



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 13, 2019

ITEM NO: 10

SUBJECT: ANNUAL PROGRAM TASK ORDERS FOR ADMINISTRATION OF NINE (9) ENERGY EFFICIENCY PROGRAMS FOR FISCAL YEAR 2019/20 IN THE TOTAL AMOUNT OF \$3,340,000 WITH SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY FOR: LOAD PROFILER PROGRAM WITH AUTOMATED ENERGY IN THE AMOUNT OF \$75,000; KEEP YOUR COOL PROGRAM WITH EFFICIENCY SERVICES GROUP IN THE AMOUNT OF \$200,000; UPSTREAM HEATING, VENTILATION, AND AIR CONDITIONING PROGRAM WITH COHEN VENTURES, DBA ENERGY SOLUTIONS, IN THE AMOUNT OF \$250,000; RETAIL LED BUYDOWN PROGRAM WITH GREENLITE LIGHTING CORPORATION USA, IN THE AMOUNT OF \$300,000; SMALL BUSINESS DIRECT INSTALLATION PROGRAM WITH LIME ENERGY SERVICES COMPANY, IN THE AMOUNT OF \$965,000; KEY ACCOUNT ENERGY EFFICIENCY PROGRAM WITH MUNI-FED PARTNER ENERGY, LLC, IN THE AMOUNT OF \$200,000; CUSTOMER ENGAGEMENT PROGRAM WITH ORACLE AMERICA, INC., IN THE AMOUNT OF \$235,000; BUSINESS OUTDOOR LIGHTING DIRECT INSTALLATION PROGRAM WITH RICHARD HEATH AND ASSOCIATES INC., IN THE AMOUNT OF \$965,000; MULTIFAMILY DIRECT INSTALLATION PROGRAM WITH SYNERGY COMPANIES, IN THE AMOUNT OF \$150,000

ISSUES:

Recommend that City Council approve the annual program task orders for the administration of nine (9) energy efficiency programs for fiscal year 2019/20 in the total amount of \$3,340,000 with Southern California Public Power Authority for: Load Profiler Program with Automated Energy in the amount of \$75,000; Keep Your Cool Program with Efficiency Services Group in the amount of \$200,000; Upstream Heating, Ventilation, and Air Conditioning Program with Cohen Ventures, dba Energy Solutions, in the amount of \$250,000; Retail LED Buydown Program with Greenlite Lighting Corporation USA, in the amount of \$300,000; Small Business Direct Installation Program with Lime Energy Services Company, in the amount of \$965,000; Key Account Energy Efficiency Program with Muni-Fed Partner Energy, LLC, in the amount of \$200,000; Customer Engagement Program with Oracle America, Inc., in the amount of \$235,000; Business Outdoor Lighting Direct Installation Program with Richard Heath and Associates Inc., in the amount of \$965,000; Multifamily Direct Installation Program with Synergy Companies, in the amount of \$150,000.

RECOMMENDATIONS:

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

1. Approve an annual Task Order with Automated Energy, Southern California Public Power Authority Resolution No. 2017-067 for the Load Profiler Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20, in the amount of \$75,000;

