



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 25, 2021

SUBJECT: ENERGY EFFICIENCY SITE EVALUATIONS PUBLIC BENEFITS PROGRAM; AND PROFESSIONAL CONSULTANT SERVICES AGREEMENT FROM RFP NO 2092 FOR CONSULTANT ADMINISTERED ENERGY EFFICIENCY SITE EVALUATION PROGRAM WITH TRC ENGINEERS, INC., OF IRVINE, CA, FOR A TERM OF 3 YEARS IN THE AMOUNT OF \$750,000

ISSUES:

Consider approving a Public Benefits program for Energy Efficiency Site Evaluations; and approve a Professional Consultant Services Agreement from RFP No 2092 for a Consultant Administered Energy Efficiency Program with TRC Engineers, Inc., for a term of three years, in the amount of \$750,000.

RECOMMENDATIONS:

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

1. Approve a new Public Benefits Program for Energy Efficiency Site Evaluations;
2. Approve a Professional Consultant Services Agreement from RFP No. 2092 for a Consultant Administered Energy Efficiency Program with TRC Engineers, Inc., for a term of three years, in the amount of \$750,000; and
3. Authorize the City Manager, or his designee, to execute the Professional Consultant Services Agreement with TRC Engineers, Inc, including making minor and non-substantive changes to the agreement.

LEGISLATIVE HISTORY:

Assembly Bill (AB) 1890 (Brulte, 1996) requires that 2.85% of electric revenue be utilized to fund public benefits programming and must be used in at least one of four areas: demand side management (energy efficiency), renewable energy, low-income assistance, or research, development, and demonstration.

Senate Bill (SB) 1037 (Kehoe, 2005) is a comprehensive package that sets ambitious energy conservation policies and goals. SB 1037 requires publicly owned utilities (POU's) when procuring energy to serve their customer load, to "first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible" and to report kilowatt hour (kWh)

savings to the California Energy Commission annually.

AB 2021 (Levine, 2006) requires POU's to identify, target and achieve all potentially cost-efficient electric savings within a 10-year target. Riverside Public Utilities (RPU) has set an ambitious 10-year energy efficiency goal of 1% of annual retail energy sales.

SB 350 (De Leon, 2015) establishes annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas by January 1, 2030. The bill requires local POU's to establish annual targets for energy efficiency savings and demand reduction consistent with this goal.

BACKGROUND:

The Consultant Administered Energy Efficiency Site Evaluations Program targets RPU's largest Time of Use (TOU) customers. This segment includes the top 100 RPU customers based on electric consumption. This program is intended to provide these key account customers with a comprehensive energy efficiency plan, including a priority list of recommended energy efficiency measures along with an estimated return on investment and applicable utility incentives.

RPU has offered a similar program known as the Key Accounts Energy Efficiency Program (KEEP) since 2014. The KEEP program was originally managed and administered through a Southern California Public Power Authority (SCPPA) contract until August 26, 2019, when Board of Public Utilities directed RPU to discontinue using SCPPA public benefit programs and instead issue Request for Proposals for programming.

RPU staff released an RFP for the Consultant Administered Energy Efficiency Site Evaluations Program in December 2019 and was preparing to award a contract in March 2021. However, due to the Covid-19 restrictions that were in place at that time, the award of the contract and program implementation was temporarily suspended.

DISCUSSION:

The Consultant Administered Energy Efficiency Site Evaluations Program is offered to RPU's Key Accounts, including the largest TOU rate commercial and industrial customers. This program is intended to provide those large electric customers, known as Key Account customers, with a comprehensive energy efficiency plan, including a priority list of recommended energy efficiency measures, along with an estimated return on investment and applicable utility incentives. A Basic Energy Assessment, or Tier I Assessment, will be comprised of the following:

1. Perform a utility bill analysis based on historical data
 - a. Identify temperature dependent and independent usage
2. Conduct an on-site survey of the Customers subject property
3. Collect equipment data for the major energy using systems and equipment including:
 - a. Lighting systems
 - b. Electric space heating, cooling and ventilation
 - c. General plug and process loads
 - d. Other electricity-using systems as applicable
4. Review the condition of the building envelope (building exterior)

5. Review operating hours
6. Identify potential energy efficiency measures
7. Identify rebates and incentives
8. Estimate potential energy savings
9. Estimated return on investment
10. Create and deliver a report

Once the site evaluation report is received by customer, staff reviews the report with the customer to address any questions and to help plan an implementation schedule. The large projects identified in the delivered report assists RPU in achieving the legislated energy efficiency and demand reduction goals, as set forth in SB 1037, AB 2021 and SB 350 AB 2021. This program and the rebates paid to Key Account customers are funded by State mandated AB 1890.

