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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Introducing an Ordinance Amending Lodi Municipal Code Chapter 13.20. – Electrical Service – by Adding Section 13.20.330 “Schedule IE” Industrial Equipment Pilot Charging Rate

MEETING DATE: May 1, 2013

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Public Hearing to consider introducing an ordinance amending Lodi Municipal Code Chapter 13.20. – Electrical Service – by adding Section 13.20.330 “Schedule IE” Industrial Equipment Pilot Charging Rate.

BACKGROUND INFORMATION: Staff is recommending the creation and implementation of the Lodi Industrial Equipment Pilot Charging Rate. This rate would be provided to large commercial and industrial customers that own, operate and store electric, battery rechargeable industrial equipment at their Lodi properties. Such equipment is defined as any piece of industrial equipment such as, but not limited to, forklifts, telescopic forklifts, forklifts with drum handlers, pivoting jib boom cranes, transfer carts and forklift stackers that operate on a minimum 12 volt rechargeable battery. This new rate is proposed to serve as a business development tool, while helping to reduce peak hour charging.

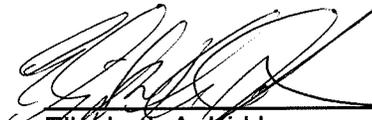
The proposed rate is \$0.10427/kilowatt hour, and this rate is offered from 10 p.m. to 6 a.m., Monday through Friday, and 24 hours on weekends and national holidays. In the event a customer opts to charge such industrial equipment between 6 a.m. and 10 p.m., the electric rate charged will be \$0.3300/kilowatt hour. The customer will be required to install a separate electric meter to be eligible for this industrial equipment charging rate. The proposed “Schedule IE” is attached for reference.

In the electric utility industry, concerns are mounting over the impacts of rechargeable battery-operated equipment and electric vehicles on local electric distribution systems. The concern stems from the potential of customers over-loading certain electric transformers by charging said devices during peak energy usage times. By providing a rate incentive for off-peak recharging, the utility will potentially experience less stress on the distribution system during times when energy is in its greatest demand.

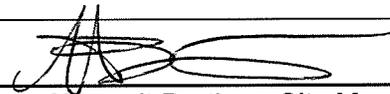
This new rate would be offered as a pilot from July 1, 2013 to June 30, 2015.

FISCAL IMPACT: The magnitude of the financial impact for the proposed Lodi Industrial Equipment Pilot Charging Rate will be dependent upon the total number of participants.

FUNDING: Not applicable.


Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Rob Lechner, Business Development Manager
EAK/RSL/1st

APPROVED: 

Konradt Bartlam, City Manager



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE IE

INDUSTRIAL EQUIPMENT CHARGING SERVICE

APPLICABILITY:

This schedule is applicable to all single-phase or three-phase commercial and industrial customers separately metered by the City of Lodi. This schedule shall only be available to customers who purchase and install a separate electric meter dedicated to charging rechargeable battery industrial equipment ("IE Meter").

The minimum charge is \$5.00. Between the hours of 10:00 p.m. to 6:00 a.m. Monday through Friday (including City observed holidays and weekends) the charge for a meter dedicated exclusively to charging rechargeable battery industrial equipment shall be a flat rate of \$0.10427/kWh plus the ECA set forth in Section 13.20.175 of this Code ("ECA"). At all other times, the charge shall be a flat rate of \$0.33000/kWh plus the ECA.

This Schedule IE may not be combined with any other electric rate or rate discount on the IE meter and all surcharges, including, but not limited to the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall be in addition to this rate schedule.

The Rate Schedule referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2013 and said utility rate discounts shall expire on June 30, 2015.

RATES:

Minimum Charge..... \$5.00

IE Charging period (per kWh)	\$0.10427
Non-IE Charging period (per kWh)	\$0.33000

ENERGY COST AJUSTMENT (ECA):

An energy cost adjustment shall be included in each bill for service as provided in Section 13.20.175 Schedule ECA – Energy Cost Adjustment.

BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the higher of the sum of the Minimum Charge and the ECA or the sum of the Energy Charge and the ECA.

CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE IE

INDUSTRIAL EQUIPMENT CHARGING SERVICE

DEFINITION OF TIME PERIODS:

Times of the day are defined as follows:

IE Charging period: 10:00 p.m. to 6:00 a.m. Monday through Friday (including City observed holidays and weekends)

Non-IE Charging period: 6:00 a.m. to 10:00 p.m. Monday through Friday (excluding City observed holidays)

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING
LODI MUNICIPAL CODE CHAPTER 13.20 – ELECTRICAL
SERVICE – BY ADDING SECTION 13.20.330 “SCHEDULE IE”
INDUSTRIAL EQUIPMENT PILOT CHARGING SERVICE RATE

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BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Section 13.20.330. "Schedule IE" Industrial Equipment Charging Service," is hereby added to read as follows:

APPLICABILITY:

This schedule is applicable to all single-phase or three-phase commercial and industrial customers separately metered by the City of Lodi. This schedule shall only be available to customers who purchase and install a separate electric meter dedicated to charging rechargeable battery industrial equipment ("IE Meter").