2. Approve an annual Task Order with Efficiency Services Group, Southern California Public Power Authority Resolution No. 2018-070 for the Keep Your Cool Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20, in the amount of \$200,000;
3. Approve an annual Task Order with Cohen Ventures DBA Energy Solutions, Southern California Public Power Authority Resolution No. 2019-025 for the Upstream Heating, Ventilation, and Air Conditioning Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20 in the amount of \$250,000;
4. Approve an annual Task Order with GreenLite Lighting Corporation USA, Southern California Public Power Authority Resolution No. 2014-119 for the Retail Light Emitting Diode Buydown Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20 in the amount of \$300,000;
5. Approve an annual Task Order with Lime Energy Services Company, Southern California Public Power Authority Resolution No. 2016-008 for the Small Business Direct Installation Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20, in the amount of \$965,000;
6. Approve an annual Task Order with Muni-Fed Partner Energy, LLC, Southern California Public Power Authority Resolution No. 2017-070 for the Key Accounts Energy Efficiency Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20 in the amount of \$200,000;
7. Approve an annual Task Order with Oracle America, Inc. Southern California Public Power Authority Resolution No. 2017-059 for the Customer Engagement Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20 in the amount of \$235,000;
8. Approve an annual Task Order with Richard Heath and Associates Inc., Southern California Public Power Authority Resolution No. 2017-113 for the Business Outdoor Lighting Direct Installation Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20, in the amount of \$965,000;
9. Approve an annual Task Order with Synergy Companies, Southern California Public Power Authority Resolution No. 2014-082 for the Multifamily Direct Installation Program through Southern California Public Power Authority for Energy Efficiency Programs for fiscal year 2019/20, in the amount \$150,000; and
10. Authorize the City Manager, or his designee, to sign the Task Orders with Southern California Public Power Authority for services by: Automated Energy, Efficiency Services Group, Cohen Ventures DBA Energy Solutions, Synergy Companies, Greenlite Lighting Corporation USA, Lime Energy Services Company, Muni-Fed Partner Energy LLC, and Oracle America, Inc., Richard Heath and Associates, and Synergy Companies, that are agreed upon under the Southern California Public Power Authority Master Professional Services Agreement or Master Goods and Services Agreement, including the ability to make any minor nonsubstantive changes to the Task Orders without exceeding the previously approved program budget.

LEGISLATIVE HISTORY:

Assembly Bill (AB) 1890 (1996) requires that 2.85% of electric revenue be utilized to fund public benefits programming and must be used in at least one of four (4) areas: 1) demand-side management (energy efficiency), 2) renewable energy, 3) low-income assistance, or 4) research, development, and demonstration.

Senate Bill (SB) 1037 (2005) requires publicly owned utilities (POUs), when procuring energy to serve their customer load, to “first acquire all available energy efficiency and demand reduction resources that are cost-effective, reliable, and feasible” and to report kilowatt-hour (kWh) savings to the California Energy Commission annually.

AB 2021 (2006) requires POUs to identify all potentially achievable cost-effective electricity efficiency savings and to establish annual targets for energy efficiency savings and demand reduction over 10 years. Riverside Public Utilities (RPU) has set a 10-year energy efficiency savings and demand reduction goal of 1% of annual retail energy sales.

SB 350 (2015) establishes annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas by January 1, 2030. The bill requires local POUs to establish annual targets for energy efficiency savings and demand reduction consistent with this goal.

BACKGROUND:

What is SCPPA?

Southern California Public Power Authority (SCPPA) is a joint powers agency comprised of 11 municipal utilities and one irrigation district. SCPPA's members consist of the municipal utilities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, Vernon, and the Imperial Irrigation District. Together, SCPPA members deliver electricity to over two million customers in the Southern California region, spanning an area of 7,000 square miles, and with a total population that exceeds five (5) million.

Formed in 1980, SCPPA was created for the purpose of providing joint financing, construction and operation of transmission and generation projects. Today, SCPPA provides a range of services for its members by including effective member-led forums of collaboration through committees and working groups such as: Customer Service, Finance, Public Benefits, Resource Planning, Transportation Electrification, Transmission and Distribution, Engineering and Operations, Natural Gas, and Renewable Energy Resources. SCPPA members benefit from economies of scale pricing due to the aggregated buying power of the joint powers agency.

On August 14, 2007, the City Council unanimously approved the use of SCPPA for the procurement of energy efficiency and conservation programs and services.

The City Council approved various new energy efficiency programs and campaigns geared to our residential and non-residential customers to achieve energy efficiency goals and targets set forth by state legislation. The table below provides an overview of the energy efficiency programs administered by RPU and procured through SCPPA's procurement process:

Energy Efficiency Programs through SCPPA			
Program	Vendor	Service	Annual Resource Cost (\$/kWh)
Load Profiler Program	Automated Energy	Interval meter data with online access	\$0.02
Keep Your Cool Program	Efficiency Services Group	Lighting and refrigeration improvements to customers with large refrigeration load	\$0.36
Upstream High Efficiency Commercial Heating,	Energy Solutions	Commercial HVAC rebates at the distributor level	\$0.22

