



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 19, 2024

FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL

SUBJECT: BLOCK GRANT AWARD FROM THE DEPARTMENT OF ENERGY TO FUND THE DEVELOPMENT AND DESIGN OF A COMPREHENSIVE ENERGY PLAN FOR \$325,070 – SUPPLEMENTAL APPROPRIATION

ISSUE:

Acceptance of a block grant award from the Department of Energy to fund the development, and design of a comprehensive energy plan under the Energy Efficiency and Conservation Block Grant Program funds for \$325,070.

RECOMMENDATIONS:

That the City Council:

1. Approve accepting funds of \$325,070 from the Department of Energy to develop and design a comprehensive energy and electrification programs plan;
2. Authorize the City Manager, or designee, to execute all documents and instruments necessary to participate and take all necessary actions required or advisable to implement, administer and carry out the responsibilities under the Department of Energy’s Energy Efficiency and Conservation Block Grant Program, including but not limited to a Recipient Agreement, as applicable, including making minor and non-substantive changes, as well as to execute future extensions and amendments under substantially similar terms and conditions; and
3. By at least five affirmative votes, and upon appropriation award, authorize the Chief Financial Officer, or designee, to record an increase in revenues in the amount of \$325,070, or the actual award amount, and appropriate expenditures in the same amount in the Grants & Restricted Programs Fund, Energy Efficiency and Conservation Block Grant Project revenue and expenditure accounts.

BOARD RECOMMENDATION:

On October 28, 2024, the Board of Public Utilities voted unanimously, with Board Members Polichetti and Montgomery absent, *to recommend* that the City Council take the actions recommended in this staff report to accept the funds from the Department of Energy’s Energy

Efficiency and Conservation Block Grant Program.

LEGISLATIVE HISTORY:

On December 19, 2007, Public Law No: 110-140 was signed into law as the Energy Independence and Security Act of 2007. In Title V, Subtitle E, the law defined, established, allocated funds, use of funds, requirements for eligible entities, competitive grants, review and evaluation, and funding criteria for the Energy Efficiency and Conservation Block Grant (EECBG) Program.

On November 15, 2021, Public Law No: 117-58 was signed into law as the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law. Under Sec. 40552, the law amended the EECBG Program criteria on the use of funds and authorized appropriations for Five-Hundred Fifty Million Dollars (\$550,000,000), to remain available until expended.

The Department of Energy (DOE) will distribute funds as formula grants and competitive grants in the EECBG Program funding to eligible entities of local governments, states, and Indian tribes. Under the criteria specified in the two Public Laws, the City of Riverside (City) was allocated Three Hundred Twenty-Five Thousand Seventy Dollars (\$325,070). No matching funds are required for this grant though Riverside Public Utilities (RPU) anticipates using this funding to expand on the efforts it is already undertaking.

BACKGROUND:

The purpose of the DOE EECBG Program is to assist eligible state, local, and tribal governments in implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- Reduce the total energy use of the eligible entities;
- Improve energy efficiency in the transportation sector, the building sector, and other appropriate sectors; and
- Build a clean and equitable energy economy that prioritizes disadvantaged communities and promotes equity and inclusion in workforce opportunities and deployment activities, consistent with the Justice40 Initiative.

The DOE provided EECBG Program Blueprints (Blueprint) as model projects and programs designed to help applicants achieve high impact results with limited grant dollars. Each blueprint contains key activities to serve as a step-by-step guide for communities to follow. The City applied for the grant utilizing Blueprint #1: Energy Planning.

The DOE established seven application periods for submission of grant applications. The City submitted its grant application during the sixth application submittal timeframe. The sixth application submittal timeframe began accepting applications on May 1, 2024 and ended October 31, 2024. The DOE awarded the City effective October 1, 2024. RPU staff will coordinate with the DOE Contracting Officer throughout the project life cycle. RPU will have a two-year period, from the effective award date, to spend EECBG program funds. RPU may request a no-cost time extension for the grant if one is needed.

