

SRP Price Process Comments with Response Week ending January 4, 2025

SRP Public Price Process Responses from: 12/31/2024

Name: Steve Neil

Record Number: MI6435429

Delivery Method: Other

Received Date: 12/5/2024

Attachments: 20241205_SteveNeil_DataRequest.pdf

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #MI6435429*

Comment:

This is more than 4000 characters, so too big for the feedback form, so sending to you.

This information request is about SRP's guiding pricing principle of "choice", offering to customers multiple price plans and programs to choose from, and the important role SRP fills in helping customers understand the choices and their respective costs.

First, some numbered statements I found today on srpnet.com:

S1. From the "Learn about the public pricing process" 2025 webpage:

"How the Board decides on prices / These are the principles the Board follows when making pricing decisions: [5th and final bullet point] Choice - Pricing options should be provided to help customers manage their energy costs."

S2. The Blue Book, page 46:

"Management is proposing to freeze the old suite of TOU hour price plans as seen in Table 6." and said table lists 9 residential plans and 1 general service plan, 10 total.

S3. From the 2019 price process, a slide shown by management to the board states:

"Today - Customers have the ability to call SRP, and if there is adequate history a price comparison will be given over the phone. • Prospective solar customers can access SRP's MyAccount web portal to compare their current price plan to E-27.

Future - SRP is currently developing a price plan comparison tool. This feature will be made available in SRP's MyAccount web portal by spring of 2020."

S4. A media.srpnet.com page dated May 20, 2021 states:

“SRP’s My Account also offers price plan comparison, which gives customers the ability to compare their actual costs on their current price plan and see how their home’s energy usage might look like on another price plan option. It’s like comparing the best and most cost-effective insurance plan.”

S5. An srpnet.com pdf entitled “Salt River Project (SRP) Integrated System Plan Advisory Group Meeting #14 - Summary” for a meeting held Sep 8, 2023 states:

“As a starting point, we have different price plan comparison tools and calculators online, and call center representatives are available and happy to walk through plans with people.”

S6. An srpnet.com pdf named “SRP Business Resource Guide” states:

“Contact your Strategic Energy Manager for a personalized price plan comparison.”

S7. SRP webpages for these plans - EZ-3 Plan, TOU Plan, EV Plan, Daytime Saver Plan, TOU Plan for Business - make this type of statement:

“If your first three bills on [plan name] aren’t lower than what you would have paid with the [non-TOU plan like the Basic Price Plan], we’ll credit you the difference and switch you back.” An SRP press release calls this “a 90-day risk-free guarantee”.

Some questions of mine in regard to the above numbered statements by SRP:

Q1. Regarding S3, as an SRP customer with solar, I can say that there is no feature in MyAccount to compare my current price plan to E-27. When was it added//turned on? When was it removed/turned off? And why was it removed? When will it be restored? In other words, a history of its availability, please.

Q2. Regarding S3 and the price plan comparison tool being available in MyAccount by the spring of 2020, when was it made available? And any times it was removed/turned off or added back/turned on?

Q3. Regarding S3 and “adequate history”, how many bills/months do you consider to be adequate?

Q4. Regarding S4, I called SRP Customer Service on Dec 4, and the representative said that the MyAccount price plan cost comparison feature for customers without interconnected solar was removed around the spring of 2024. Why?

Q5. In the SRP statements above, SRP did not disclose that, for customers with interconnected solar/DG, it does not currently offer any My Account comparison. Why? It is understood that because you chose in the 2019 price process to switch from the annual net metering arrangement for grandfathered solar and E-27’s monthly net metering to an exported kWh price approach in E-13, E-14, E-15, that modeling the behind-the-meter consumption of solar output is not near as simple as calculating a plan’s cost of kWh and kW based on a solar customer’s past history, but this fact was well known by your staff before you made the above written statements to the Board of Directors and the public. In cost comparisons for customers with interconnected solar, have you attempted to use the solar production data from the Dedicated DER Meter you require to be installed with every interconnected solar system? For customers who are considering adding

interconnected solar, have you attempted to use PVWatts solar production data for the metropolitan part of your service territory?

Q6. In light of the SRP statements cited above, what are SRP's in-place plans and projected availability dates to provide price plan cost comparison for customers with solar/DG? Please describe any limitations or phased releases of the comparison functionality.

Q7. Regarding the S5 statement in Sep 2023, "we have different price plan comparison tools and calculators online, and call center representatives are available", what are all the tools and calculators, both online for customers and only available to SRP employees, the tool or calculator name, the URL if available to customers, the customer types or classes available to, the date ranges the tool or calculators have been available, the time granularity of the data e.g. how many minutes, hours or days does the kWh data represent, the length of the period calculated e.g. in years, etc.? Sounds like a table would be the best way to provide this information.

Q8. Regarding S7, the "90 day guarantee" of savings, what is the total list of price plans with this type of offer from SRP? And for the residential plans it is not offered for, why not?

Q9. The Blue Book's proposed adjustments will result in an increase in the number of plans available for a residential customer to choose from, and the plans offer a greater diversity in variables for the customer to consider. The adjustments will also result in a short timeframe of about 8 months for customers to choose a possible lower cost plan before 10 legacy plans are frozen from new participation and will no longer be an option they can choose. What is management's plan, in detail and including timeframes please, to assist customers in making an informed choice about the cost of the various plans?

Q10. The 2025 price process content available at srpprices.com does not mention "price plan comparison" or the like. Why?

Q11. Regarding S1 -"Pricing options should be provided to help customers manage their energy costs." - how else does SRP inform customers of what their bills would have been on the various applicable price plans, if not already addressed by the above questions?

Q12. What has been written at SRP or written to SRP about price plan comparison and the like since the beginning of the prior price process in 2018? Please provide electronic copies of these communications.

Please feel free to add any pertinent details that these questions do not address. And please take your time to be sure to thoroughly answer all the questions. I have already received one response that is not responsive to my questions and comments, so we'll have to do it all over again.

Response Subject: SRP Corporate Pricing Response to Public Comment #MI6435429

Response Attachments: SRP Management Response to Steve Neil's First Request for Information_SN01.pdf;

**To receive a copy of Attachments please
contact the Corporate Secretary's Office and Reference
Record #MI6435429*

Response:

**SRP Management Response to
Steve Neil's First Request for Information Regarding
SRP's Proposed Changes to its Electric Rate Schedules**

This information request is about SRP's guiding pricing principle of "choice", offering to customers multiple price plans and programs to choose from, and the important role SRP fills in helping customers understand the choices and their respective costs.

First, some numbered statements I found today on srpnet.com:

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back.” An SRP press release calls this “a 90-day risk-free guarantee”.

Some questions of mine in regard to the above numbered statements by SRP:

1. Regarding S3, as an SRP customer with solar, I can say that there is no feature in MyAccount to compare my current price plan to E-27. When was it added/turned on? When was it removed/turned off? And why was it removed? When will it be restored? In other words, a history of its availability, please.

SRP Response:

Price plan comparison for residential rooftop solar in My Account was implemented July 2020. It was available to customers enrolled in the E-13 and E-14 Export price plans as well as the E-27 and E-15 Customer Generation price plans. The price plan comparison tool provided comparisons based on historical prices, time of use hours, and metered usage.

The price plan comparison tool was decommissioned in August 2024 due to significant maintenance requirements, limitations on price plans displayed, limited price plan changes associated with the tool, and the upgrades required in the current price process. SRP management intends to evaluate implementing a new price plan comparison tool after the Customer Modernization Program (described on Page 7 of the Proposed Adjustments to SRP’s Standard Electric Price Plans Effective with the November 2025 Billing Cycle) is implemented.

2. Regarding S3 and the price plan comparison tool being available in MyAccount by the spring of 2020, when was it made available? And any times it was removed/turned off or added back/turned on?

SRP Response:

Price plan comparison for residential non-solar was implemented January 2020 with functionality for some residential rooftop solar customers implemented July 2020. The functionality was live until August 2024. The tool was not removed or made otherwise unavailable during this duration.

3. Regarding S3 and “adequate history”, how many bills/months do you consider to be adequate?

SRP Response:

Price plan comparison required a minimum of twelve months usage history at the service location with no rate change during the historical period.

4. Regarding S4, I called SRP Customer Service on Dec 4, and the representative said that the MyAccount price plan cost comparison feature for customers without interconnected solar was removed around the spring of 2024. Why?

SRP Response:

See responses to Question 1 and Question 2.

5. In the SRP statements above, SRP did not disclose that, for customers with interconnected solar/DG, it does not currently offer any My Account comparison. Why? It is understood that

because you chose in the 2019 price process to switch from the annual net metering arrangement for grandfathered solar and E-27's monthly net metering to an exported kWh price approach in E-13, E-14, E-15, that modeling the behind-the-meter consumption of solar output is not near as simple as calculating a plan's cost of kWh and kW based on a solar customer's past history, but this fact was well known by your staff before you made the above written statements to the Board of Directors and the public. In cost comparisons for customers with interconnected solar, have you attempted to use the solar production data from the Dedicated DER Meter you require to be installed with every interconnected solar system? For customers who are considering adding interconnected solar, have you attempted to use PVWatts solar production data for the metropolitan part of your service territory?

SRP Response:

Because of the limited price plan changes associated with the tool and low customer use, the decommissioning was not directly communicated to customers. SRP has undertaken a significant effort to modernize back-office and customer-facing systems which will position SRP to implement future tools for our customers. For additional information, refer to SRP Response to Question 1.

The price plan comparison tool used customers' actual meter data for energy delivered and, when applicable, received, by SRP measured in 15-minute intervals to calculate energy costs for solar and non-solar customers. The use of actual metered values resulted in accurate calculations of historical bills at the price plans displayed.

SRP continues to provide DG price plan comparisons to solar customers by phone.

For prospective DG customers, SRP provides customers with a web-based calculator, WattPlan provided by Clean Power Research, through MyAccount. The program analyzes numerous variables including local solar irradiance, historical usage, SRP price plans, and roof orientation. Customers can modify the program recommendations, such as system size and financing options, and adjust EE upgrades and demand levels to test various scenarios.

6. In light of the SRP statements cited above, what are SRP's in-place plans and projected availability dates to provide price plan cost comparison for customers with solar/DG? Please describe any limitations or phased releases of the comparison functionality.

SRP Response:

See SRP response to Question 1.

7. Regarding the S5 statement in Sep 2023, "we have different price plan comparison tools and calculators online, and call center representatives are available", what are all the tools and calculators, both online for customers and only available to SRP employees, the tool or calculator name, the URL if available to customers, the customer types or classes available to, the date ranges the tool or calculators have been available, the time granularity of the data e.g. how many minutes, hours or days does the kWh data represent, the length of the period calculated e.g. in years, etc.? Sounds like a table would be the best way to provide this information.

SRP Response:

Due to the meter programming requirements for rooftop solar, which are specific depending on

bill options including Net Metering, Export, or Customer Generation, SRP does not currently have an online tool on its website for customers with solar to compare price plans. Non-solar residential customers, with more generic meter programs, receive a comparison message on their bill.

8. Regarding S7, the “90 day guarantee” of savings, what is the total list of price plans with this type of offer from SRP? And for the residential plans it is not offered for, why not?

SRP Response:

The guarantee is offered to non-Time-of-Use customers without solar to encourage participation in Time-of-Use plans, shifting usage from higher cost on-peak hours to lower cost off-peak hours.

9. The Blue Book’s proposed adjustments will result in an increase in the number of plans available for a residential customer to choose from, and the plans offer a greater diversity in variables for the customer to consider. The adjustments will also result in a short timeframe of about 8 months for customers to choose a possible lower cost plan before 10 legacy plans are frozen from new participation and will no longer be an option they can choose. What is management’s plan, in detail and including timeframes please, to assist customers in making an informed choice about the cost of the various plans?

SRP Response:

If SRP’s Board of Directors approves the price changes, SRP will publish those changes on its website within one business day after the Board’s approval. SRP will also notify all customers of the changes, by mail and/or email, before the first billing under the new prices.

The precise date on which the frozen price plans will be eliminated is yet to be determined because it depends on administrative capability. Specifically, many SRP systems (including those related to customer billing) are being transformed and replaced as part of SRP’s Customer Modernization Program, and the impacted systems must be stabilized before the frozen price plans can be eliminated. While the exact timing is not yet known, in advance of the date on which the price plans will be eliminated, SRP will send notice to all affected customers, by mail and/or email, advising those customers to choose a new price plan. As is the case today, SRP’s website will feature advice and information to help customers choose the right plan for them, and SRP’s customer service professionals will be available by phone every day.

10. The 2025 price process content available at srpprices.com does not mention “price plan comparison” or the like. Why?

SRP Response:

See response to Question 1.

11. Regarding S1 “Pricing options should be provided to help customers manage their energy costs.”
- how else does SRP inform customers of what their bills would have been on the various applicable price plans, if not already addressed by the above questions?

SRP Response:

See responses above.

12. What has been written at SRP or written to SRP about price plan comparison and the like since the beginning of the prior price process in 2018? Please provide electronic copies of these communications.

SRP Response:

This request is unclear. SRP requests additional clarity as to what specific information or records are being sought by this request, and will supplement this response, as appropriate.

Name: Steve Neil

Record Number: 0b454866
Delivery Method: Digital Submission
Received Date: 12/9/2024

Comment:

This request for information is a followon to my request of December 2 that you have coded as Public Comment #32346cdd. To restate for clarity, this is about the unexplained differences between the proposed E-28 price plan and the current E-28 pilot price plan. Your reply is appreciated, but it didn't address the substantive differences in the winter kWh pricing of the E-28 Pilot Price Plan and the proposed E-28 to be made into a standard price plan i.e. the on-peak kWh price raised 30%, the off-peak kWh price raised 18%, and the super off-peak price lowered 27%. The E-28 section of the Blue Book does not have a Customer Bill Impacts section, so it seems appropriate to request detail on the bill impact on a variety of usage profiles such as 20% on-peak, 40% off-peak, and 40% super off-peak, and say another 5 percentage mixes that you deem to be typical. And for the monthly service charge, stating the percentage in each tier of your residential customer base, and the resulting average monthly service charge. And for these 6 time-of-use mixes, the percentage change in the bill \$\$\$. I understand that a number of customers in each of the 6 mixes is not practical for this example, and future participation in E-28 cannot be predicted. I look forward to studying it! Your response nor the Blue Book give any explanation for the proposed changes in winter on-peak hours, the pivot from the current plan's statement that "There are no on-peak hours from November 1 through April 30" to an on-peak price that is proposed to be 30% higher than the pilot's off-peak price. Please explain in detail. A change you did not talk about in your list in your response is that you added an exported kWh monetary credit for on-site generation. You could have otherwise adopted the monthly net metering arrangement used in the current E-27 price plan. What was the rationale for choosing kWh monetary credit rather than monthly net metering? And this explanation will need detailed examples showing why monthly net metering was unacceptable to management, such examples I'm sure would have already been created in the due diligence of choosing one approach over the other. And a simple one - please explain a bit about how your billing cycles are defined and enough examples to show all the possible start & end dates that could constitute a "November billing cycle". This will be very important for customers to know the deadlines of when will be the last chance to choose a price plan that is to be frozen in 2025, and when will be the last chance to choose a plan in 2029 before being sunsetted from a frozen plan to the default transition.

Response Subject: SRP Corporate Pricing Response to Public Comment #0b454866

Response Attachments: SRP Management Response to Steve Neil's Second Request for Information_SN02.pdf;

**To receive a copy of Attachments please contact the Corporate Secretary's Office and Reference Record #0b454866*

Response:

**SRP Management Response to
Steve Neil's Second Request for Information Regarding
SRP's Proposed Changes to its Electric Rate Schedules**

1. This request for information is a follow on to my request of December 2 that you have coded as Public Comment #32346cdd. To restate for clarity, this is about the unexplained differences between the proposed E-28 price plan and the current E-28 pilot price plan. Your reply is appreciated, but it didn't address the substantive differences in the winter kWh pricing of the E-28 Pilot Price Plan and the proposed E-28 to be made into a standard price plan i.e. the on-peak kWh price raised 30%, the off-peak kWh price raised 18%, and the super off-peak price lowered 27%. The E-28 section of the Blue Book does not have a Customer Bill Impacts section, so it seems appropriate to request detail on the bill impact on a variety of usage profiles such as 20% on-peak, 40% off-peak, and 40% super off-peak, and say another 5 percentage mixes that you deem to be typical.

