

Preliminary Energy and Utilities Rates – Fiscal Year 2024-2025

For planning purposes, Facilities Management developed the following preliminary rates for the 2024-2025 fiscal period. There are three factors that drove the significant rate increase: commodity cost, utility consumption, and labor and material costs to produce, distribute, and maintain utilities.

Commodity cost increases accounted for \$7.6M or 11.1% of the weighted average rate increase.

- Electricity (\$2.3M/3.4%): Due to the fossil fuel market volatility, Dominion added a rider (or additional charge) to recover their costs associated with these market conditions after FM published the FY24 rates. The FY25 rate reflects the rider cost increase.
- Heat (\$1.5M/2.2%): The cost of coal increased over 100% from FY22. In prior years, FM allowed the purchase fuel adjustment to adjust the heat commodity cost for volatile coal and natural gas costs. While the market volatility subsided, the cost of coal has not decreased, and the heat rate includes the overall coal price increase.
- Water and Sewer (\$0.6M/0.9%): The City of Charlottesville increased the FY24 water and sewer rates after FM published the FY24 rates. The FY25 rate increase reflects an increase for FY24 and an estimated rate increase for FY25.
- Chilled Water (\$3.1M/4.5%): FM produces chilled water using electricity and water (increases described above).

Consumption decreases accounted for \$1M or 1.4% of the weighted average rate increase.

- FM adjusted the consumption of all commodities based on a review of the past three-year consumption history.
- Consumption continues to decline across commodities due to weather, resulting in an overall increase to the US average daily temperature. Additionally, consumption decreased due to the University’s sustainability efforts.

The labor and material increase to produce, distribute, and maintain utilities accounted for \$1.1M, or 1.7% of the weighted average increase.

- FM produces and distributes chilled water and heat commodities with UVA labor. Additionally, FM distributes and maintains all commodities using UVA labor. The utility rates reflect the University’s merit assumptions.
- The utility rates reflect an increase in the cost of materials and contractual services used to produce, distribute, and maintain utilities for inflation.

Utility	2024-25 Preliminary Rates	Weighted Change From 2023-24
Chilled Water	\$22.1720 / MMBtu	15.55%
Electricity	\$0.1148 / kWh	20.05%
Heat	\$31.7154 / MMBtu	8.81%
Sanitary Sewer	\$1.6691 / CGal	4.04%
Water	\$1.2711 / CGal	18.67%
Storm Water	\$0.1023 / SF	-0.93%
WEIGHTED AVERAGE:		14.46%

Facilities Management will update the FY25 utility rates in the Spring. Please direct questions to the contact information listed below.

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