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*For Immediate Release*

## **TDPUD Board Adopts New Electric Rates and Budgets, Kicks Off Battery Storage Project, and Completes Key Water Project**

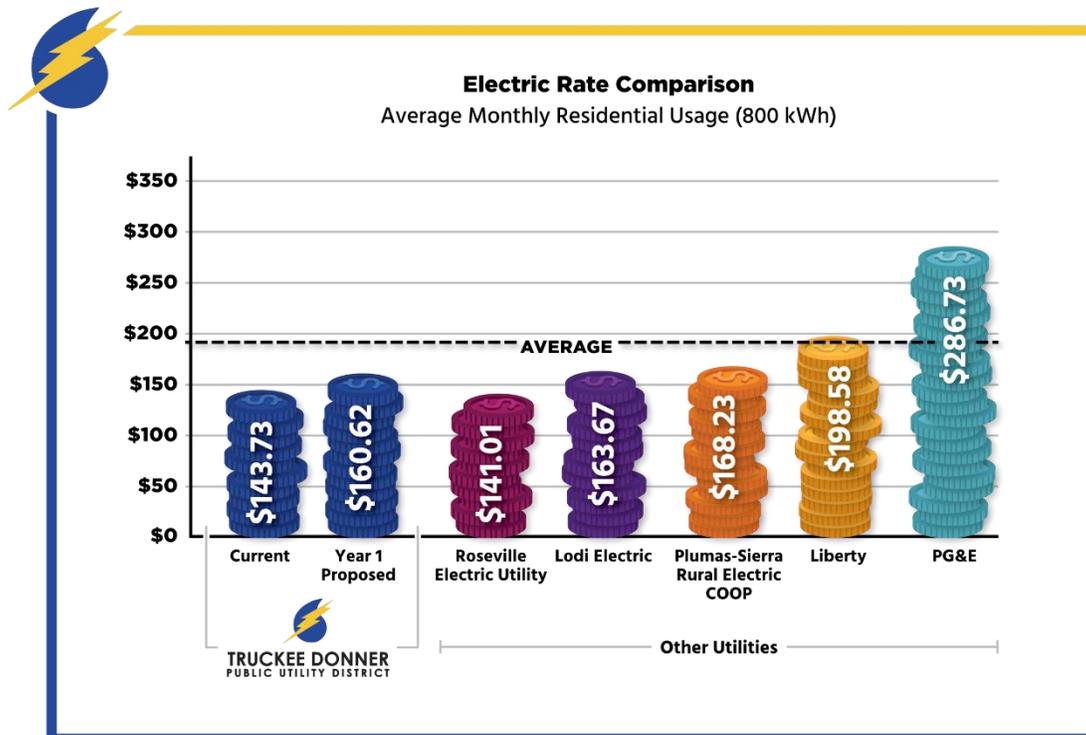
- *TDPUD board votes unanimously to approve FY 24-25 budget and a two-year electric rate increase schedule to address growing financial pressures.*
- *Board approves study to take the first step towards implementing battery storage in Truckee.*
- *Crucial water pipeline construction project completed after two years of work*

**Truckee, Calif.** (Nov. 20, 2023) Truckee Donner Public Utility District’s board of directors met on Nov. 1 to conduct two public hearings for the adoption of new electric rates and the approval of the TDPUD budget for 2024 and 2025. The board also awarded a contract to study battery energy storage system (BESS), and successfully closed out the Pioneer Trail Pipeline construction contract. The public hearings on budget and rates followed a series of three public workshops, culminating with a presentation on Oct. 18 when TDPUD’s consultant presented several budgetary options and rate tools for the board to consider to fund the electric utility appropriately.