Ventilation, and Air Conditioning (HVAC) Program			
Light Emitting Diode (LED) Buydown Program	GreenLite	LED customer incentives offered at participating retailers	\$0.13
Small Business Direct Installation Program	Lime Energy	Lighting and HVAC improvements to small businesses	\$0.60
Key Account Energy Efficiency Program	Munifed/ Partner Energy	Commercial and industrial in-depth energy efficiency audits	\$0.06
Customer Engagement Program	Oracle/Opower	Residential home energy reports	\$1.07
Business Outdoor Lighting Direct Installation Program	Richard Heath & Associates (RHA)	Outdoor lighting improvements for medium and large businesses	\$0.50
Multifamily & Mobile Home Direct Installation Program	Synergy Companies	Direct installation of energy efficiency measures	\$0.34

On February 21, 2017, the City Council directed staff to provide detailed proposed expenditures included within each object code of RPU's annual budget to the Board of Public Utilities (Board), to provide a bi-annual report to the Board and City Council on expenditures, and to obtain Board and City Council approval of services procured through SCPPA over \$50,000.

RPU Procurement Process through SCPPA – Energy Efficiency Programs:

Upon request of its member agencies, SCPPA enters into contracts with vendors to provide services to its member agencies. The SCPPA Board of Directors authorizes these services via resolution authorizing SCPPA to enter into a Master Agreement. The SCPPA Master Agreement serves as an umbrella agreement with general terms and conditions between SCPPA and the vendor. Member agencies that choose to participate in these programs do so by authorizing a Task Order under the Master Agreement.

Before SCPPA enters into any contract, SCPPA posts a competitive Request for Proposal (RFP) or Request for Qualifications (RFQ) related to one or more energy efficiency program(s) as desired by one or more member agencies. Member agencies review and select one or more vendor(s) from those which responded to the RFP or RFQ. Once a vendor(s) is selected, SCPPA enters into a Master Professional Services Agreement (MPSA) or Master Goods and Services Agreement (MGSA) for related work under the RFP or RFQ. The member agencies authorize the Task Order under the Master Agreement.

In some cases, an informal procurement instead of competitive procurement may be undertaken when the program or service to be procured can only be obtained from a single or sole source or procured in a timely manner from a single source. To do this, SCPPA and the participating member agencies must be satisfied that the best price, terms and conditions for the procurement have been negotiated. As in the traditional RFP or RFQ process, SCPPA enters into a MPSA or a MGSA with the vendor providing the goods or service and the member agency authorizes a Task Order under the related agreement.

This process offers a flexible, voluntary “cafeteria-style” program to SCPPA member agencies so that member agencies only participate in and pay for the programs or services of their choosing. All participation in the programs and services is optional, and member agencies only pay for the ones they use. It is through the Task Order that member agencies opt to participate in a program or service. The Task Order between the member agency and SCPPA is an agreement for the services or programs from the selected vendor as well as agreement for payment. Furthermore, each Task Order includes a detailed program agreement governed by the umbrella Master Agreement between SCPPA and the vendor.

The standard term of the Master Agreement between SCPPA and the vendor is three (3) years with a possible extension for an additional three (3) years. The Master Agreement does not expire while services pursuant to an open Task Order with a member agency remain to be completed. SCPPA staff administers Task Orders and fully discloses the selected vendor's scope of work and pricing. RPU anticipates that each vendor contained in this report either has or will have their SCPPA MPSA or MGSA extended prior to expiration or will be granted a new MPSA or MGSA upon completion of any open Task Order during fiscal year (FY) 2019/20.

RPU Procurement Process through SCPPA – Assessment by Office of Organizational Performance and Audit:

On August 14, 2018, the City Council received a report from the Office of Organizational Performance and Audit detailing an assessment of RPU financial transactions related to SCPPA contracts and services acquired through SCPPA for FY 2013/14 through FY 2015/16. The assessment concluded that RPU was in compliance with Riverside's Charter, Riverside's procurement resolution and City policies during FY 2013/14 through FY 2015/16.

At the request of the City Council in February 2017, RPU management implemented the following procedures and internal controls to ensure transparency and accountability:

1. An RPU SCPPA Procurement form is submitted to the Utilities Assistant General Manager/Finance and Administration to ensure budget availability;
2. All SCPPA task orders to accept services are approved in writing by the Utilities General Manager (or designee); and
3. Board and City Council approval is required for SCPPA purchases over \$50,000 (purchases between \$25,000 and \$50,000 are approved by the City Manager; purchases up to \$25,000 are approved by the Utilities General Manager); the FY 2018/2019 programs and task orders over \$50,000 were presented to the City Council for approval on June 19, 2018.

