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## Notice of Pacific Power's Request to Decrease Your Rates for the Energy Cost Adjustment Clause and Greenhouse Gas Allowance Costs and Revenues for 2022

### Application (A.21-08-004)

#### WHY AM I RECEIVING THIS NOTICE?

On August 2, 2021, Pacific Power filed an application with the California Public Utilities Commission (CPUC) requesting an overall **decrease** to electric rates.

This application will address the Energy Cost Adjustment Clause (ECAC), greenhouse gas (GHG) allowance costs, and the California Climate Credit.

If this application is approved, this would result in a rate decrease of \$2 million or 1.9%, effective January 1, 2022. This will impact your monthly bill.

#### WHY IS PACIFIC POWER REQUESTING THIS RATE DECREASE?

- Annually, Pacific Power compares actual and forecast costs of providing electricity to customers (ECAC rate) and the costs of purchasing GHG allowances to comply with the California Cap and Trade program, established as part of the state's Global Warming Solutions Act (GHG rate).
- The ECAC rate allows Pacific Power to recover costs related to producing electricity such as fuel expenses, power purchased from third parties, and energy transmission expenses. This application requests an ECAC rate decrease of \$5.4 million due to power costs being less than the amount of revenue collected in current rates to cover those costs.
- The GHG rate allows Pacific Power the opportunity to recover costs related to purchasing allowances to comply with the state's Cap and Trade program. This application requests a GHG rate increase of \$3.4 million due to actual allowance costs being higher than previously forecasted.
- This application also requests approval for Pacific Power customers to receive the California Climate Credit on their bills, resulting from the sale of greenhouse gas allowances. If approved, residential customers will receive a credit of \$154.58 twice, in April and October 2022 and small business customers will receive a monthly volumetric credit which will offset 50% of the costs they pay for GHG allowances.

This application will be reviewed by the CPUC to determine if the costs are reasonable and eligible for recovery from customers before any rate decrease is potentially approved.

#### HOW COULD THIS AFFECT MY MONTHLY ELECTRIC RATES?

If Pacific Power's rate request is approved by the CPUC, the average residential monthly bill using 850 kWh per month would **decrease by approximately \$2.08 or 1.6% per month in 2022**. A summary of the estimated rate impact is provided below. This table does not include the Climate Credit which will be provided to customers.

**Pacific Power's Proposed Rate Decrease**

Customer Classification	Current Average Rates (cents per kWh)	Proposed Average Rates (cents per kWh)	Proposed Dollar Decrease	Proposed Percent Decrease
Residential	15.2¢	14.9¢	-\$901,000	-1.6%
Commercial and Industrial	13.3¢	13.0¢	-\$872,000	-2.3%
Irrigation	14.1¢	13.8¢	-\$270,000	-2.0%
Street Lighting	22.5¢	22.5¢	\$1000	0.1%
<b>Overall</b>	<b>14.4¢</b>	<b>14.1¢</b>	<b>-\$2,042,000</b>	<b>-1.9%</b>

#### HOW DOES THE REST OF THIS PROCESS WORK?

This application will be assigned to a CPUC Administrative Law Judge who will consider proposals and evidence presented during the formal hearing process. The Administrative Law Judge will issue a proposed decision that may adopt Pacific Power's application, modify it, or deny it. Any CPUC Commissioner may sponsor an alternate decision with a different outcome. The proposed decision, and any alternate decisions, will be discussed and voted upon by the CPUC Commissioners at a public CPUC Voting Meeting.

Parties to the proceeding are currently reviewing Pacific Power's application, including the Public Advocates Office, which is an independent consumer advocate within the CPUC that represents customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. For more information about the Public Advocates Office, please call 1-415-703-1584, email [PublicAdvocatesOffice@cpuc.ca.gov](mailto:PublicAdvocatesOffice@cpuc.ca.gov), or visit [PublicAdvocates.cpuc.ca.gov](http://PublicAdvocates.cpuc.ca.gov).

#### WHERE CAN I GET MORE INFORMATION?

##### Contact Pacific Power

Phone: 1-888-221-7070

Mail:

**Pacific Power**  
300 S. Main Street  
Yreka, CA 96097

**Pacific Power**  
1054 Northcrest Drive  
Crescent City, CA 95531

A copy of the Application and any related documents may also be reviewed at [pacificpower.net/regulation](http://pacificpower.net/regulation).

#### CONTACT CPUC

Please visit [apps.cpuc.ca.gov/c/A2108004](https://apps.cpuc.ca.gov/c/A2108004) to submit a comment about this proceeding on the CPUC Docket Card. Here you can also view documents and other public comments related to this proceeding.

Your participation by providing your thoughts on Pacific Power's request can help the CPUC make an informed decision.

If you have questions about CPUC processes, you may contact the CPUC's Public Advisor's Office at:

Phone: **1-866-849-8390** (toll-free)

Email: [Public.Advisor@cpuc.ca.gov](mailto:Public.Advisor@cpuc.ca.gov)

Mail: CPUC Public Advisor's Office  
505 Van Ness Avenue  
San Francisco, CA 94102

Please reference **Application A.21-08-004** in any communications you have with the CPUC regarding this matter.