HDR Consultants’ primary task was to present an electric cost of service analysis, which identifies TDPUD’s current and future energy needs and costs, and then propose potential rate structures to fund TDPUD’s operations and services over the next two years. TDPUD is a not-for-profit utility, meaning rates are based on the cost of service to meet the community’s energy demands. In developing new rates, TDPUD must account for increasing cost pressures due to volatility in the energy market, supply chain constraints, unfunded government mandates and inflation. TDPUD also strives to stay true to its mission of balancing high-quality, reliable service with affordability.

The board unanimously adopted the proposed two-year rate design, which includes a 12 percent increase for 2024 and 2025. This will prepare TDPUD to maintain its electrical system, accomplish improvement projects the community has deemed important and recover from unanticipated energy price spikes in the last two years. With this increase, TDPUD’s rates remain aligned with other regional public power utilities. However, they are still less than what others in the Truckee/Tahoe region pay for investor-owned utility services.

“TDPUD staff have worked hard to ensure that the electric and water utilities have the resources needed to address service reliability and safety while modernizing the utilities,” said TDPUD General Manager Brian Wright. “TDPUD’s board was willing to make the necessary investments but was also keenly aware of the importance of maintaining affordable electric rates.”



The board also adopted some new rate tools that will help both TDPUD and its customers manage the costs of their energy usage. The optional time-of-use rate is a way to give customers control of their energy costs by incentivizing energy use outside of peak times when energy costs the most to procure. TDPUD sees its peak energy usage during the winter, on weekends and at nighttime, from 4 to 9 p.m. This customer demand profile dictates what kind of electricity TDPUD needs to buy, and electricity purchased during peak times is almost always more expensive.

While conservation and energy efficiency are critical, customers can also change their behavior and use electricity at off-peak times when it is less expensive and most often cleaner. The savings that occur by using energy in off-peak times can benefit both the customer and the utility. The optional TOU rate provides a peak rate that reflects the higher costs during that period and a reduced rate for the lower costs during the off-peak period.

The board also adopted a power cost adjustment (PCA) rate option that would allow electric bills to reflect—up or down—recent changes in electric resource procurement costs. TDPUD experienced severe price spikes during last winter’s natural gas shortages that required the board to utilize a portion of electric rate reserves, which now need to be replenished. The PCA provides another tool, within changes of +/- 15 percent, to adapt to

short-term, yet significant price changes in real time, without requiring a permanent rate change.

Full details on the new TDPUD rates and the adopted 2024 and 2025 budget can be found on the TDPUD's website at [tdpud.org/rates](https://tdpud.org/rates).

The board also awarded a \$60,500 contract to NV5 for a Battery Energy Storage System (BESS) assessment, which is a key first step to designing, locating and constructing a BESS project in Truckee. If successful, a BESS project would be located at one of TDPUD's substations and could be used to reduce overall electric costs while improving our clean electricity mix. The study will be completed in 2024.

Another critical board action and success was the completion and close out of the Pioneer Trail Pipeline Project, which provides a second water connection between TDPUD's main water system and Tahoe Donner. The pipeline originates in the Pioneer Trail area and runs along the Trout Creek Trail to Northwoods Boulevard.

This important capital investment will improve service reliability, reduce operating costs, and have a net-carbon benefit for the water utility due to reduced energy consumption. The project did require closure of the Trout Creek Trail for a portion of the summer, but TDPUD was able to minimize the impact during peak periods by working closely with the contractor. TDPUD also voluntarily repaved the entire section of the Trout Creek Trail impacted by the project to ensure a smooth surface going forward.

Information about TDPUD board meetings and access to agendas, minutes, live streaming and archived video can be found at [tdpud.org/boardmeetings](https://tdpud.org/boardmeetings).

TDPUD's rate infographic can be found [here](#).

**About Truckee Donner PUD:**

TDPUD is a public utility district created in 1927 and overseen by a locally elected board of directors. TDPUD is a not-for-profit entity that provides the greater Truckee area with reliable and high-quality water and power services, while guiding the community to conserve resources. For more information about TDPUD, call 530-587-3896 or visit [tdpud.org](https://tdpud.org).

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