The minimum charge is \$5.00. Between the hours of 10:00 p.m. to 6:00 a.m. Monday through Friday (including City observed holidays and weekends) the charge for a meter dedicated exclusively to charging rechargeable battery industrial equipment shall be a flat rate of \$0.10427/kWh plus the ECA set forth in Section 13.20.175 of this Code ("ECA"). At all other times, the charge shall be a flat rate of \$0.33000/kWh plus the ECA.

This Schedule IE may not be combined with any other electric rate or rate discount on the IE meter and all surcharges, including, but not limited to the California Energy Commission fee, solar surcharge, public benefits charge, state energy tax, and other assessments or charges after the date of this rate schedule shall be in addition to this rate schedule.

The Rate Schedule referenced above shall be effective on applicable electric utility billings prepared by the City of Lodi on or after July 1, 2013 and said utility rate discounts shall expire on June 30, 2015.

SECTION 2. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this ____ day of _____, 2013

ALAN NAKANISHI
MAYOR

ATTEST:

RANDI JOHL
City Clerk

State of California
County of San Joaquin, ss.

I, Randi Johl, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held May 1, 2013, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2013, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

RANDI JOHL
City Clerk

Approved to Form:

D. STEPHEN SCHWABAUER
City Attorney

City Council Meeting
May 1, 2013

PUBLIC HEARING: IE PILOT CHARGING RATE



IE Pilot Charging Rate

- Why IE pilot charging rate
- Historical charging rate
- Proposed IE pilot charging rate
- Questions



Why IE Pilot Charging Rate

- ◉ Distribution system reliability
- ◉ Economic development tool
- ◉ Thinking “out-of-the box”
- ◉ Potential customer demand



Historical Charging Rate

- ~10 years ago, a similar “rate” was offered as a Council-approved contract
- Commercial customer recharged battery-operated fork lifts during off-peak hours
- Contract developed to address several customer-driven issues

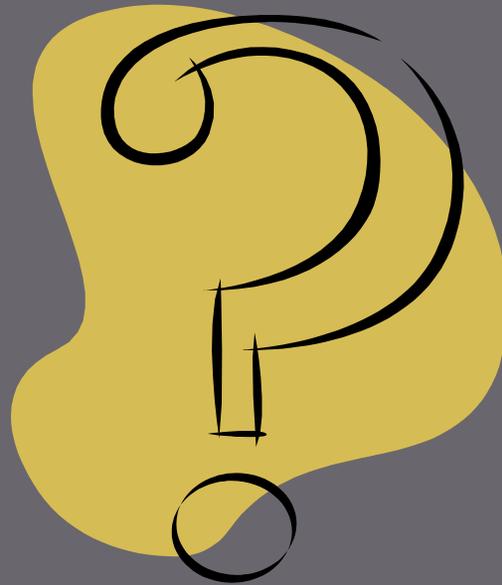


Proposed IE Pilot Charging Rate

- July 2013 to June 2015
- Only for charging designated battery rechargeable industrial equipment
- Off-peak
 - Flat rate \$0.10427/kWh
 - 10:00 p.m. - 6:00 a.m.
 - M – F, weekends & City holidays
- On-peak
 - Flat rate \$0.33000/kWh
 - 6:00 a.m. - 10:00 p.m.



IE Pilot Charging Rate





Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING TO CONSIDER CREATION OF THE LODI INDUSTRIAL EQUIPMENT PILOT CHARGING RATE

PUBLISH DATE: SATURDAY, APRIL 20, 2013

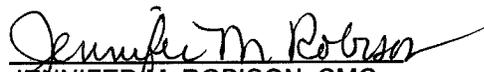
LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, APRIL 18, 2013

ORDERED BY: RANDI JOHL
CITY CLERK


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
LNS _____ Phoned to confirm receipt of all pages at _____ (time) _____ JMR _____ MB (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER CREATION OF THE LODI INDUSTRIAL EQUIPMENT PILOT CHARGING RATE

On Thursday, April 18, 2013, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider creation of the Lodi Industrial Equipment Pilot Charging Rate (attached and marked as Exhibit A) was posted at the following locations:

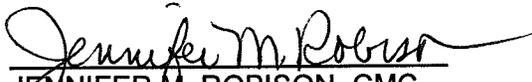
Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 18, 2013, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**



JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA DITMORE
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: May 1, 2013

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, May 1, 2013**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

a) Creating the Lodi Industrial Equipment Pilot Charging Rate.

Information regarding this item may be obtained in the Electric Utility Department, 1331 South Ham Lane, Lodi, (209) 333-6762. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Randi Johl
City Clerk

Dated: April 17, 2013

Approved as to form:

D. Stephen Schwabauer
City Attorney