

# Customer Rate Strategy Session

## ALL RATES WRAP UP

**PowerU@Grant**

June 4, 2024

# Safety Brief

## Introductions

Ty Ehrman, **Chief Customer Officer**

Tom Flint, **President**

Terry Pyle, **Vice President**

Larry Schaapman, **Secretary**

Judy Wilson, **Commissioner**

Nelson Cox, **Commissioner**

Rich Wallen, **General Manager/CEO**

# Agenda

All rates wrap up



## Our Present

Grant PUD's current philosophy

Core and non-core customers

Rates



## Our Future

Goals

Feedback

Growth



# PowerU@Grant

## Rate & Pricing Strategy - Stakeholder Meetings

### Agenda:

- Goals
- Core Customers
- Growth
- Loads
- New Generation
- Cost of Service and Rate Making
- Multiple ways to offer feedback

### Hybrid meetings

Recorded – Meeting information at:

<https://www.grantpud.org/rates-fees>



### April 16<sup>th</sup>

9:30 – 11:30 am Ag (Rates 2, 3 & 7)

6:00 – 8:00 pm General & Large General  
Service (Rates 2 & 7)

### May 21<sup>st</sup>

8:30 – 10:30 am Industrial (Rates 14, 15 & 16)

6:00 – 8:00 pm Residential (Rate 1)

### June 4<sup>th</sup>

6:00 – 8:00 pm All Rates wrap up

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## Our Present

Grant PUD's philosophy, customers and rates

# Anchor & Pillars



## ANCHOR:

Focus on our core electric customers while still ensuring the success of all our customers

Prioritizing our resources around these **5 strategic pillars:**

1



Ensuring long-term affordable rates for our core electric customers

2



Sustaining our focus on engaged, empowered & enabled employees

3



Committing to accurate & responsive customer service

4



Developing an intentional power demand strategy

5



Caring for our communities through active engagement

# Core & Non-core Customers

## Core Customers

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Residential



Irrigation



General Service/  
Small Commercial



Large General  
Service / Large  
Commercial

## Non-Core Customers

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Industrial



Large Industrial



Ag Processing

- Street Lighting
- Commercial EV Fast Charging
- Ag Boiler
- Evolving Industry (Crypto)

# Current Rate Making Policy

Existing Resolution set the following principles and main objectives:

Goal #1: Gradual Movement Toward **Commission Targets**

Goal #2: **Stable and Predictable** Rate Increases to avoid Rate Shock

Goal #3: Define **Core Customers** and Preferential Access

Goal #4: **Other** Compliance and Commission Directives



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**Our Future**

**What we have heard from our customers**

# Our Goals

## How does Grant PUD go forward with our rates?

- How should we allocate costs?
- How do we address increasing costs?
- How do we leverage rate strategy to benefit customers and communities?

## In 20 years, where do we want to be as a community?

- How do we want to grow?
- How do we balance needs of core customers and needs of industry?
- How do we address rising costs from inflation and legislation?



# Main themes: Irrigation

## Irrigation – April 16:

- All ag should be in same rate class as irrigation.
- Cost of service should not be a factor determining rates.
- Why not one rate for all customers?
- What's the plan for load growth in the county?
- Rates are too low for industrial customers, hence all the demand.



# Main themes: Commercial & Industrial



## **Commercial - April 16:**

- Questions and interest from participants on cryptocurrency demand response program

## **Industrial – May 21:**

- What happens when Grant County’s power load exceeds the Priest Rapids Project Benefits and impacts to:
  - Rates
  - Power supply
  - Grant PUD finances
- How to consider value of industrial customers to Grant County overall?
- How will Grant PUD work with industrial customers to facilitate ongoing power infrastructure needs?
- What generation resources are being considered?



# Main themes: Residential

## Residential – May 21:

- Impact of AI and other technology advances on power demand in county.
- Is Grant PUD looking at conservation, demand billing and roof-top solar programs for residential customers?
- How will rate increases affect low-income customers?
- How does cost of service affect rate strategy?



# Rates questions for our customers

**Note: Rate increases are expected on annual basis to address rising costs**



1. What would be a “fair” way to allocate costs for each rate group?



2. What should be the top priority for Grant PUD: lowest-cost power, or greater reliability?



3. What should Grant PUD consider when it comes to expanding its power generation and power delivery infrastructure?



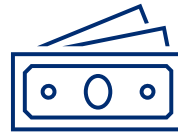
4. What are your thoughts about rate programs aimed at encouraging customers to reduce power consumption at peak times?

# Growth questions for our customers

**Note: As a public utility, Grant PUD cannot participate in economic development and must serve all customers with “fair and nondiscriminatory” rates.**



1. What are your thoughts about Grant PUD’s protections for “core” customers?



2. What are your thoughts on setting a maximum that “noncore” customers should pay above cost of service so “core” customers can remain paying at or below cost?



3. What are your general thoughts about growth in the county and how Grant PUD has responded to that growth.

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**Next Steps**

**Where do we go next?**



# What we heard

## Summary

1. Ensure continuation of existing or new mechanisms to protect our core load (i.e., primarily Residential and Agricultural customers)
2. Maintain stable and predictable rate adjustments. Rate trajectories are as important as targeted rate goals
3. Cost of service analysis needs to be assessed, validated and trusted as only one of multiple factors guiding the rate making process
4. The value of load growth needs to be approached from both a short and a long-term perspective



# What we heard: Continued

## Summary

5. Large customers' load growth needs to be financially viable and self-sustained and have no impact on core load customers, particularly for the development of new infrastructure
6. There is some consumer interest about new rates and product offerings, such as demand response and net metering
7. Customers are concerned about disruptive technologies and market trends and future power availability
8. We need to find a balance between rate attractiveness, county economic impact, and financial benefits for the utility and its owners



# Next Steps – Rate Policy Process

## Timeline (tentative – dates may change)

- June / July – Staff works on proposal(s)
- 7/23 – Present proposal(s) to Commission
- 8/13 – 9/10 – Commission/Customer discussion
- 9/24 – Present revised policy draft in resolution
- 11/12 – Commission review of resolution
- 12/10 – Commission anticipated approval of resolution

**Take our survey! \***



***\*Open until 7/31/24***

**Thank you!**

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