



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: NOVEMBER 13, 2017

ITEM NO: 8

SUBJECT: TREE POWER PROGRAM FISCAL YEAR 2017-18 PURCHASE ORDER APPROVALS FOR PARKVIEW NURSERY, 4377 CHICAGO AVENUE; PARKVIEW NURSERY, 3841 JACKSON STREET; LOUIE'S NURSERY, 18550 VAN BUREN BOULEVARD AND MOON VALLEY NURSERIES, 9501 LINCOLN AVENUE IN A COLLECTIVE AMOUNT NOT TO EXCEED \$450,000

ISSUE:

Recommend that the City Council approve the issuance of purchase orders to qualified vendors to implement the Fiscal Year 2017-18 Tree Power Program Free Shade Tree Coupon Campaign and the Tree Power Rebate Program for a collective amount not to exceed \$450,000.

RECOMMENDATION:

That the Board of Public Utilities recommend that the City Council authorize the City Manager or his designee, to issue purchase orders to Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; Louie's Nursery, 18550 Van Buren Boulevard and Moon Valley Nurseries, 9501 Lincoln Avenue and make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount not to exceed \$450,000 for the Tree Power Program's Free Shade Tree Coupon Campaign.

BACKGROUND:

The Riverside Public Utilities (RPU) Tree Power Program has been successfully operating for over 14 years. This is an energy efficiency program which provides rebate incentives to RPU electric customers who plant shade trees in locations adjacent to their homes or businesses to help conserve energy and save on summer cooling costs. The program is administered using a dual marketing approach: the Tree Power Rebate Program & the Tree Power Program's Free Shade Tree Coupon Campaign that gives RPU customers the opportunity to receive a maximum of six trees annually.

RPU is required by state law to establish energy efficiency goals and administer energy efficiency programs funded through the state-mandated Public Benefits Charge. The Tree Power Program has consistently helped RPU achieve its energy savings goal for a minimal cost to the utility. RPU conservatively claims a 70% net to gross savings of 164 kWh per tree based on a report produced by Sacramento Municipal Utility District.

2017 Reported Energy Savings and Resource Costs per Program		
Residential Program	kWh Saved	\$/kWh saved
A/C Tune-Ups	192,176	\$ 0.04
LED BuyDown	1,891,462	\$ 0.16
Tree Power	2,189,255	\$ 0.16
Wifi Thermostats	68,866	\$ 0.23
Energy Star Appliances	256,077	\$ 1.10

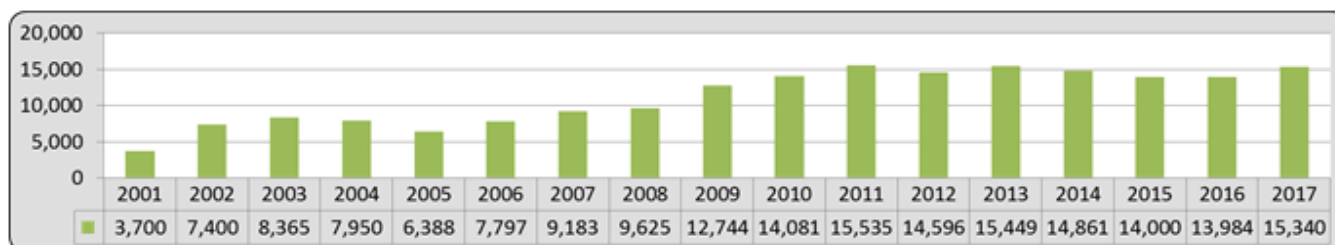
DISCUSSION:

The Tree Power Rebate Program allows RPU customers to participate by purchasing up to five qualified trees per year. Each qualified tree purchased is eligible to receive a \$25 rebate, which is credited to the customer's RPU electric account.

The Free Shade Tree Coupon Campaign was launched by RPU in 2001 and runs annually from March 1 to June 30. Each year, a coupon is printed on the back of the March utility bill. Customers redeem their coupon at a participating nursery for one free shade tree valued up to \$25. The back of the bill strategy was created to ensure that a free tree coupon would reach all RPU electric customers as well as raise awareness for the regular ongoing Tree Power Rebate Program.

