



## **POLICY #18-12**

### **Rate Setting Policy**

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**Subject:** Guidelines for DCE Rate Setting

**Policy:**

The management and administration of Desert Community Energy (DCE), a California joint powers authority, is being undertaken on behalf of its participating members by the Coachella Valley Association of Governments (CVAG) pursuant to its authority under its charter. DCE rates are to be set at least annually and in accordance with its fiscal year budget process, by the DCE Board of Directors after one or more public hearings.

The DCE Board will adopt budgets and establish cost-based retail rates for its electric generation service that provide revenue sufficient for the continued financial health of Desert Community Energy. Ratepayer revenues will support DCE program operations including maintaining revenues necessary to meet operating costs, reserve targets, debt repayment, and DCE's obligations under its power supply and other contracts, including future programs and projects.

DCE proposed budgets, rates, fees, and any other projected charges will be presented by DCE staff to the Board at least two months prior to adoption. In setting rates for DCE, the DCE staff and Board will endeavor to maintain competitive rates, to review and account for utility PCIA charges, and to avoid excessive rate volatility. DCE rates will be reviewed annually for the upcoming fiscal year and adjusted, as needed or determined by the Board, to ensure sufficient revenue to meet all contractual, operating, legal and regulatory obligations, while providing for ongoing program fiscal viability.