

# PUBLIC BENEFITS & ENERGY EFFICIENCY COMMUNITY WORKING GROUP OUTCOME AND PROPOSED SPENDING PLAN

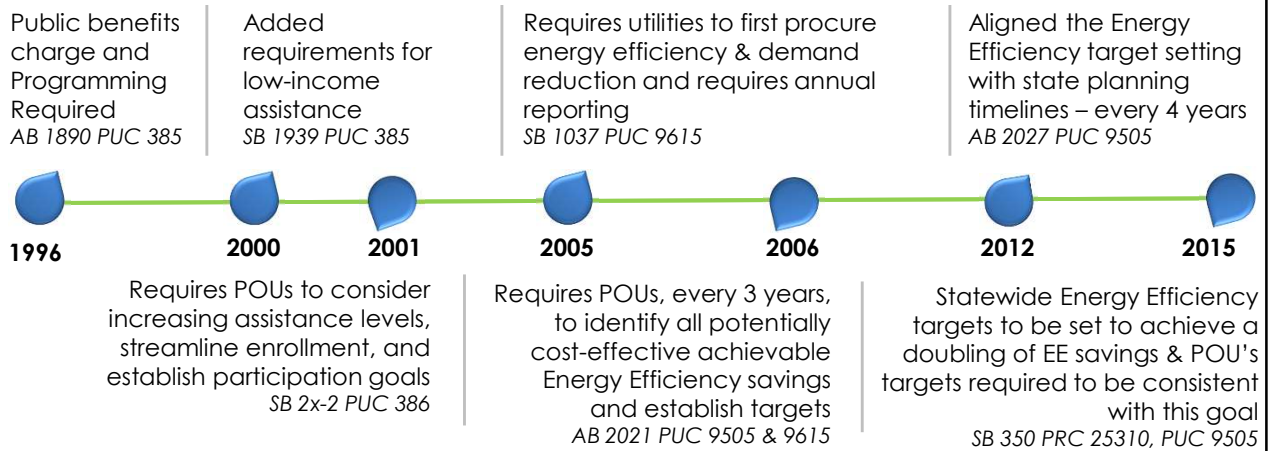
## Strategic Initiatives

Board of Public Utilities  
May 11, 2026

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## LEGISLATIVE CHANGES & ADDITIONS OVER TIME



AB = Assembly Bill | SB = Senate Bill | PUC = Public Utilities Code | PRC = Public Resources Code

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# PUBLIC BENEFIT FUND SOURCE OF AUTHORITY

Public Benefits funds were established in 1996 by Assembly Bill 1890 (AB 1890)

### Goals

- 1. Provide cost-beneficial energy efficiency services to customers
- 2. Offer customers meaningful information on the costs and benefits of energy efficiency measures
- 3. Reduce market barriers to investments in energy efficient products and services
- 4. Create a sustainable and competitive energy efficiency services market

### Created a Non-bypassable Customer Charge to provide for customer programs

- 1. Minimum charge of 2.85%
- 2. Residential and commercial customers
- 3. Average residential customer pays ~ \$3.00 per month
- 4. Average commercial customer pays ~ \$10.00 per month
- 5. RPU collects approximately \$10 million annually



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# PUBLIC BENEFIT FUND ALLOWED SPENDING CATEGORIES

### Limited Use of the Funding

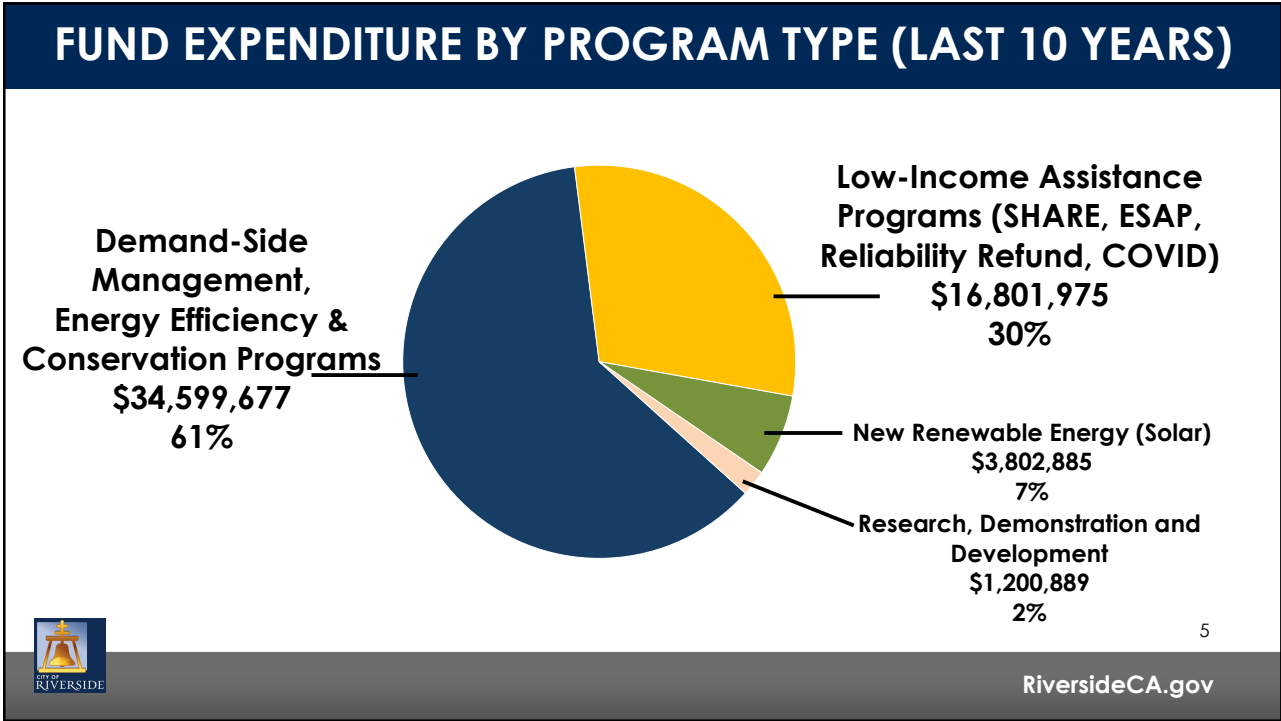
- 1. Cost-effective demand side management to promote energy efficiency and energy conservation
- 2. New investment in renewable energy resources and technologies
- 3. Research, development, and demonstration programs for the public interest to advance science or technology which is not adequately provided by competitive and regulated markets
- 4. Services provided for low-income electricity customers, including, but not limited to, energy efficiency services, education, weatherization, and rate discounts



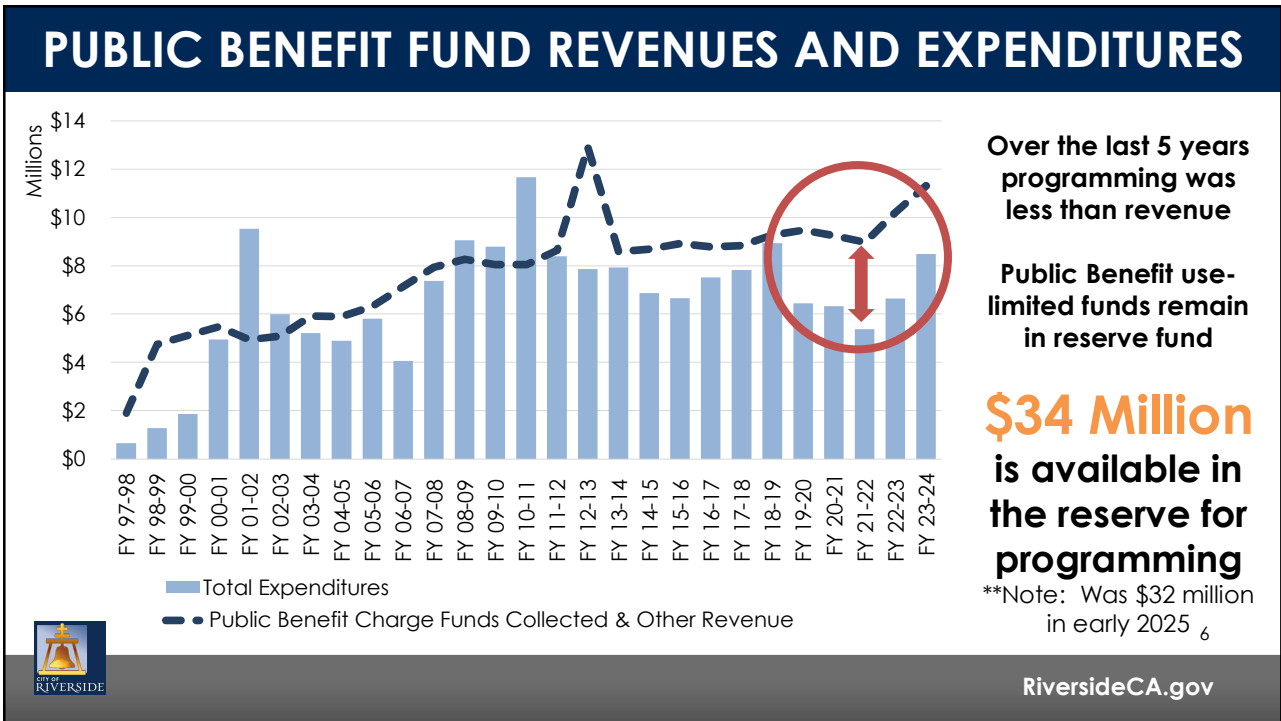
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## BACKGROUND

