



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MAY 17, 2022**

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

SUBJECT: INCREASE THE SHARING HOUSEHOLDS ASSIST RIVERSIDE'S ENERGY PROGRAM ELECTRIC MONTHLY CREDIT TO \$16.00 AND WATER MONTHLY CREDIT TO \$3.25 TO ALIGN WITH YEARLY ELECTRIC AND WATER RATE INCREASE FOR FISCAL YEAR 2022/2023 AND INCREASE THE INCOME GUIDELINES FROM 200% TO 250% OF FEDERAL POVERTY LEVEL GUIDELINES

ISSUES:

Consider approving an increase of the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit to \$16.00 and Water Monthly Credit to \$3.25, and increase the income guidelines of the program from 200% of the federal poverty level guidelines to 250%.

RECOMMENDATIONS:

That the City Council:

1. Approve an increase of the Sharing Households Assist Riverside's Energy Program's Electric Monthly Credit from \$15.50 per month to \$16.00 and Water Monthly Credit from \$3.00 to \$3.25 to align with electric and water rate increases for Fiscal Year 2022/23; and
2. Approve to update the Sharing Households Assist Riverside's Energy program guidelines from 200% of the federal poverty level guidelines to 250%.

BOARD RECOMMENDATION:

On April 25, 2022, the Board of Public Utilities with all members present received this report and was requested to forward a recommendation to City Council to approve the Sharing Household Assist Riverside's Energy Program's Electric Monthly Credit from \$15.50 to \$16.00 and Water Monthly Credit from \$3.00 to \$3.25, and increase the program guidelines from 200% of the federal poverty level guidelines to 250%. This item was approved with a vote of seven yeses and two noes.

LEGISLATIVE HISTORY:

Assembly Bill (AB) 1890 was adopted in 1996, which required publicly owned utilities to collect

and spend Public Benefits Charge funds on low-income assistance, energy efficiency and conservation programs, renewable energy, and research, development, and demonstration projects.

Senate Bill (SB) 756 was adopted in 2021, which expanded the definition of low-income for the purposes of the Energy Savings Assistance Program from 200% of the federal poverty level guidelines to 250%.

BACKGROUND:

Riverside Public Utilities (RPU) established the Sharing Households Assist Riverside's Energy (SHARE) program in 1989 to provide low-income residents with utility bill assistance. The SHARE program was initially supported only with funding from direct customer contributions and donations. In 1999, RPU expanded the program with the utilization of a portion of the Public Benefits Charge funds with the aim of assisting more customers.

On May 22, 2018, the City Council approved changes to the SHARE program to address the concerns that the then-proposed rate increases would impact low- and fixed-income customers. The program enhancements included adjusting income qualifications as well as instituting new monthly bill credits for both electric and water service. The new monthly bill credits included a credit of \$14 per month for income-eligible electric customers and \$2.25 per month for income-eligible water customers. The expanded income limits changed from 150% of the federal poverty level guidelines to 200% of the federal poverty level guidelines. The expanded eligibility requirements aligned the SHARE program with other public assistance programs in existence. These alignments provided a streamlined approach to program eligibility and significantly increased program participation. The program changes were available to customers on July 1, 2018.

On July 2, 2019, the City Council approved the first increase to the SHARE electric monthly credit from \$14.00 to \$14.50 and water monthly credit from \$2.25 to \$2.50 effective July 3, 2019.

On July 16, 2020, RPU General Manager approved a temporary update to the SHARE program guidelines to allow for an urgent notice to qualify customers for the \$150 emergency assistance.

On July 21, 2020, the City Council approved the second increase to the SHARE electric monthly credit from \$14.50 to \$15.00 and water monthly credit from \$2.50 to \$2.75 effective July 22, 2020.

On March 23, 2021, the City Council approved an increase to the SHARE emergency/deposit credit from \$150 to \$200, effective March 24, 2021.

On August 3, 2021, the City Council approved the third increase to the SHARE electric monthly credit from \$15.00 to \$15.50 and water monthly credit from \$2.75 to \$3.00, effective August 4, 2021.

DISCUSSION:

As part of the approved rate plan, RPU committed to increase the SHARE program's monthly assistance coincident with ongoing rate increases. The next water rate increase is to be implemented on July 1, 2022, and the next electric rate increase is to be implemented on January 1, 2023.

The proposed increases to the SHARE electric monthly credit from \$15.50 to \$16.00 and the SHARE water monthly credit from \$3.00 to \$3.25 for Fiscal Year (FY) 2022/23 alleviate the impact of the electric and water rate increases on RPU's low-income customers. Future alignment of the SHARE program monthly credit adjustments will be presented annually during the Board of Public Utilities' and City Council's review and consideration of utility rates.

Expanding income eligibility for the SHARE program to 250% of the federal poverty level guidelines is expected to double program participation from the approximately 4,000 customers that it currently serves.

Funding for the SHARE program will remain at \$2.95 million per year. This includes \$2,550,000 for electric customer assistance and \$250,000 for the County's administration fee from the Public Benefits Charge funding. An additional \$150,000 from wholesale water sales revenue is allocated for the water customer assistance portion.

STRATEGIC PLAN ALIGNMENT:

The SHARE program contributes to **Strategic Priority 5 - High Performing Government** and **Goal 5.4**, to achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact. The SHARE program promotes financial health by providing utility bill assistance to low-income customers.

1. **Community Trust** – The SHARE program will serve our qualifying customers, providing utility financial assistance where the key focus is on customer care and customer experience.
2. **Equity** – SHARE ensures every qualified member of the community can access utility assistance as needed.
3. **Fiscal Responsibility** – SHARE is a cost-effective program for low-income customers. The program parameters ensure that utility financial assistance is available for residential customers.
4. **Innovation** – The SHARE program enhancement to increase the monthly benefit and expand the income limits aligns with the community's changing needs and will ensure that the City is helping to provide more customers with financial assistance.
5. **Sustainability & Resiliency** – The SHARE program is committed to meeting the needs of our low-income customers by providing utility bill assistance without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact for FY 2022/23 is \$2,950,000. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval and will be budgeted in the Electric Public Benefits Fund, Low Income Assistance Program, expenditure account number 6020100-456010 and in the Water Fund, Water Production, Low Income/Senior Refund expenditure account 6200000-456075.

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation