

Comparison of FCSG TOU (Time of Use) Rate Recommendation to a Straight TOU Rate

The Fort Collins Sustainability Group (FCSG) recommends that the City adopt a TOU + tiered rate for the majority of its residential customers, with an option for a straight TOU rate for those customers with electric heating. This approach is compared and contrasted to a “one size fits all” straight TOU rate for all residential customers below. Page references are provided from the TOU Pilot Study memo to City Councilmembers dated 5/3/17 and available on line here:

<http://citydocs.fcgov.com/?cmd=convert&vid=218&docid=2942346&dt=MAIL+PACKET>.

Straight TOU rate	TOU + tiered rate with straight TOU option for electric heating customers
A single rate for all residential users is simpler than different rates for different customer types.	Two separate rates allow the City to provide tailored benefits for three different customer types as described below. The City currently has two separate residential electric rates: a tiered energy rate and a demand rate available to customers with electric heating.
A straight TOU rate results in somewhat higher electric bills for low-income customers than does the current tiered rate (page 17).	A TOU + tiered rate results in somewhat lower electric bills for low-income customers than does the current tiered rate (page 17). On average, low-income customers use slightly less electricity than do higher income customers. In the absence of a carbon fee, those who use less electricity than the average should see reduced bills, since there are real costs associated with fossil fuel use to our health and the environment.
A straight TOU rate results in significantly higher (12.4%) electric bills for customers with rooftop solar systems than does the current tiered rate (page 14).	A TOU + tiered rate results in nearly identical electric bills for customers with rooftop solar systems compared to the current tiered rate (page 14). Costs for these customers should not be increased, since generating carbon-free electricity provides social benefits in the form of lower health care costs and less environmental damage.
A straight TOU rate results in somewhat higher (1.8%) electric bills for customers with electric heating than does the current demand rate (page 14). Customers with electric heating represent about 3% of all residential customers in Fort Collins.	A TOU + tiered rate results in significantly higher (7.9%) electric bills for customers with electric heating than does the current demand rate (page 14). This is why the FCSG recommends that customers with electric heating be given the straight TOU rate option to minimize the impact on their electric bills.
A straight TOU rate provides a lower off peak rate to customers charging electric vehicles than does the current tiered rate, and does not “penalize” those customers as they use more electric energy for that purpose (page 3; compare to current published tiered rate).	A TOU + tiered rate also provides a lower off peak rate to customers charging electric vehicles than does the current tiered rate – even after the customer exceeds the 700 kWh/month break point (page 3; compare to current published tiered rate).