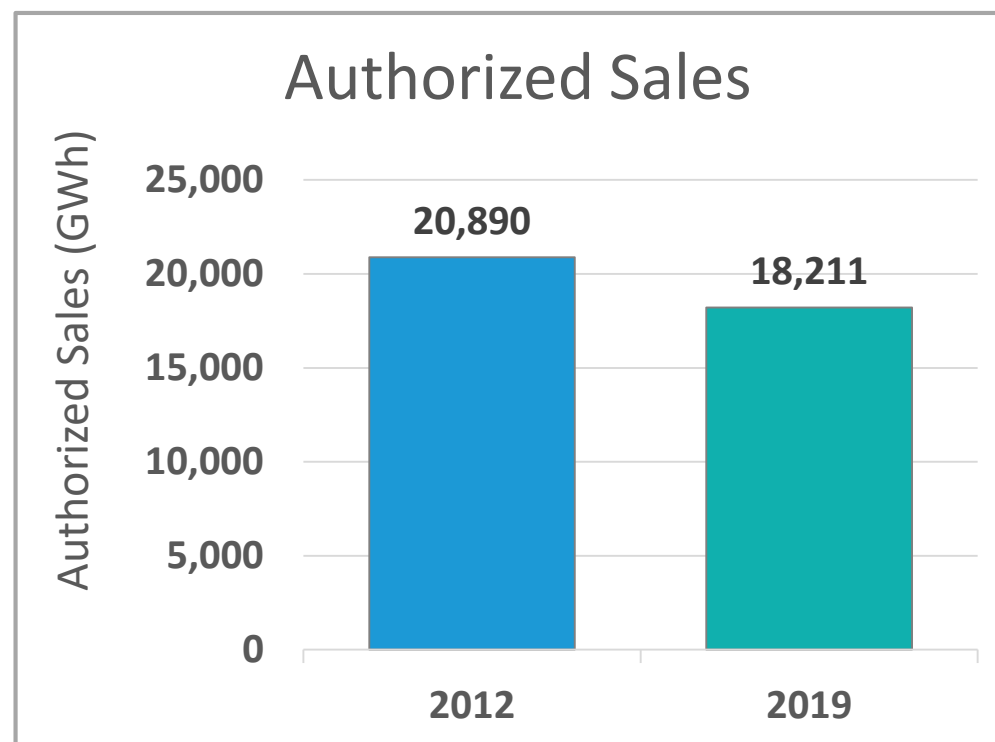
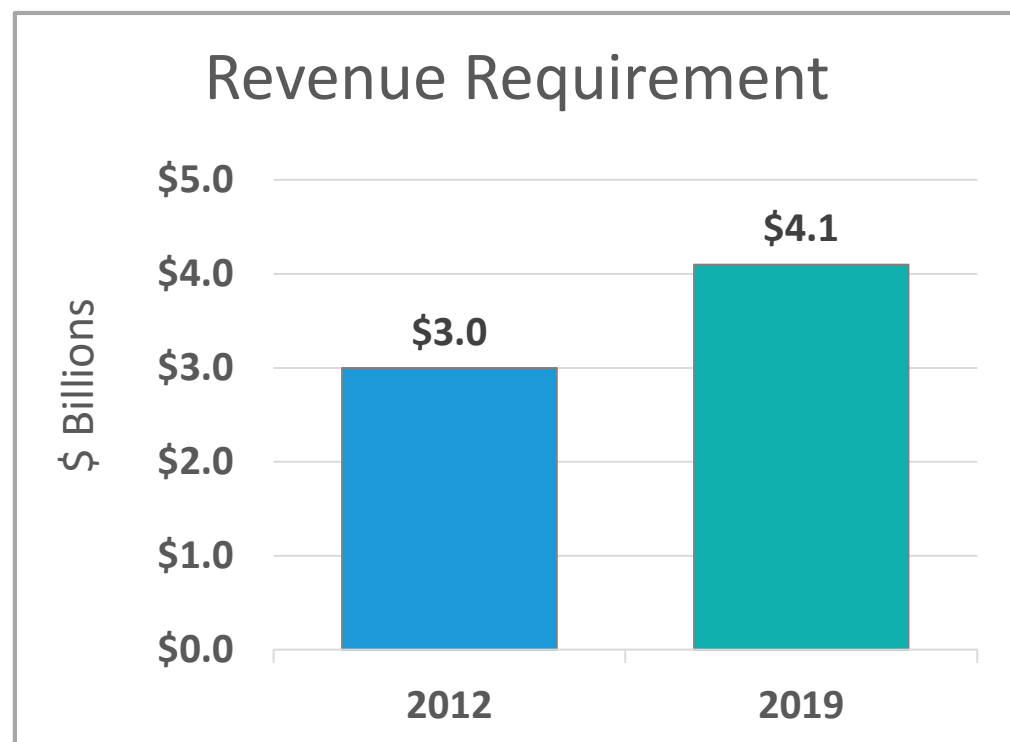
Scott Crider, Vice President Customer Services

February 19, 2019

Electric Rates

Since 2012, SDG&E's total System Average Rate increased by **60%**.