DISCUSSION:

For use of the EECBG Program funds, RPU staff propose utilizing the Blueprint #1 key activities model to work in conjunction with other project efforts underway in the City and at RPU. The work will be conducted concurrent with and will support ongoing work including the update of the General Plan and development of a new Climate Action and Adaptation Plan. Funds will support the planning efforts underway by RPU's Customer Engagement team to plan for and develop energy efficiency programming and education as well as building and transportation electrification education and rebate programs.

As part of this effort, RPU will leverage existing outreach programming as well as leverage existing processes to evaluate existing energy efficiency customer rebate and education programs and utilize the grant funding to complement those efforts and to develop an energy efficiency and electrification programming plan.

RPU will create and publish a Request for Proposal (RFP) for services to study and build tools to assess the City's historical energy data to develop energy use and emissions baselines. Project outreach and education with public workshops will be held throughout the project to gather community stakeholder feedback.

The award consists of an Assistance Agreement with terms and conditions, provisions, and reporting requirements. RPU staff will prepare and submit all required reporting as required by the Assistance Agreement.

As such, the final products will include forecasts for transportation and building electrification as well as a strategy document that will address all three areas - energy efficiency, transportation electrification, and building electrification.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following strategic priorities:

Strategic Priority 2 – Community Well-Being:

Goal 2.4: Support programs and innovations that enhance community safety, encourage neighborhood engagement, and public trust.

Strategic Priority 4 – Environmental Stewardship:

Goal 4.6: Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

Strategic Priority 6 – Infrastructure, Mobility, & Connectivity:

Goal 6.3: Identify and pursue new and unique funding opportunities to develop, operate, maintain and renew infrastructure and programs that meet the community's needs.

The item aligns with each of the five Cross Cutting Threads as follows:

1. **Community Trust** – RPU has identified the need for equity as a priority in the community.

The EECBG project gathers information from specific stakeholders and various leaders, organizations, and residents of the City to inform energy efficiency and fuel switching program development.

2. **Equity** – The EECBG project ensures that all groups and persons receive access to the project plan development and are served with dignity, respect, and compassion regardless of the circumstances, ability, or identity.
3. **Fiscal Responsibility** – RPU will be utilizing a Federal grant appropriation to fund an innovative project that will benefit residents without impacting the City General Fund or its ratepayers. Internal staff resources will be utilized to reduce costs and ensure fiscal responsibility for the administration of the grant work.
4. **Innovation** – This project will allow RPU to assess and prepare for new and changing needs of the members of the community for the future through collaborative and adaptive processes throughout the plan development.
5. **Sustainability & Resiliency** – The EECBG project promotes a sustainable and energy resilient community and encourages community engagement in the development of the plan for formal adoption.

FISCAL IMPACT:

The total fiscal impact for this item will be an increase in revenue and expenditures of \$325,070, or in the amount of the grant award, received from the DOE’s EECBG Program’s established funds. Upon Council approval, an increase in revenue will be recorded in the amount of the award, and an equal amount appropriated in the funds and programs as listed in the table below.

Fund	Program	Account	Amount
<i>Revenue</i>			
Grants & Restricted Programs	Energy Efficiency and Conservation Block Grant Project	6900120-331100	\$325,070
<i>Expenditures</i>			
Grants & Restricted Programs	Energy Efficiency and Conservation Block Grant Project	6900120- 440110	\$325,070

Prepared by: David A. Garcia, Utilities General Manager
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Rafael Guzman, Assistant City Manager
 Approved as to form: Jack Liu, Interim City Attorney

Attachments:

1. Excerpt from DOE EECBG Grant Allocation, page 8 of 50
2. DOE EECBG Key Activities Summary Blueprint 1: Energy Planning
3. DOE EECBG Reporting Requirements
4. Assistance Agreement
5. Special Terms and Conditions EECBG
6. Presentation