- 1. January 13, 2025:** The RPU Board provided with an update on the Public Benefits Charge (PBC) reserve funds and programs
  - a. Identified that \$32 million in the PBC reserve was available for funding
  - b. Requested staff to return with a Spending Plan
- 2. April 22, 2025:** Mayor Lock Dawson requested RPU staff to:
  - a. Establish a task force of knowledgeable community members to recommend the best way to spend the PBC reserve funds to RPU customers
  - b. Directed findings to be presented to the RPU Board and City Council by the end of 2025
- 3. June 2025:** Knowledgeable community members were identified and invited to attend the first meeting of the Public Benefits and Energy Efficiency Community Working Group (Working Group)



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## WORKING GROUP MEMBERS

Mayor Patricia Lock Dawson	City Council
Vice RPU Board Chair Dr. Brian Siana	Riverside Board of Public Utilities
RPU Board Member Tom Evans	Riverside Board of Public Utilities
Dr. Matt Barth	UCR
Nick Adcock	Chamber of Commerce
Mark Dowling	Inland Valleys Assn of Realtors
Victor Cao	California Apartment Association
David Hahn	Habitat for Humanity
Rose Mayes	Fair Housing Council of Riverside
Tom Donahue	Resident
Faustino Alvarez	Community Access Center
Chris Trujillo	Industry Expert – Heat pumps
Christopher Kern	Compelle media
Michael Berger	Compelle media



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## COMMUNITY WORKING GROUP

The Community Working Group was advisory and intended to provide ideas, comments, express questions, and provide community frameworks around how RPU's PBC reserve funds should be spent.

**Final decisions on the expenditures, programs, structures, and budgets will be established by the RPU Board and City Council.**



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## COMMUNITY WORKING GROUP MEETINGS

### Meeting 1

July 31, 2025

- Education about PBC
- History of the PBC
- Overview of current programs offered by RPU

### Meeting 2

October 7, 2025

- Additional information as requested
- Began project considerations
- Developed initial parameters and guidance for programs

### Meeting 3

December 18, 2025

- Discussion around solar power generation and impacts
- Program & project proposal incorporated input
- Working group discussion and recommendations
- Request for a 4<sup>th</sup> meeting

### Meeting 4

January 15, 2026

- Refined Program & project proposal
- Working group discussion with final recommendations



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## MAIN THEMES

Categories of topics and parameters from the Working Group with an overarching recommendation to modify communications about the PBC funded programs

**1** **Non-Energy Impacts (NEIs)**

Benefits of Energy Efficiency in comfort and safety

**2** **How electricity is used**


Largest energy usage and behavioral changes

**3** **Investment in the City**

Solar & batteries within the City

**4** **Customer benefit**

Keep benefits to customers & low-income support



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## SUMMARY OF RECOMMENDATIONS

	Program	Timeline	Funding
1.	Residential Energy Storage Rebate Program	5 years	\$5,000,000
2.	Community and Emergency Centers Solar PV, Battery Storage, and Energy Efficiency Rebate Program	6-years	\$12,000,000
3.	Resiliency at the Utility Operations Center and City Emergency Operations Center Solar and Battery Rebate Program	3-years	\$5,000,000
4.	Residential Battery Energy Storage or Solar with Battery Energy Storage Pilot Program for residential to test high concentration of battery and solar and potential demand response programs (limited area)	5-years	\$9,000,000
5.	Energy Savings Assistance Program and Mobile Home and Multifamily Program (expansion of existing programs)	2-years	\$2,000,000
6.	Riverside University Research Grant Program (expansion of existing programs)	4-years	\$1,000,000
<b>Total</b>		<b>2-6 years</b>	<b>\$34,000,000</b>


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## RESIDENTIAL ENERGY STORAGE REBATE PROGRAM

Provide a \$500/kWh rebate with an additional rebate amount for low-income customers for the installation of energy storage systems at residences.

1. Proposed funding: \$5 million
2. Timeline: 5-year program with annual review
3. Note: This program has been in development since mid-2025 due to its potential positive impact on the resilience of the overall distribution system and its benefit to customers. It was intended to be introduced in early 2026.