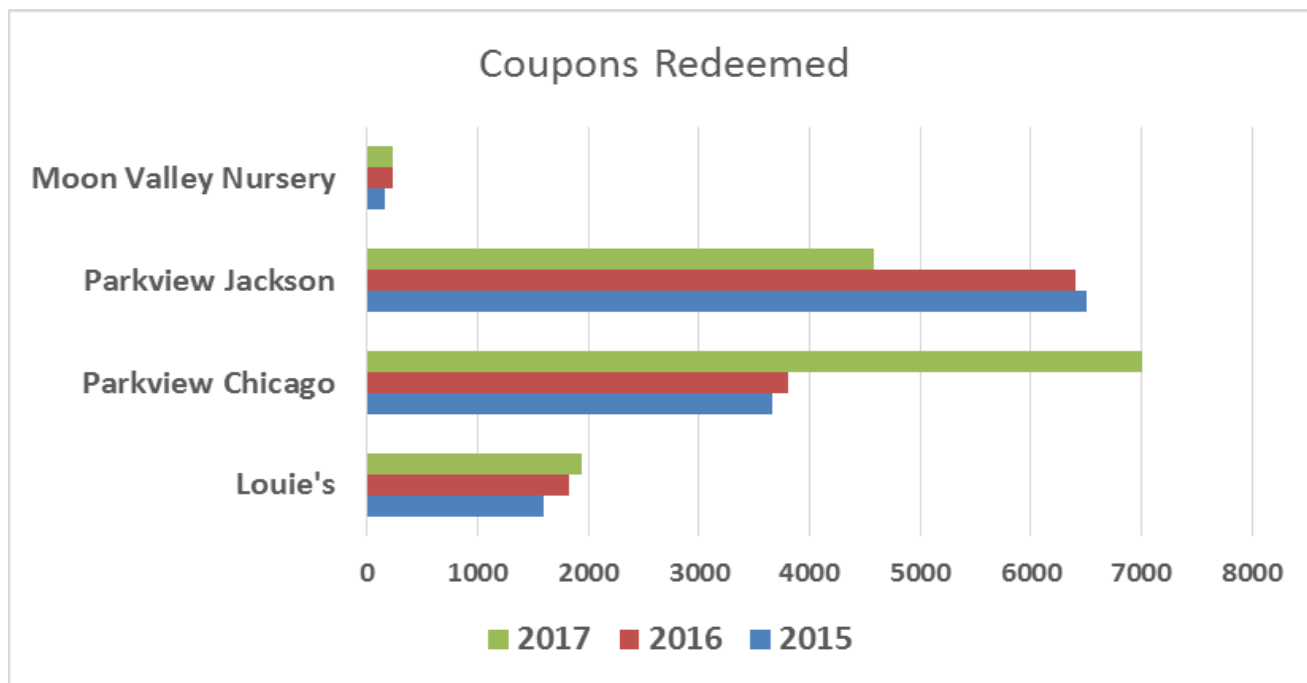
Since 2001, both participation and popularity of this program have grown. The original issuance of the coupon resulted in 3,700 planted trees; last year's coupon yielded over 14,200 trees. To date, over 163,000 trees have been planted throughout the City of Riverside by RPU customers as a result of the Free Shade Tree Coupon Campaign. Additionally, over 26,000 trees have been planted by customers who elected to participate in the Tree Power Rebate Program. Last Fiscal Year the City of Riverside reported nearly 190,000 trees were planted since the program's inception. Due to program maturity program demand has leveled off over the last several program years (see graph below). Staff anticipates approximately 13,500 trees will be planted during the Fiscal Year 2017-18 Free Shade Tree Coupon Campaign.

Tree Power Rebate and Free Shade Tree Coupon and Redemption Statistics



RPU works with several qualified nursery vendors located throughout the City that accept the free tree coupons. To be considered as a participating vendor, a nursery must have a location that permits retail sales. The current list of qualified vendors includes: Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; Louie's Nursery, 18550 Van Buren Boulevard; and Moon Valley Nurseries located at 9501 Lincoln Ave. No additional nurseries will be added to this Fiscal Year's Program.

Due to a significant variance in coupon redemption at the four participating nurseries, the purchase orders issued to this year's participating nurseries will vary in amount based on the last three years of program participation.



Nursery	3 Year Average		FY 2017/18	
	Coupons	Funding	Coupons	Purchase Order
Louie's	1,789	\$ 44,725	2,400	\$ 60,000
Parkview Chicago	4,827	\$ 120,675	6,000	\$ 180,000
Parkview Jackson	5,832	\$ 145,800	7,000	\$ 180,000
Moon Valley Nursery	208	\$ 5,200	400	\$ 10,000
		\$ 316,400		\$ 430,000

Participating nurseries are paid on the basis of actual coupons redeemed at a rate of \$25 per tree. The nurseries are responsible for any other costs associated with coupon redemption and program administration.

The Purchasing Manager concurs that the recommended action is in compliance with Resolution No. 22576.

FISCAL IMPACT:

The Fiscal Year 2017-18 Budget includes \$450,000 in the Public Benefits Residential Tree Power Program Account No. 6020100-456038 to fund the program.

Prepared by: Kevin S. Milligan, Utilities Deputy General Manager
 Approved by: Girish Balachandran, Utilities General Manager
 Approved by: John A. Russo, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance