

FOURTH AMENDMENT TO PROGRAM ORDER OF THE MASTER INTER-UTILITY AGREEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY

Riverside Public Utilities

City Council
November 19, 2019

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ISSUE

Fourth Amendment to Program Order of the Master Inter-Utility Agreement between Southern California Gas Company and City of Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities

- A. Adding Administrative Service fees equal to no more than (10%) ten percent of the invoiced service compensation per fiscal year, and
- B. Increasing the Program amount by \$500,000

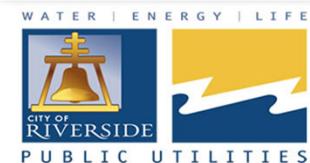


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BACKGROUND

1. **2012: RPU and SoCal Gas entered into Inter-Utility Agreement to create the Energy Savings Assistance Program (ESAP)**
 - A. No-cost energy and gas efficiency program for qualifying low-income customers
2. **Cost-effective program to weatherize low-income homes**
 - A. Utilizing economies of scale
 - B. Combining interests with another utility service provider within the City



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BACKGROUND

1. Co-branded partnership to provide the direct-installation of:
 - A. Attic and wall insulation
 - B. Weather-stripping and caulking
 - C. Faucet aerators
 - D. Showerheads
 - E. LED lighting
 - F. Air-conditioning tune-ups
 - G. Energy Star-rated refrigerators



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DISCUSSION

1. Assist in offsetting rate increase

- A. Increased eligibility requirements from 150% to 200% FPG*
- B. Increased budget from \$150,000 to \$500,000 annually
- C. Enhanced efficiency measures
- D. Increased community outreach and marketing

2. Significant participation increase in Enhanced ESAP

Enhanced Energy Savings Assistance Program Participation			
Fiscal Year	FY 13/14 - FY 17/18	FY 18/19	Percent Change
Homes Served	255	760	198%
kWh Saved	227,874	1,551,657	581%
Program Expenditure	\$157,580.00	\$423,966.68	169%
Cost per kWh Saved	\$0.69	\$0.27	-60%

*Federal Poverty Guidelines

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DISCUSSION

1. SoCal Gas requesting 10% Administrative Fee for ESAP allocated to each invoice based on dollar value of activity

- A. Associated time and resources to administer joint program
- B. Avoid IOU ratepayers cross-subsidizing municipal programs
- C. Applied to all municipal utilities
 - 1. Program Administration
 - 2. Legal
 - 3. Accounting
 - 4. Contract Management
 - 5. IT support
 - 6. Facilities and Office Equipment
 - 7. Information Technology Infrastructure
 - 8. SoCal Gas' automated invoice tracking
 - Energy Efficiency Collaboration Platform



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RECOMMENDATIONS

That the City Council:

1. Approve the Fourth Amendment to the Program Order of the Master Inter-Utility Agreement with Southern California Gas Company;
2. Approve increasing the Energy Savings Assistant Program amount by \$500,000 for a total program amount of \$1,000,000 for Fiscal Year 2019-2020 in order to continue to support low-income customers through the end of the fiscal year; and
3. Authorize the City Manager, or designee, to execute the Program Order with Southern California Gas Company including the ability to make any minor, non-substantive changes without exceeding the approved program budget.



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