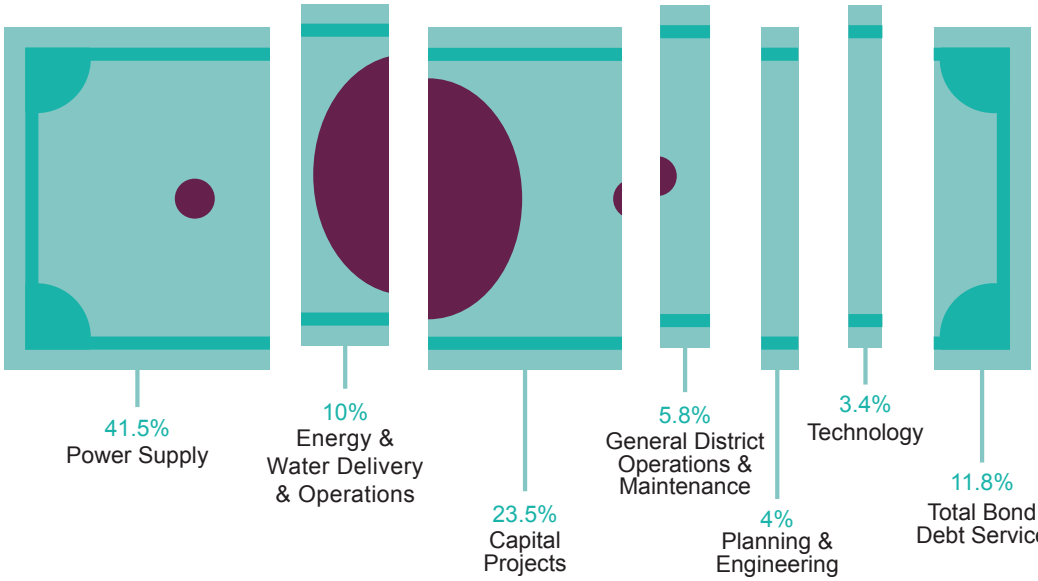
The Cost of Providing **Reliable Electricity**

TID WATER & POWER
Serving Central California since 1887

TID, your community-owned utility, has worked hard to provide the lowest electric rates in our region and one of the lowest throughout the state. As a result, **TID electric customers have not experienced a rate increase since 2015**. Given the increased costs to provide reliable electricity, increase of load in our service territory, and the anticipated growth in demand facing our service area, it is necessary for TID to take a hard look at the changing cost of providing reliable electricity.

Where does each dollar go?

TID builds its annual budget by functional area. This graphic shows how TID currently allocates funds, to each of those functional areas.



Total labor cost, including salaries, benefits and pension obligations, make up 21% of the budget, distributed amongst the functional areas.

SAVE THESE DATES

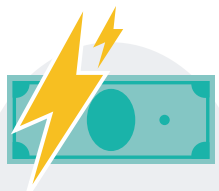
For more information on how anticipated expenses impact TID electric and irrigation water rates, please attend or tune in to the following public workshops.

OCT 29 — **TID Electric Rate Workshop**
Tuesday, October 29 | 9 AM

NOV 05 — **TID Water Rates Workshop**
Tuesday, November 5 | 9 AM

Attend in person at 333 E. Canal Drive, Turlock or view online at www.TID.org/BoardMeetings.

Stay tuned for the November 13, 2024 episode of the TID Water & Power Podcast: All Things Rates
Listen to the podcast anywhere you get your podcasts or at TID.org/podcast.



To check your monthly electricity usage, find energy efficiency options and explore budget billing, login to My.TID.org.

Included in our rate evaluation are the factors impacting our ability to maintain our current level of reliability, carry out needed capital improvement projects to update aging infrastructure, add new infrastructure to accommodate electrification, and increase renewable energy generation to meet State mandates.

RELIABILITY *Ensuring the longevity and efficiency of existing resources*

TID customers benefit from the District owning and operating an integrated electric generation, transmission and distribution system that keeps electricity flowing to 240,000 people. Improvements that fortify our existing infrastructure are required to preserve the integrity of our system and maintain our strong record of reliability.

- Don Pedro Life Extension Project will increase generation capacity by 30% and extend production life another 50 years.
- Maintenance of, and improvements to, existing generation facilities is required to ensure current investments continue to operate efficiently.
- Inspection and replacement of existing poles and wires that are at end of life is necessary to increase capacity and protect our operations.

INFRASTRUCTURE *Addition of necessary generation, distribution and transmission*

TID serves a vast 662-square mile territory, in a region that continues to see growth through housing developments, business expansions, and the increase of electrification in all sectors. This inevitable growth creates the need for new infrastructure to meet existing demand and prepare for the future.

- TID will purchase land to build two new substations, and increase transformer size at multiple existing substations, to prepare for increased demand of consistent electrification.
- Identification and procurement of energy storage opportunities are necessary to better optimize intermittent solar generation.

STATE MANDATES *Meeting the aggressive energy goals of the state*

California's approach to combating climate change through ambitious renewable mandates, carbon removal, and zero-emission vehicle goals is admirable but also means additional costs to our budget.

- State legislation requires TID to be 100% carbon-free by 2045. Meeting this goal will require the acquisition of additional generation that meets specific renewable guidelines.
- TID is required to transition TID's 183 truck fleet to zero-emission medium-and-heavy duty vehicles at a cost of almost double the price for a combustion engine vehicle.
- In California, compliance with vegetation management mandates forces utilities to employ large teams of specialized labor, such as arborists and contractors, to clear vegetation and perform fire-risk assessments.

For more information and frequently asked questions, please visit TID.org/RateUpdates.