The assessment states that the processes and procedures implemented by RPU in February 2017 have greatly enhanced the accountability and transparency of the transactions between RPU and SCPPA.

The assessment by the Office of Organizational Performance and Audit is linked and can be downloaded from the following webpage: <https://riversideca.legistar.com/View.ashx?M=F&ID=6414375&GUID=EDEC07FF-C3D4-4763-89B9-8171C7F4B39C>

Ratepayer Benefit:

RPU energy efficiency services are procured through SCPPA using economies-of-scale pricing from the collective buying power of all SCPPA member agencies, resulting in significant ratepayer savings. Annual savings utilizing SCPPA for these energy efficiency programs range between 4% and 40% depending on the specific program. This amounts to an average savings of nearly 17% per year for all RPU energy efficiency programs administered through SCPPA. Collaborating with SCPPA to provide energy efficiency programs has proven to be a cost-effective and efficient approach to administering these programs and has significantly enhanced RPU's ability to achieve kilowatt-hour (kWh) reduction goals.

Program Evaluation:

During FY 2018/19, staff began an energy efficiency program portfolio review in an effort to identify potential program enhancements. Enhancements to the Tree Power Program were approved by the City Council in February 2019. Staff has also requested pricing from respondents of the SCPPA Efficiency

Services and Products 2018 RFQ in order to compare RPU's current direct installation vendors to potential vendors who offer similar energy efficiency programs.

RPU contacted 21 SCPPA-approved vendors who offer energy efficiency program implementation and support and requested pricing on selected, program-specific energy efficiency measures that are currently being offered through RPU's direct installation programs. Of the 21 potential vendors, RPU received additional pricing from alliancePROJECT, Inc. and DNV-GL.

Staff undertook a due diligence process to evaluate the competency of the vendors, to compare the pricing offered by RPU's existing vendors, and to determine if the RPU ratepayers would benefit from utilizing the services offered by the two (2) potential vendors. Staff attempted to contact alliancePROJECT, Inc. multiple times to clarify the pricing provided in their response to the pricing request, but they were unresponsive. DNV-GL worked with RPU staff to develop all-inclusive pricing for the Keep Your Cool Program. DNV-GL does not currently offer a comprehensive approach for their direct install programs. Unlike RPU's existing vendor, DNV-GL does not have their own staff to conduct audits, perform installation and provide reporting; therefore, a pricing comparison was not possible.

Although no new vendors were selected as a result of the request for pricing, staff was able to compare the pricing being offered by Lime Energy, administrator of the Small Business Direct Installation Program, and Richard Heath & Associates (RHA), administrator of the Business Outdoor Lighting Direct Installation Program. Upon review, it was determined that the majority of the measures being offered by these two (2) vendors were competitive.

SCPPA staff consistently works with their approved vendors to ensure member agencies are receiving maximum benefit from utilizing SCPPA approved vendors to administer their programs. As market pricing decreases for cost of materials, SCPPA adjusts the pricing with the market. The pricing adjustments are referenced in amendments to the MPSA and MGSA. Beyond the existing 15% SCPPA discount being offered by RHA, the FY 2019/20 Task Order between RHA and RPU will include a 20% discount on select outdoor lighting measures, which is expected to save as much as \$75,000 during the operation of the Business Outdoor Lighting Direct Installation Program during FY 2019/20. Lastly, the FY 2019/20 Task Order between ESG and RPU will include a 30% reduction in the cost of refrigerated case LED lighting that is expected to save as much as \$25,000 during the operation of the Keep Your Cool Program.

Next Steps:

Staff will continue to evaluate the programmatic offerings throughout FY 2019/20. A comprehensive portfolio review is a multi-year process. During the review process, staff will explore procuring energy efficiency services directly with vendors who provide these services through the City of Riverside Purchasing Department. Staff will also investigate the possibility of working with a consultant to assist with the portfolio review. Finally, staff will continue to engage the community in an effort to meet the ever evolving needs of RPU customers.

