



Three-Year Electric Service Agreement

UCR & The City of Riverside

Public Utilities Board

August 22, 2016

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UCR Contract History

1. 1998 RPU entered into first strategic energy agreement with UCR
2. Agreement amended 3 times: 2001, 2006, and 2012
3. Current agreement expires August 31st, 2016
4. Staff is recommending a new agreement



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UCR Energy Usage

1. UCR is served through a 12 kV high voltage connection at the University Substation
2. UCR accounts for approximately 5% of the total energy used within RPU's service territory
3. UCR maintains their own electric distribution infrastructure on the main campus
4. Annual Electric Revenue approx. \$11.3M

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UCR Energy Usage, cont.

5. Via **Thermal Energy Storage (TES)**, UCR has shifted a significant portion of their electric load to off- peak times, by chilling water in off peak times and using that to cool the campus during peak hours
6. TES was incentivized in the current agreement
7. TES benefits RPU by eliminating the large spikes in demand associated with the cooling needs of the UCR campus

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UCR's Future Energy Needs

- RPU and UCR Staff have identified several key areas to be addressed for UCR's ongoing and future energy needs
 1. UC goal for greenhouse gas reduction to meet net zero emissions by 2025
 2. Technical assistance in identifying and implementing energy efficiency projects

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UCR's Future Energy Needs, cont.



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UCR's Future Energy Needs, cont.

3. Rebate assistance in energy efficiency projects which require measurable energy reduction and performance benchmarks
4. Development of on-campus distributed generation projects
5. Joint marketing efforts for sustainability practices and energy efficiency

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UCR Electric Service Rate

1. After analysis by RPU Staff, the determination was made that the best rate for UCR would be the standard Large General and Industrial Time of Use (TOU) Rate.
2. UCR will transition to TOU starting 9/1/2016
3. UCR will be subject to all standard customer, Public Benefits, demand, and energy charges under this rate tariff

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UCR Electric Service Rate, cont.

4. Estimated electric revenue under the three year term of this agreement is approximately \$34 million given current electric consumption at the campus.
5. Based on 2015 usage this would be approximately 21% lower than SCE rates, or close to \$2.5 million annually.

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New Agreement Deal Points

- Net Zero Emissions Goals
 1. Opportunity for UCR to purchase additional renewable power at a premium from RPU to increase percentage of non-emitting energy received by the main campus at the rate of \$18/ Megawatt Hour
 2. RPU managing and retiring Renewable Energy Credits (RECs) for UCR
 3. Customized Power Content Label for UCR's state reporting

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New Agreement Deal Points, cont.

- Technical Assistance
 - Through the existing Key Accounts Energy Efficiency Program (KEEP) program, RPU will perform audits of University facilities to:
 1. Develop an overall energy plan for the campus
 2. Identify individual energy efficiency projects with market costs and ROI's
 3. Provide implementation and contract management assistance

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New Agreement Deal Points, cont.

- Rebate Assistance
 1. UCR will be eligible for rebate funds through RPU's standard commercial incentive programs
 2. Caps for these Performance Based Incentives will start at \$500k annually
 3. Increasing caps available as UCR reaches annual kWh savings milestones
 4. Additional funds available for agreed upon high energy saving projects
 5. University owned PV project rebate incentives

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New Agreement Deal Points, cont.

- On Campus Distributed Generation

1. Engineering Staff has determined UCR can add up to 4 Megawatts (MW) of additional solar PV to its existing system to further its renewable and sustainability efforts
2. Any increase in distributed generation resources above 4 MW on campus would be subject to potential system impact studies in accordance with RPU Electric Rule 22 to determine distribution system impacts

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New Agreement Deal Points, cont.

- Joint Marketing Support

- RPU and UCR will work together to promote sustainability and conservation goals both on campus and in the Riverside community through joint press releases, marketing campaigns, student education, and community outreach

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Recommendations

That the Board of Public Utilities recommend that the City Council:

1. Approve a three-year Electric Service Agreement between the City of Riverside and the University of California Riverside to provide electric services as stipulated in the agreement; and
2. Authorize the City Manager, or his designee, to execute the agreement.

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