RFP 2092 was posted on the City's Online Bid System on March 19, 2021, and closed April 6, 2021. Ten qualified vendors submitted pricing for the Consultant Administered Energy Efficiency Site Evaluations Program. Consultants were evaluated based on the following weighted criteria:

- a. Qualifications (35%)
- b. Pricing (15%)
- c. Experience (Projects of similar size and scope) (25%)
- d. Professional References (15%)
- e. Scope of proposed work including the utilization of new technology not currently being offered by RPU (10%)

Qualifications and experience were assigned the largest weights for the evaluation, with a view to selecting the consultant that could provide the highest quality work, that would also meet the diverse customer segments and needs of RPU's commercial electric customers. As part of the scope, the consultant is required to provide comprehensive site evaluations to customers ranging from our largest to our smaller commercial customers, offering the same standards and quality in every audit.

The pricing mechanism for this RFP was based on a per square foot calculation and pricing ranged from TRC's average price of \$0.11 to RMS's average price of \$0.60 per square foot. In order to score the pricing component of the RFP, staff compared the lowest price per square foot for each building type and ranked the vendors according to who had the largest number of low pricing for each building type. This method allowed staff to assign a weighted score to the submitted pricing. The vendor's weighted pricing score was then added to the score they received in each of the other five categories (as listed above), giving an overall score referenced in the table below. RPU staff evaluated the bids and deemed TRC Engineers, Inc. to be the most qualified respondent according to these criteria.

Vendors	Scored Points	Rank
TRC	926.67	1
BASE Energy	896.34	2
Kilowatt Engineering	886.67	3
Richard Heath & Associates	885.38	4
Cumming Management Group	885.00	5
Energy Resources Integration	866.67	6
P2S	838.33	7
Tetra Tech	809.17	8

RMS Energy Consulting	790.83	9
Digital Energy	766.66	10

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256.

STRATEGIC PLAN ALIGNMENT:

The agreement to deliver energy efficiency site evaluations for Key Account customers aligns with Strategic Priority 4, Environmental Stewardship. Program deliverables will focus on helping customers maximize energy efficiency practices and support the goals within this Strategic Priority to champion proactive and equitable climate solutions based in science to ensure clean air, safe water, a vibrant natural world and a resilient green new economy for current and future generations.

The agreement aligns with the following of the City's Cross-Cutting Threads as described below:

1. **Community Trust** –The energy audit program is intended to help larger, commercial customers be more energy efficient in their operations. By being more energy efficient, customers are contributing positively to the local natural environment. Community trust is enhanced as RPU is enabling the commercial sector to make sound decisions to improve their energy usage, which in turn facilitates better environmental outcomes for the community. Our community, who expects us to help safeguard their environment, can be confident that we are addressing energy efficiency and sustainability efforts for the collective good.
2. **Equity** – The KEEP program is a commercially-based program that will allow any of our key account holders to access an efficiency audit to improve their energy efficiency processes, thereby improving the natural environment, which will positively impact our community.
3. **Fiscal Responsibility** – The Consultant Administered Energy Efficiency Site Evaluations Program was previously offered to RPU Key Account customers via the SCPPA contract. As a result of contracting directly with TRC Engineers Inc., RPU will achieve an approximate savings of 6% for the administration of the energy efficiency program.
4. **Innovation** – The Consultant Administered Energy Efficiency Site Evaluations Program offers RPU's largest customers a roadmap to follow to improve their energy efficiency and to reduce their operation expenditure. In many instances, the reduction in operation costs allows RPU Key Account customers to reinvest in new, more efficient equipment to meet the current and future needs of our customers.
5. **Sustainability & Resiliency** – The Consultant Administered Energy Efficiency Site Evaluations Program provides the largest RPU energy consumers areas of opportunity to improve their energy efficiency as well as pairs these energy savings measure with appropriate RPU energy efficiency rebates. The audits that the program provides will comprise several areas including: on-site survey of the Customers subject property, collecting equipment data for the major energy using systems and equipment including lighting systems, electric space heating, cooling and ventilation, general plug and process loads, other electricity-using systems as applicable

FISCAL IMPACT:

The total fiscal impact is \$250,000 per fiscal year, for a not-to-exceed amount of \$750,000 for the three-year agreement. Sufficient funds are available in Public Utilities Key-Acct Energy Efficiency Account No. 6020100-456094. Funding for future years will be included as part of the biennial budget process.

Prepared by:	Carlie Myers, Utilities Assistant General Manager/Business and Customer Services
Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Kris Martinez, Interim Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney
Certifies availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Agreement
2. Award Recommendation
3. Presentation