DISCUSSION:

RPU administers the energy efficiency programs outlined below on an annual basis from July 1 through June 30 via third-party vendors procured through SCPPA to obtain economies of scale pricing. During FY 2017/18 these SCPPA-procured vendor programs accounted for over eight million kWh of energy savings, accounting for approximately 35% of RPU's annual energy savings goal.

SCPPA procured each vendor by issuing an RFP and conducting a competitive bidding process or an RFQ to determine that a vendor meets the criteria, including pricing, to successfully complete the requirements of the programs being offered by member agencies. In some cases, an informal procurement instead of competitive procurement was utilized when the program or service is offered only by a single or sole source or could be provided in a timely manner. In these instances, SCPPA is

satisfied that the best price, terms and conditions for the procurement have been negotiated as part of the sole source procurement. In addition, RPU conducted its own due diligence review process with each vendor before electing to utilize them for any energy efficiency program.

For each program included in this report, an accompanying table outlines the program's effectiveness as it relates to participation, energy savings, budget utilization and resource cost of the program. Resource cost is defined as cost per one kWh of energy demand reduction.

The reported savings values in the tables reflect FY 2017/18 data. The final FY 2018/19 savings numbers have yet to be determined, as RPU does not report the energy savings from each program until the incentives have cleared payment. SCPPA's billing process typically lags by two (2) months, so the energy savings realized in June will not be reported until August.

Load Profiler Program – Automated Energy:

The Load Profiler Program (LPP) provides a hosted service to utilities for gathering and reporting electricity consumption information. RPU offers the LPP to Key Account customers with large energy consumption, which allows them to analyze and monitor electric load. The program makes it possible for these customers to better manage the amount and timing of their energy consumption and make decisions to reduce or shift load to off peak or provide the information needed to implement demand side management measures.

During FY 2019/20, RPU will continue to encourage more participation in the program as described in the Key Accounts Program Plan as approved by RPU management. Historically, customers who participated in LPP were required to install an analog phone line to connect to a RPU modem meter. This phone connection allowed the RPU electric meter to transmit 15-minute interval data over the internet to Automated Energy. Electric meter technology has improved since this time which makes the previously utilized modem meters obsolete. In order to bridge the gap between obsolete modem meters and AMI, RPU customers who participate in the LPP require a cellular modem to be installed on their electric meter in order to register pulse output. This cellular modem transmits 15-minute interval data to Automated Energy which then makes that data available to customers via an online tool. The proposed increase in funding for this program supports the procurement and installation of the cellular modems for the customer. This change necessitates an increase in program funding for FY2019/20 of \$45,000. Once the RPU Advanced Metering Infrastructure (AMI) project has been fully implemented, the cellular modem will no longer be required for participation in the LPP, which will reduce the cost of the program to RPU.

Load Profiler Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Load Profiler Program	Automated Energy	Interval Meter Data with Web Access	10/2/2001	\$30,000	36	812,628	\$13,100	\$0.0161	\$0.0032

SCPPA procured the services of Automated Energy in 2003 through a sole source process in order to provide member agencies with an interval data resource. The MPSA was renewed in 2017 in order for members to continue their existing programs (Resolution No. 2017-067). RPU had previously utilized IMserv for this service but was required to migrate to Automated Energy when IMserv went out of business. RPU has continued to work with Automated Energy due to the effectiveness of their platform, their compatibility with RPU electric meters and the discount RPU receives due to the Automated Energy contract with SCPPA.

The Task Order between RPU and Automated Energy is for FY 2019/20 in the amount of \$75,000 under Master Professional Services Agreement dated July 24, 2017. RPU receives a 40% discount by procuring services through SCPPA using the economies of scale pricing.

Keep Your Cool Program – Efficiency Services Group:

The Keep Your Cool Program targets customers with significant refrigerated food and beverages storage such as mini-marts, delis, convenience stores and restaurants. The program offers the direct installation of energy efficiency measures such as air curtains, cooler gaskets, automatic door closures, LED case lighting retrofits and high-efficiency motor upgrades.

SCPPA staff worked with Efficiency Services Group to increase the effectiveness of this program by reducing the pricing for the LED case lighting being offered through this program by 30%.

