



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 6, 2024**

FROM: PUBLIC UTILITIES DEPARTMENT **WARDS: ALL**

SUBJECT: INTER-UTILITY SERVICE AGREEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY FOR THE MOBILE-HOME AND MULTI-FAMILY ENERGY EFFICIENCY PROGRAM, FOR A TERM THROUGH JUNE 30, 2026, IN THE ANNUAL AMOUNT OF \$500,000, A TOTAL CONTRACT AMOUNT OF \$1,000,000

ISSUE:

Approve the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program, for a term to June 30, 2026, in the annual amount of \$500,000, for a total contract amount of \$1,000,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program, for a term to June 30, 2026, in the annual amount of \$500,000, for a total contract amount of \$1,000,000; and
2. Authorize the City Manager, or their designee, to execute the Master Inter-Utility Agreement with Southern California Gas for Energy Efficiency, Resource Savings, and Related Activities, including making non-substantive changes.

BOARD RECOMMENDATION:

On June 24, 2024, the Board of Public Utilities voted 9-0 to approve the Multifamily/ Manufactured Home Program Master Inter-Utility Agreement with Southern California Gas company and the City of Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities in the amount of \$500,000 per fiscal year for 2024/25 and 2025/26 for a total contract amount of \$1,000,000.

LEGISLATIVE HISTORY:

Assembly Bill (AB) 1890, adopted in 1996, requires publicly owned utilities to collect and spend Public Benefits Charge funds for low-income assistance, energy efficiency and conservation

programs, renewable energy, as well as research, development, and demonstration projects.

BACKGROUND:

As an energy provider, Southern California Gas Company (SoCal Gas) offers the Energy Savings Assistance Program (ESAP) as part of a broad program that provides no-cost efficiency measures that help lower utility bills and improve home energy efficiency. Riverside Public Utilities (RPU) and SoCal Gas have worked collaboratively for over a decade to assist RPU's income-qualified customers by providing energy efficiency measures and maintaining a successful co-branding partnership.

Eligibility for the ESAP no-cost energy efficiency home improvement program is based on income and household size. Households may be eligible based on participation in certain public assistance programs such as RPU's Sharing Households Assist Riverside's Energy (SHARE) Program, which assists income-qualified, residential customers with their electric utility bills and deposits. RPU prioritizes SHARE participants to receive ESAP program benefits to provide additional support for lower utility charges through direct energy savings and education.

In January 2012, Riverside Public Utilities (RPU) and (SoCal Gas) entered into an Inter-Utility Agreement to create the Energy Savings Assistance Program (ESAP), an energy efficiency program for qualifying low-income homeowners and renters. SoCal Gas offers ESAP as part of a broad program that provides energy efficiency measures at no cost to qualified, low-income customers, to assist in lowering utility bills and improving home energy efficiency.

On May 5, 2020, in response to the pandemic, the City Council approved to authorize the City Manager, or designee, to adjust or temporarily suspend any or all programs funded with Public Benefit Funds, except for the Emergency Response Assistance Program and SHARE programs to assist low-income residential electric customers that were adversely financially impacted by COVID-19. The ESAP program was suspended during COVID-19 until the amended and restated Agreement was approved by the City Council on February 8, 2022.

On May 17, 2022, the City Council expanded access to ESAP and other low-income assistance programs by increasing the income eligibility requirement, raising it from 200% to 250% of the Federal Poverty Level Guidelines. This action aligned RPU's income qualification to that of SoCal Gas, which has resulted in increased participation and improvements to the program's administration.

On December 12, 2023, the City Council approved the Energy Savings Assistance Program Master Inter-Utility Agreement between Southern California Gas Company and City of Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities in the amount of \$375,000 for January 1, 2024, through June 30, 2024, and \$750,000 for Fiscal Year 2024/25.

RPU claims an annual average of 1,300,000 kWh, or just over 5% of RPU's annual energy efficiency goal, through the ESAP partnership with SoCal Gas.

DISCUSSION:

SoCal Gas energy savings programs have evolved and now include an energy efficiency program specifically designed for residents in multi-family and manufactured homes. RPU's current ESAP partnership with SoCal Gas does not offer the full range of efficiency measures specific to

residents in Mobile-Home and Multi-Family communities. The proposed Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program closes the equity gap by providing energy efficiency measures to more Riverside residents.

The Mobile-Home and Multi-Family Energy Efficiency Program Agreement retains the same co-branded approach currently used with ESAP and continues to offer a range of direct install measures including weatherization, LED lighting, lifecycle refrigerant management, installation of new Energy Star-rated refrigerators and the recycling of old refrigerators. As with the current ESAP partnership with SoCal Gas, RPU will be able to utilize SoCal Gas energy savings data collection methods and reporting tools to account for energy savings associated with the new Mobile-Home and Multi-Family Energy Efficiency Program.

The Mobile-Home and Multi-Family Energy Efficiency Program will provide additional residents with the opportunity to benefit from no-cost energy efficiency savings with measures tailored specifically to their homes. The program qualification is based on housing type to streamline the administrative process and ensure optimal participation amongst the residents in qualified homes. Program Measures include:

- LED lighting (including floodlamps, porch lights, etc.)
- Nightlights
- Refrigerators
- Lifecycle refrigerant management
- Duct sealing and testing
- Occupancy sensors
- Smart thermostats
- Computer smart power strips
- Return duct retrofit (manufactured homes only)
- Crossover duct replacement (manufactured homes only)

If approved, the planned program communication for the Mobile-Home and Multi-Family Energy Efficiency Program will include outreach to the known 5 mobile home parks (2,040 homes), 20 affordable rental complexes, and 15 senior complexes in RPU's electric service territory. RPU is committed to equity in its program offerings and the Mobile-Home and Multi-Family Energy Efficiency Program will expand the existing assistance programs and provide greater access to public benefit funded programs for residential customers.

Per Purchasing Resolution 24101, Acquisition of Services, Section 702 (o), which states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances, (o) When the Procurement is for the wholesale energy, energy ancillary services, energy transmission, wholesale water commodity, and water transmission purchases by or on behalf of the City's Public Utilities Department."

The Purchasing Manager concurs that this procurement is in compliance with Purchasing Resolution 24101.

STRATEGIC PLAN ALIGNMENT:

The Mobile-Home and Multi-Family Energy Efficiency Program contributes Strategic Priority 4 - Environmental Stewardship and Goal 4.4 - Implement measures and educate the community to

responsibly manage goods, products and services throughout their life cycle to achieve waste reduction outcomes.

The Multi-Family/Mobile-Home program promotes electric efficiency by offering a range of diverse efficiency tools and devices that can be installed at no-cost to qualified customers.

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

1. **Community Trust** – The program will serve all qualifying customers by providing high quality programs, focused on energy efficiency to benefit the wider community.
2. **Equity** – The program includes a greater number of residents with equal access to benefits of energy efficiency conservation measures the program offers.
3. **Fiscal Responsibility** – The program is a cost-effective program provided in collaboration with SoCal Gas and requires a collective and transparent accounting with public fund management.
4. **Innovation** – The program aligns with the community’s changing needs and will ensure that the City is helping to provide sector-leading technologies to all residents in response to energy efficiency.
5. **Sustainability & Resiliency** – The program is committed to meeting the energy efficiency needs of all residents by providing direct installation of measures that provide ongoing savings and realize the full potential of energy savings and sustainability measures for residents.

FISCAL IMPACT:

The total fiscal impact is \$500,000 per year, with a total contract amount of \$1,000,000. Funds to cover the cost of the agreement are budgeted and available in the Electric Public Benefits Fund, Public Utilities, Multi-Family Direct Install Program Account No. 6020100-456092.

Prepared by: Carlie Myers, Utilities Assistant General Manager/Finance and Administration
Approved by: David A. Garcia, Interim 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: Phaedra A. Norton, City Attorney

Attachments:

1. Agreement
2. Presentation