SRP Response:

The proposal includes ending the existing E-28 pilot and replacing it with a new price plan, also called E-28. Because it is a new price plan, the proposal does not include bill impacts or summary of the changes.

The current and proposed prices were provided as a courtesy for parties interested in the price process to see the pilot E-28 prices and the proposed standard E-28 prices. As hours have expanded in every season, the prices are not intended for a 1:1 comparison.

No percentage change in bills was calculated for existing E-28 pilot customers who could be moved to the new E-28 price plan.

As reference, here is the percent of usage by period that was used in the design of the proposed new E-28 rate:

Season	On-Peak kWh	Off-Peak kWh	Super Off-Peak kWh
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Summer	11.8%	57.0%	31.2%
Peak	11.4%	57.5%	31.1%
Winter	10.5%	59.8%	29.7%

2. And for the monthly service charge, stating the percentage in each tier of your residential customer base, and the resulting average monthly service charge.

SRP Response:

Per the Cost Allocation Study, this is the percentage of each tier and the resulting proposed average monthly service charge (MSC):

Tier	Percent of residential customers	MSC
1	20.3%	\$20.00
2	76.6%	\$30.00
3	3.1%	\$40.00

The weighted average MSC of the above group is \$28.28.

The Cost Allocation Study MSC percentages are based on actual customers who have 12 months of usage data under a price plan. Price plan impacts include only customers with 12 months of usage history, to ensure seasonal price changes are reflected accurately.

When we include data that includes all customers for a single month, such as the November 2024 billing cycle customers, the percentage in each tier is as follows:

Tier	Percent of residential customers	MSC
1	28.2%	\$20.00
2	68.4%	\$30.00
3	3.4%	\$40.00

The weighted average MSC of the above group is \$27.51.

3. And for these 6 time-of-use mixes, the percentage change in the bill \$\$\$. I understand that a number of customers in each of the 6 mixes is not practical for this example, and future

participation in E-28 cannot be predicted.

SRP Response:

Please see response to Question 1.

4. Your response nor the Blue Book give any explanation for the proposed changes in winter on-peak hours, the pivot from the current plan's statement that "There are no on-peak hours from November 1 through April 30" to an on-peak price that is proposed to be 30% higher than the pilot's off-peak price. Please explain in detail.

SRP Response:

Customer feedback typically indicates a preference that peak hours are consistent year-round. In the interest of simplicity, the proposed new E-28 rate will have year-round on-peak hours. Marginal cost differences between hours form the basis for the creation of time-of-use periods.

5. What was the rationale for choosing kWh monetary credit rather than monthly net metering? And this explanation will need detailed examples showing why monthly net metering was unacceptable to management, such examples I'm sure would have already been created in the due diligence of choosing one approach over the other.

SRP Response:

For E-15 and E-27, the energy charge was set very close to the marginal cost of energy, with the demand charge collecting the demand-related costs. For other price plans, the energy charge collects both energy-related and demand-related costs.

The demand charge in the proposed E-16 price plan does not collect the entire demand-related costs associated with service. The energy charge collects the remaining demand-related costs. The proposed E-28 energy charge collects the entirety of both energy and demand-related costs.

To have net metering on either E-16 or E-28 would require energy to again be set at the marginal cost price. To collect the remaining demand-related costs could include designs such as a much higher demand charge or a higher monthly service charge.

As proposed, the export credit for E-16 and E-28 will be adjusted every fiscal year based on the actual 3-year average of the CAISO ELAP price during rooftop solar export hours, which is SRP's avoided cost for generation and export that occurs during the applicable hours.

Regardless of the mechanism of crediting for excess solar generation that is exported to the grid, the customer's bill savings will be highest when they use their own solar energy on-site, including with the use of customer-owned battery systems.

6. And a simple one - please explain a bit about how your billing cycles are defined and enough examples to show all the possible start & end dates that could constitute a "November billing cycle".

SRP Response:

The billing cycle month is determined by the ending monthly scheduled read date for the cycle.

The November billing cycle has scheduled read dates of November 1 through November 30. For example, 10-2-24 through 11-1-24, 10-15-24 through 11-14-24 and 10-29-24 through 11-28-24 are all considered November bill cycles.