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## COMMUNITY & EMERGENCY CENTERS SOLAR AND BATTERY REBATE PROGRAM

Rebate program to provide funding for solar PV, battery storage and deep energy efficiency to improve the resiliency of the City's community centers and libraries that serve the community during emergencies

1. Proposed funding: \$12 million
2. Timeline: 6-year program with annual review
3. Notes
  - a. The Parks, Recreation and Community Services Department has confirmed support for this program and has identified the reconstruction of Nicols Park Community Center as an initial project
  - b. Funding incorporated WG recommendation to provide energy efficiency and other RPU education



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## SOLAR AND BESS AT UOC AND EOC

Provide a rebate program for the installation of solar and battery storage with microgrid capabilities for Utility Operations Center (UOC) and the Emergency Operations Center (EOC) operations during significant power outages and emergencies. The solar at the UOC will support the community's energy usage when not being used as a microgrid.

1. Proposed funding: \$5 million
2. Timeline: 3-year program with annual review



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## BESS OR SOLAR WITH BESS FOR RESIDENTIAL CUSTOMERS

Program to provide a rebate for the costs of battery energy storage system (BESS) or solar with BESS for RPU's residential customers. Pilot program to evaluate options for demand response for areas with solar and BESS.

1. Proposed funding: \$9 million
2. Timeline: 3-year program with annual review
3. Notes:
  - a. Staff will develop an eligible vendor list with approved pricing to protect customers from fraud and overcharging
  - b. Customers eligible for the program will be identified and notified (about 400)



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## ADDITIONAL FUNDING FOR ESAP AND MHMF

Increase funding to the Energy Savings Assistance and the Mobile Home and Multifamily direct install programs to accelerate energy savings for low- and fixed-income households and customers and expand outreach and education about the programs.

1. Proposed funding: \$2 million
2. Timeline: 2-year program



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## RIVERSIDE UNIVERSITIES RESEARCH GRANT

Expand the Universities Energy Research Grant program to provide grant supported research for energy efficiency programs as well as support new technologies that are intended to support RPU customers.

1. Proposed funding: \$1 million
2. Timeline: 4-year program or until funds fully encumbered.
3. Once a grant is issued, it will take time for the researchers to complete their work and analysis. Funding may not be expended within a year of award. Staff recommend that funding for this grant be provided at \$100,000 to \$500,000 with the expenditure of funds completed within 2 years of award.



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PROGRAMS CONSIDERED BUT NOT RECOMMENDED	
Program Discussed	Reason not Moving Forward
Springs Battery Storage Project	Project can be funded by other sources, including rates. Considered a utility project instead of community project.
Demonstration Facility Project	While modeled after programs offered by other POUs, it did not provide sufficient direct benefit to RPU customers
Refund of PBC reserve funds to customers	After review, it was determined that it was not legal under state law or allowed under the City Charter
Solar PV installations at: <ul style="list-style-type: none"> <li>• Parking structures at city facilities</li> <li>• On warehouses</li> </ul>	After discussion of the status of solar in Riverside and the impacts of solar on the distribution grid and in electricity markets, solar recommendations were modified to provide benefit to all customers and incorporate other program benefits and battery energy storage.
Solar PV over the Gage Canal	Area along the Gage Canal is not sufficient in all areas to support the Solar PV systems or their ongoing maintenance



ADDITIONAL INFORMATION
<ol style="list-style-type: none"> <li>1. Successful programs this fiscal year may reduce the available PBC reserve funds</li> <li>2. There may be merit in considering continuing the expanded funding for the successful programs in the next two fiscal years               <ol style="list-style-type: none"> <li>a. Mobile Home and Multifamily Direct Install Program</li> <li>b. Small Business Direct Install Program</li> <li>c. Business Outdoor Lighting Direct Install Program</li> </ol> </li> <li>3. Program amounts should be considered flexible with the ability to be adjusted dependent on program need and available funding</li> </ol>



## NEXT STEPS

1. With the Board's recommendation, present the Conceptual Spending Plan to the City Council for approval
2. Bring forward a final Spending Plan with each program's requirements and supplemental appropriations
  - a. The Residential Energy Storage Rebate Program may come forward earlier because the program has been in development and was intended to be presented in early 2026
3. Continue community discussions about the PBC funds throughout the summer with the Energy Planning Project funded by the EECBG
  - a. Will include a community-wide survey about the PBC funded programs
  - b. Staff to review and potentially propose a new Daylight Solar Support Program



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## RECOMMENDATIONS

That the Board of Public Utilities:

1. Receive a presentation on the outcome of the Public Benefits Funds Community Working Group and discuss the options for the expenditure of the funds as recommended by working group members;
2. Provide staff with direction on the Board's preferred spending plan for the Public Benefits Charge reserve funds to forward to the City Council for consideration; and

That the Board of Public Utilities recommend that the City Council:

3. Receive a presentation on the outcome of the Public Benefits Funds Community Working Group and Board recommendations; and,
4. Approved the preferred spending plan for the Public Benefits Charge reserve funds.



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