Rate Design recommendations to the Board were discussed at the December 16, 2019 Risk Management Committee meeting. In attendance and participating in this discussion were: Julie Lindgren, Arleen Boyd, Bill Pascoe, Dan Dutton, Dick Nolan, Ralph Lewis, Jim Rodgers, Kevin Owens, Kaaren Robbins and Russ Schneider (EES).

Results of this discussion are provided below.

Consensus was reached on the following recommendations:

1. BEC should implement a 3-part rate structure (base, energy and demand) for Residential and Small Commercial accounts.

2. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, a ratchet should not be incorporated at this time.

3. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, revenues from the demand charge should be used to reduce the base charge and the energy charge.

4. BEC should adjust the current 3-part rates for Large Commercial, Industrial and Irrigation accounts so that the energy charge for all three classes will be based on BEC’s wholesale power and transmission costs.

5. A ratchet should be incorporated in Large Commercial and Industrial rates.

6. BEC should meet with irrigators to discuss rate options before making any further changes to Irrigation rates.

There was majority support, but not consensus, on the following recommendations:

1. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, the initial monthly demand charge should be $2 per kilowatt.

2. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, existing and future net-metered accounts should be subject to the 3-part rate.

No recommendations were reached on the following issues:

1. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, should there be an initial period where demand appears on members’ bills without a charge? If so, for how long?

2. If BEC implements a 3-part rate structure for Residential and Small Commercial accounts, how often should the rates be reviewed for possible adjustment?