

Dear Ava Community Energy Board and Community Advisory Committee members,

I respectfully submit this public comment to change the way we address energy prices.

In the past Ava staff and board members have had many discussions on keeping generation prices low. This has been identified many times as the key value proposition for Ava customers

I'm concerned that these discussions have been missing the point. Customer are concerned with total electricity bills, not the relative price between Ava and PG&E generation charges. Most of us do not distinguish between generation and distribution when we pay our electricity bills. And we have no way of comparing what our bills would have been if we were not Ava customers.

The total rates for electricity have been rising at an unprecedented speed for the past few years. This is primarily due delivery rate increases by PG&E. These have completely overwhelmed any savings customers see by getting generation Ava.

This increase in total rates is also making Ava member jurisdiction goals to reduce greenhouse gas emissions by promoting building electrification much harder to achieve without imposing additional cost burdens on Ava customers.

To investigate this in more detail I reviewed my very own household electricity bills for the last 10 years to examine at what's been happening. Please see the attached chart below.

The points on the plot show our total electricity rates, delivery rates and generation rates. These are effective rates. They were calculated by dividing the charges for delivery and generation in each of our bills by the number of kWh we used in that billing period. The total electricity rate is the sum of the generation and delivery rates.

Because of our enthusiasm for benefits of local generation of clean electricity we joined EBCE as soon as we could in 2018. Thus prior to July 2018 only total electricity rates are available.

There are still some missing data and probably some more quality assurance work I should do. The seasonal fluctuation in rates starting in 2021 is due to differing winter and summer rates and baselines. However there are enough data here to show clear and disturbing trends.

After we joined EBCE in 2018, our total electricity rates remained relatively constant until about 2020. After that the delivery rates started climbing dramatically. Because EBCE (now Ava) sets rates relative to PG&E rates, the generation rate increases generally lag PG&E's rate increases by about one year. In some of our bills for 2021 the charges for delivery were over two and a half times higher than the generation rates. With the latest PG&E rate increases delivery rates are once again approaching twice the generation rates.

Since we became Ava customers, our total electricity rates have doubled! This increase completely swamps any savings Ava was able to pass on by keeping its generation rates a few pennies below PG&E's generation rates. This is making a complete mockery of Ava's claimed "value proposition" of lower electricity rates.

As a concerned Ava customer and member of the Community Advisory Committee, I call upon the Ava's Board members to take concerted action to protect Ava customers from these outrageous price increases both within in their own jurisdictions and within Ava Community Energy in their directions to staff.

Sincerely,

Jim Lutz

Electricity Rates

(from my household PG&E bills)