This was due to a **37%** higher revenue requirement and a **14%** reduction in expected sales.



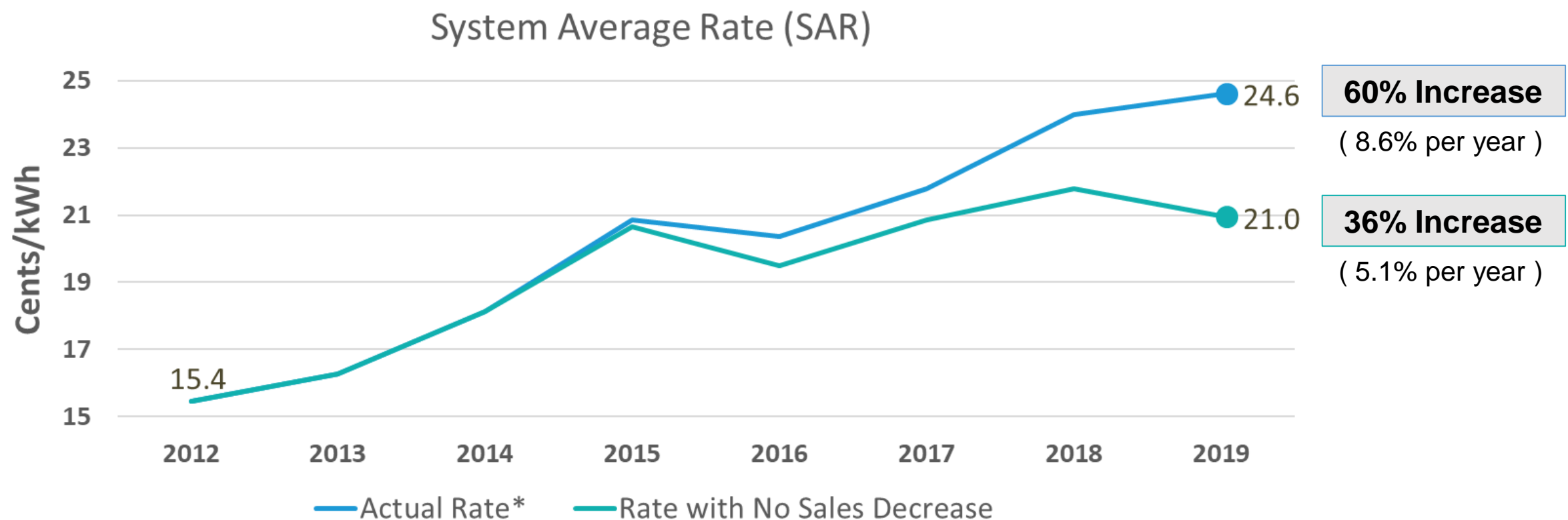
2012 Average Rate
15.4 cents/kWh

2019 Average Rate
24.6 cents/kWh

25.1 cents/kWh
as of Feb 1, 2020

Impact of Declining Sales

SDG&E's System Average Rate (SAR) would be about **21.0 cents** per kWh had electric sales not decreased between 2012 and 2019.

