

Energy Efficiency and Demand Reduction Ten-Year Target

Customer Engagement

City Council

December 2, 2025

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LEGISLATIVE HISTORY

RPU's Public Benefit Customer Charge and Programming is required by State law:

- **Assembly Bill (AB) 1890** requires that utilities establish a non-bypassable, 2.85% usage-based charge fund public benefits programming for demand side management (energy efficiency), renewable energy, low-income assistance, or research, development, and demonstration.
- **SB 1037** (Kehoe, 2005), a comprehensive package that sets ambitious energy conservation policies and goals; requires POU's to first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible, and annually report kilowatt hour (kWh) savings to the California Energy Commission



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LEGISLATIVE HISTORY

RPU's Public Benefit Customer Charge and Programming is required by State law:

- **AB 2021** (Levine, 2006) requires POU's to identify, target and achieve all potentially cost-effective electric savings and establish 10-year energy efficiency targets.
- **AB 2227** (Bradford, 2012) changed the frequency of the 10-year energy efficiency potential studies from once every three years to once every four years to be consistent with the State's Integrated Energy Planning process.
- **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.



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BACKGROUND

1. Each utility must establish 10-year kWh savings goals that must be re-evaluated every 4 years in addition to annual reporting requirements
2. California Municipal Utilities Association (CMUA), in partnership with the Northern California Power Agency (NCPA) and the Southern California Public Power Authority (SCPPA), began a collaborative effort in 2005 to develop an evaluation tool to measure energy efficiency program effectiveness and report program savings in a consistent and comprehensive manner



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DISCUSSION

1. GDS Associates, Inc. (GDS) developed the study to provide 10-year demand side management potential target goal for RPU.
2. GDS identified an RPU energy efficiency program target for the next 10 years of 80,107 MWH or an annual average target of 0.36% of forecasted retail sales as a recommended kilowatt hour (kWh) savings target for RPU over the ten-year period 2026-2035.
3. This is a reduction from the previous target of 0.59%, which was recommended by GDS in 2021 and is less than the City's adopted 1% target.



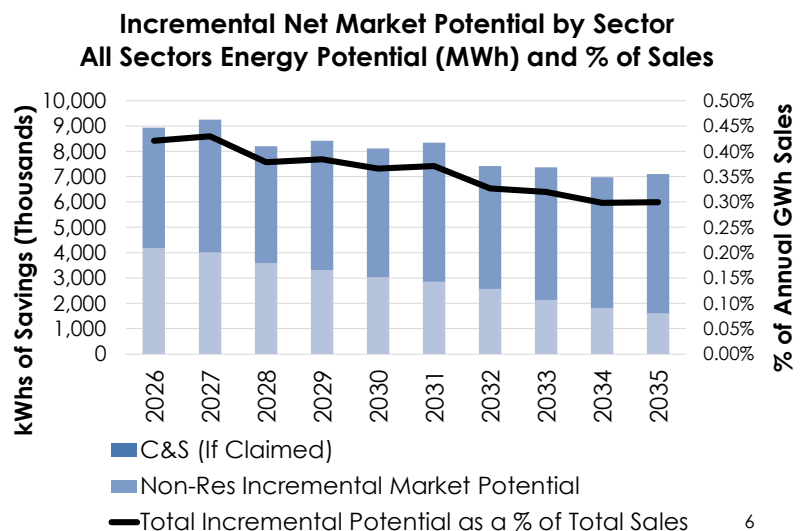
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Energy Efficiency 10 Year Potential

1. RPU's net energy efficiency potential as identified by GDS
2. Does not include kWh savings from projects outside the scope of RPU's rebate programs
3. Market potential identified starts at 0.42% of retail sales in 2026, declining to 0.30% in 2035



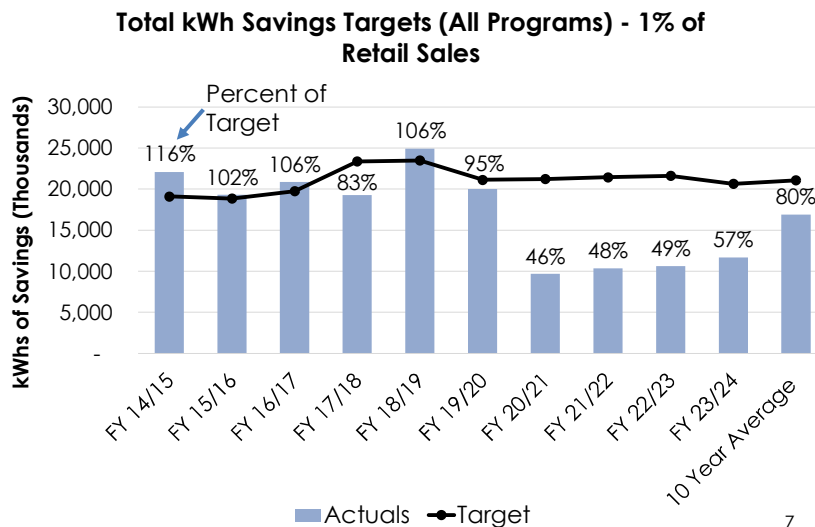
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10 Year kWh Savings Targets

1. RPU exceeded the target for four of these years
2. There were notable impacts from the COVID-19 pandemic and the time it took to procure vendor programming after the pandemic



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RECOMMENDATION

That the City Council approve the Riverside Public Utilities updated Energy Efficiency and Demand Reduction ten-year target of 0.36% of annual projected retail energy sales for the period beginning 2026 through 2035.



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