

Public Benefit Mandates and Programs AB 2021 Goal Setting

PUBLIC UTILITIES

City Council
September 12, 2017

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1

Legislative Background

AB-1890 Public Benefits Charge – 2.85%

Mandated an established usage based charge to be used for:

1. Low Income Assistance
2. Energy-Efficiency and Conservation Programs
3. Renewable Energy
4. Research, Development and Demonstration

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2

Legislative Background cont.

SB-1 (2006) California Solar Initiative (CSI)

Mandated solar goals/expenditures

AB-2021 (2006)

Mandated RPU identify, target and achieve all cost-effective energy savings and report goals every three years to CEC

SB-1037 (2006)

Mandated annual reporting

AB 2227 (2012)

Target setting to 4 year cycle

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3

Legislative Challenges

1. Multiple demands on resources

2. Constant re-evaluation of efficiency programs

1. Keep – Change – Toss
2. Changing model

3. Some disagreement at state level with savings claimed

1. Whole house fans
2. Trees

4. Local control of popular programs

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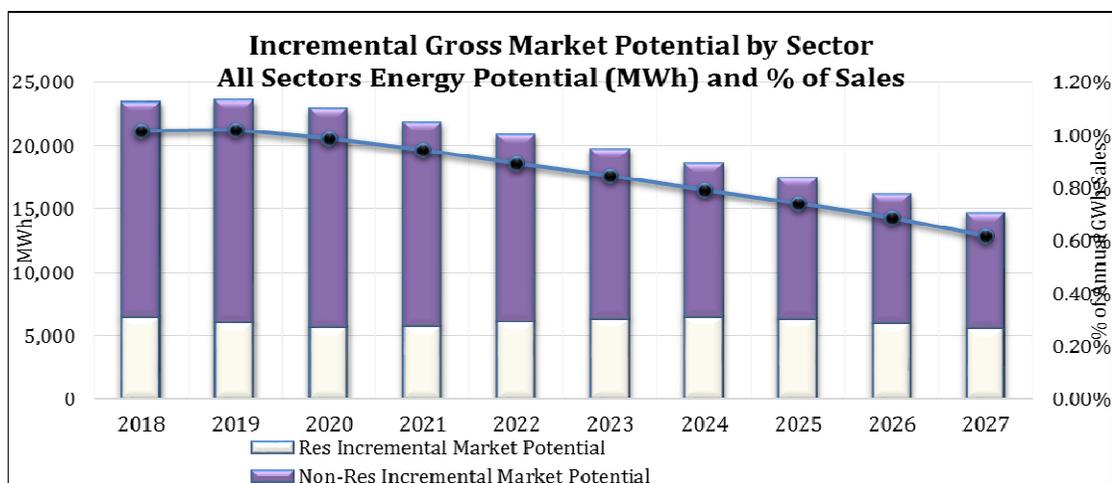
4

Navigant Consulting Performs Potential Study

1. Every 4 Years kWh Savings Goals are re-evaluated
2. Navigant Consulting performs potential available for goals for CMUA Member Utilities as well as Investor Owned Utilities such as So Cal Edison and PG&E
3. Reports potential based on gross savings as that is the model most Utilities in California are using
4. Navigant identified a potential for savings ranging from 1.02% of load to 0.62% of load each year over the 10 year period



Navigant Potential Identified



Navigant Potential Identified, cont.

10 Year Energy Goals (Gross MWh)

ALL Sectors (MWh)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Incremental Market Potential	23,369	23,508	22,830	21,817	20,779	19,695	18,500	17,374	16,124	14,601
Res Incremental Market Potential	6,501	6,032	5,670	5,700	6,113	6,376	6,496	6,361	5,967	5,614
Non-Res Incremental Market Potential	16,868	17,476	17,159	16,117	14,666	13,319	12,004	11,013	10,157	8,987
C&S (If Claimed)	0	0	0	0	0	0	0	0	0	0
Total Incremental Potential as a % of Total Sales	1.02%	1.02%	0.99%	0.94%	0.89%	0.84%	0.79%	0.74%	0.69%	0.62%
Res Incremental Potential as a % of Res Sales	0.86%	0.80%	0.75%	0.75%	0.80%	0.83%	0.84%	0.82%	0.77%	0.73%
Non-Res Incremental Potential as a % of Non-Res Sales	1.08%	1.12%	1.09%	1.02%	0.93%	0.84%	0.75%	0.69%	0.64%	0.56%

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7

AB 2021 Goal Setting

RPU Compliance

1. Achieve all cost-effective energy savings and report goals
2. Establish a 10 year target every 4-years

Goal was recommended to be 0.85% based on potential

1. Market conditions and economy
2. Technology saturation
3. Conserve 1% of retail electric sales 2018 – 2027
4. This constitutes approximately 23,000,000 kWh a year

Strategically choosing 1% for long term benefit

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8

Recommendations

That the City Council:

Approve the Riverside Public Utilities updated Annual Energy Efficiency and Demand Reduction Goal of 1% of annual projected retail energy sales for the period beginning 2018 through 2027.