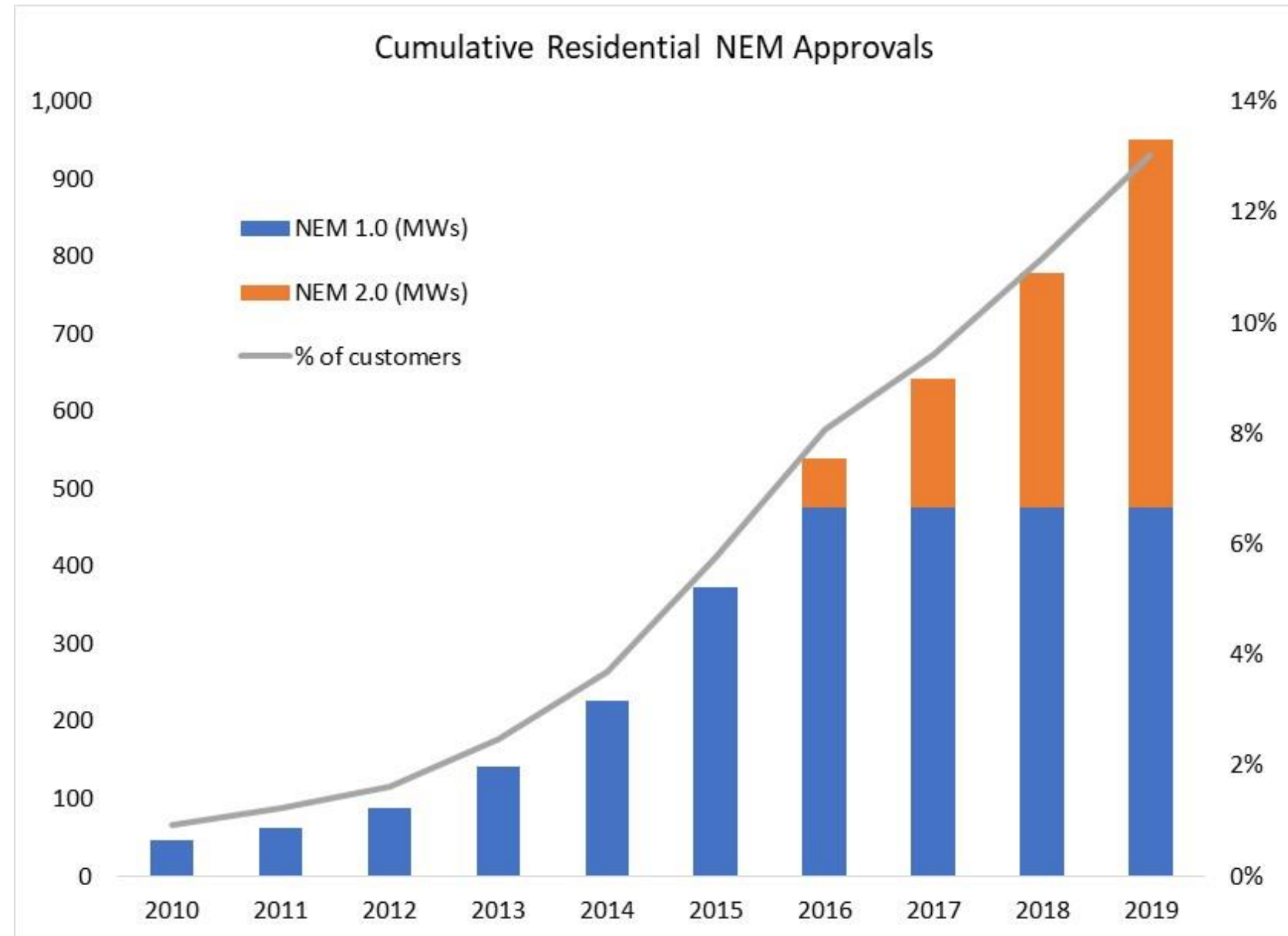


*2012 through 2018 actual rates based on rates effective January 1 of each year. 2019 rates based on rates effective 6/1/19.

Where We Are Today

Residential NEM

- ~13% (175,000+ customers) of residential customers are NEM customers
 - Expected to reach 15% in 2020
- Residential NEM cost shift is now ~10% (~\$425 million annually) of total electric revenues (\$4 billion annually) and will continue to grow
- Average PV system size increased 34% from 2009 (4.4 kW) to 2019 (5.8 kW)
- Key considerations for future NEM reform:
 - California's GHG reduction goals and electrification of transportation sector
 - Increasing load departure (CCAs and Direct Access)
 - Growing trend of solar paired with energy storage



Core Rate Structures

Overview



	Buy-All, Sell-All (BASA)	Net Billing	Net Metering
Core Rate Structure	Dual-meter system to measure production and consumption of energy separately; no netting	DG customers offset consumption charges with electricity provided by their DG system and receive monetary credit for power exported to grid	DG customers offset consumption charges with electricity provided by their DG system and receive monetary credit for power exported to grid
Export Compensation	Rate lower than retail	Rate lower than retail	Retail residential rate
Self-supply	No	Yes	Yes
Jurisdictions	Connecticut, Austin	Hawaii, Arizona, Michigan, Utah	Multiple, including California
Other Considerations	Requires 2 nd Meter		