

# EXECUTIVE BRIEF UTILITY MEETING

**AGENDA DATE:** March 29, 2022

**DEPARTMENT:** Electric Utility

**TITLE:**

Electric Utility Reliability, System Hardening and Reliability Improvement Program, and Projects Identified for Funding Under the Proposed Series 2022 Utility Revenue Bond

**SUMMARY:**

Staff informative report on Electric Utility Reliability, Examples of System Hardening and Reliability Improvement Program (“SHRIP”) projects underway, and Projects Identified for Funding Under a To-Be-Proposed Series 2022 Utility Revenue Bond

**BACKGROUND AND JUSTIFICATION:**

The City’s electric utility staff tracks and benchmarks City’s electric distribution system reliability to that of other electric utilities both statewide and locally as a comparison of relative performance. City’s electric system was designed and largely constructed over 50 years ago and needs significant refurbishment. As a result, the electric system is experiencing failures of critical components that are in operation well beyond expected service life and has largely fully depreciated as long as two decades or more ago, leading to customers experiencing high frequency of outages.

Electric reliability is in the public interest. The ability to deliver energy to our customers on a reliable basis improves the City’s image, enhances quality of life for residents that depend on electric service, aids in public safety, and helps retain and attract residents and businesses to our City. Staff has identified projects that do not just rebuild the system as it exists today but also include reliability enhancements. Recommended projects will yield greatly - reduced outage frequency, reduced outage durations, the ability to better withstand and rapidly recover after major storm events such as hurricanes, and improved power quality. The recommended projects will aid in accommodating growing amounts of distributed generation resources such as rooftop solar and emerging vehicle-to-grid technology, in addition to the ability to store and receive energy derived from local battery energy storage.

The electric utility staff has already initiated a series of major electric utility infrastructure projects being executed in phases beginning with the poorest performing circuits, with the aim of improving reliability and hardening its electric system. Initial funding came from funds on hand as well as new funds raised via the sale of the Series 2020 Utility Revenue Bonds. The Series 2020 bond sale also served to refinance all prior utility debt. The resultant effect of which was to not only lower debt service costs but also fund the a series of SHRIP projects currently underway, all while helping the electric utility achieve residential rates lower than its local benchmark comparator.

In order to continue with SHRIP, City’s staff will be presenting the next series of projects to be funded via a to-be-proposed Series 2022 Utility Revenue bond, authorization for which will be requested at a later meeting.

**MOTION:**

N/A

**ATTACHMENT(S):**

Presentation