



Roseville Electric Utility State Legislative Issues 2016

KEY ISSUES

- Managing Cost Exposure
- Flexibility in Compliance
- Retaining Local Control
- Maintaining System Reliability
- Implementing Fair and Equitable Rates

MANAGING COST EXPOSURE

Managing costs associated with the increase in the Renewable Portfolio Standard and other environmental and energy policy goals will be a meaningful challenge. This will come in the form of integrating more qualifying renewable resources, as well as accounting for other flexible resources to balance the increased intermittency associated with renewable resources. In addition, meeting a 50% Renewable Portfolio Standard may require additional transmission or distribution infrastructure to accommodate the increased renewable fleet, which will also place upward pressure on total electricity costs to serve customers.



Utility crews performing maintenance on 12kV overhead air switch

FLEXIBILITY IN COMPLIANCE

The City of Roseville has long maintained that flexibility should be a key element for electric utilities in meeting any compliance obligations of new environmental and energy policies set by the state legislature. It is also important that legislation not be overly prescriptive in choosing the technological winners and losers or adopting a “one size fits all” approach for setting environmental and energy targets for utilities. Flexibility in this context will provide utilities with broader decision making authority to manage overall electricity costs and make decisions that could also align with local economic development efforts, particularly municipal utilities.

RETAINING LOCAL CONTROL

Local control and decision making is a fundamental component of municipal government. Operating a full service city including an electric utility, ensuring that our city council and local boards retain the ability to determine programs, services, and rates for customers, along with providing the necessary regulatory oversight for city operations are essential. Overly prescriptive mandates can jeopardize the effectiveness of municipal entities to exercise local control and make decisions that are in the best interest of their communities. Furthermore, additional regulatory reporting and oversight at the state level can be redundant and place unnecessary burden on municipal utilities and potentially limit local decision making.



Roseville Energy Park



Utility linemen installing protective covers on 12kV system

MAINTAINING SYSTEM RELIABILITY

Providing safe and reliable electric service to our community is a top priority for Roseville Electric Utility. With the implementation of new environmental and energy policies, additional renewable resources and emerging technologies will make their way into the market. It will be essential for utilities to ensure that system reliability is not compromised while striving to meet environmental and energy goals. A range of resources, including flexible generation resources, will be necessary to ensure that the state’s goals are achieved while maintaining electric system reliability. As integration of more renewables occur over the next 15 years, legislation should not limit or restrict the operation of important natural gas generation resources as to create a resource constraint that may adversely impact system reliability.

IMPLEMENTING FAIR AND EQUITABLE RATES

Distributed generation and emerging technologies are providing electric customers with greater opportunities to self-generate and utilize electricity in ever expanding ways. Solar electric generation, the expanding use of electric vehicles, and energy storage are just a few examples of important advancements in the electric utility industry. These technologies impact and change the use and operation of the electric system, requiring changes to utility rate design and rates to customers. Implementing fair and equitable rates continues to be a priority for Roseville Electric Utility in the wake of these technology advancements and changing customer expectations. The ability to set electric rates that reflect customers’ changing use of the electric system is essential.