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CITY OF UKIAH, MENDOCINO COUNTY, CALIFORNIA

NOTICE OF ADOPTED UKIAH ELECTRIC SELF-GENERATION RATES (NEM AND G-1):

On March 4, 2026, the City Council for the City of Ukiah held a public hearing and adopted Resolution No. 2026-10 approving adjustments to the electric rate schedules for self-generation customers for all City of Ukiah self-generation electric customers. A copy of the City Manager's Report and adopted Resolution including Exhibits A, B and C detailing the rate change are available on the City's website at http://www.cityofukiah.com/electricrates and are publicly available at the City of Ukiah, 300 Seminary Ave., Ukiah, CA 95482.

Pursuant to City Code sections 3950-3937, the City published a notice on February 22, 2026 with the City Manger's Report detailing the proposed rate adjustments.
For additional information, please go to http://www.cityofukiah.com/electricrates or contact Diann Lucchetti, Electric Utility Program Coordinator at (707) 467-5711, for details.

RESOLUTION NO. 2026-10

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH, ADOPTING REVISED ELECTRIC RATES FOR SELF-GENERATION CUSTOMERS AND APPROVING THE UTILITY'S AVOIDED COST METHODOLOGY

WHEREAS: The City of Ukiah ("City") provides electric utility services to residents and businesses in the City, and Ukiah Electric Utility is the City's publicly owned electric utility with the City Council providing local governance and oversight; and

WHEREAS: The California Public Utilities Code determined that the Net Energy Metering (NEM) rules set forth in 1995 created a subsidy for self-generation customers that was borne by other ratepayers not participating in self-generation and capped NEM participation at 5% of the utility's peak load; and

WHEREAS: On May 7, 2003, the Ukiah City Council adopted Resolution 2003-36, revising the D-PM Rate for residential customers and establishing Net Energy Metering rates for commercial and industrial customers, setting the value of surplus energy at the retail rate; and

WHEREAS: California Public Utilities Code Section 2827 expressly recognizes that publicly owned utilities (POUs) are governed by their City Councils and that the value of surplus energy shall not create the shifting of costs between self-generation customers and non-generation customers; and

WHEREAS: After the City reached its five percent NEM cap, the City Council adopted Resolution 2022-36 on June 1, 2022, establishing the G1 Electric Rate Rider for self-generation customers installing renewable energy systems; and

WHEREAS: The adopted G1 rate included a demand charge intended to recover infrastructure costs necessary to maintain service to self-generation customers; however, staff identified limitations within the City's customer information system (CIS) and metering technologies that prevent accurate and consistent billing of demand-based charges; and

WHEREAS: Analysis of subsequently available meter data demonstrated that the demand component would result in disproportionate impacts to solar customers; and

WHEREAS: To ensure accurate billing, equitable cost recovery, and consistency with the City's current system capabilities, staff has developed revised self-generation rates, NEM Rider and G1 Rider that sets the value of surplus energy at the Utility's avoided cost and eliminates the demand charge in the G-1 Rider; and

WHEREAS: Full cost recovery will eventually be achieved through fixed service fees established in the standard residential, commercial, and industrial rates; and

WHEREAS: The Utility's Avoided Cost Methodology will provide customers with a value of energy that reflects the Utility's actual savings associated with customer self-generation; and

WHEREAS: In accordance with the Ukiah City Code Division 4, Chapter 6, Sections 3950 through 3957, the City Council will hold a public hearing on March 4, 2026 to receive the City Manager's Report and consider adopting a resolution replacing the D-PM, SC-P, C-D-PM, and the IL-P rates with the NEM Rider (Exhibit A) and revising the G-1 Rider (Exhibit B) to eliminate the demand charge, and adopting the Utility's Avoided Cost Methodology. Legal notices were published successfully in accordance with City Code section 3953; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Ukiah hereby adopts the NEM Rider and the revised G-1 Rider to be implemented starting July 1, 2026, superseding Resolutions 2003-36 and 2022-36 and adopting the Utility's Avoided Cost Methodology (Exhibit C), passed and adopted as shown in Exhibit A, B, and C,

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Ukiah on the 4th day of March 2026, by the following roll call vote:
Adopted by a 5-0 vote of the City Council on March 4, 2026. Signed Resolution No. 2026-10 is available on the City's website at http://www.cityofukiah.com/electricrates and for viewing at City of Ukiah, 300 Seminary Ave., Ukiah, CA 95482.

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