Keep Your Cool Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Keep Your Cool Program	Efficiency Services Group	Lighting and refrigeration improvements to customers with large refrigeration load	2/7/2012	\$100,000	12	277,260	\$100,000	\$0.36	\$0.06

SCPPA executed a MGSA (Resolution No. 2018-070) with Efficiency Services Group in 2018 due to the issuance of an RFQ for Efficiency Services and Products. Efficiency Services Group has had contracts with SCPPA since 2010 to provide various energy efficiency services. Currently, Efficiency Services Group is one of three (3) SCPPA-approved vendors who offer refrigerated load direct installation programs. ESG was selected by RPU due to their specialization in refrigerated load programs.

The Task Order between RPU and Efficiency Services Group is for FY 2019/20 in the amount of \$200,000. RPU receives a 15% discount on all measures, except the LED case lighting measure which is discounted 30%. These discounts are received due to economies of scale pricing realized by procuring services through SCPPA.

Upstream High-Efficiency Heating, Ventilation, and Air Conditioning (HVAC) Program – Energy Solutions:

The Upstream High-Efficiency HVAC Program offers a rebate incentive for commercial high-efficiency HVAC equipment purchases that exceed Title 24 requirements. The incentive is provided upstream at the wholesale distribution channel level, thereby encouraging commercial HVAC equipment distributors to stock and sell more efficient commercial HVAC equipment.

Upstream High Efficiency Commercial HVAC Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Upstream High Efficiency Commercial HVAC Program	Energy Solutions	Commercial HVAC rebates at the distributor level	3/4/2014	\$150,000	7	643,854	\$144,736	\$0.22	\$0.01

SCPPA executed a MGSA with Cohen Ventures, Inc., dba Energy Solutions in 2013 at the request of multiple member agencies for an upstream HVAC resource. Energy Solutions also responded to the 2018 RFQ for Efficiency Services and Products and now has a new MGSA Resolution No. 2019-025.

The Task Order between RPU and Energy Solutions is for FY 2019/20 in the amount of \$250,000. RPU receives a 12.5% discount by procuring services through SCPPA using the economies of scale pricing.

LED Buydown Program – GreenLite:

The LED Buydown Program incentivizes RPU customers to purchase and install certain LED light bulbs at a reduced price due to RPU buying-down the retail cost at participating local stores.

LED Buydown Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation (# of Bulbs)	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
LED Buydown Program	GreenLite	LED customer incentives offered at participating retailers	3/17/2015	\$300,000	28,386	907,506	\$115,706	\$0.13	\$0.01

SCPPA executed a MGSA (Resolution No. 2014-119) with GreenLite Lighting Corporation USA in 2015. SCPPA executed an agreement with Greenlite based on Roseville Electric's competitive solicitation and publicly available documentation.

The Task Order between RPU and GreenLite Lighting Corporation USA is for FY 2019/20 in the amount of \$300,000. RPU receives a 4% discount by procuring services through SCPPA using the economies of scale pricing.

Small Business Direct Installation Program – Lime Energy:

The Small Business Direct Installation Program provides small and medium-sized businesses with energy audits, and direct installation of energy efficiency measures such as lighting upgrades and controls, HVAC tune-ups, exit and open/closed signs, advanced power strips and weatherization.

Small Business Direct Installation Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Small Business Direct Installation Program	Lime Energy and Richard Heath & Associates*	Lighting and HVAC improvements to small businesses	2/7/2012	\$1,930,000	1,269	3,221,545	\$1,919,920	\$0.60	\$0.20

* Note: Historically this program utilized the services of two SCPPA vendors who each serviced different zip codes in the City. Due to the new Business Outdoor Lighting Direct Installation Program added to RPU's program offerings in FY 2018/19, the Small Business Direct Installation Program is now administered solely by Lime Energy.

In July 2015, SCPPA released an RFQ for Efficiency-related Services and Products. The RFQ received eight (8) respondents who were evaluated and scored by the SCPPA Public Benefits Working Group comprised of member agency representatives. Of the eight (8), respondents three (3), including Lime Energy, were awarded SCPPA contracts based on selection criteria, including: Direct Installation of Contractor-identified and/or Member-specified efficiency measures, Quality Assurance/Quality Control, Fees and Pricing, Experience and References. SCPPA executed a MGSA (Resolution No. 2019-003) with Lime Energy in 2019.

The Task Order between RPU and Lime Energy is for FY 2019/20 in the amount of \$965,000. RPU receives a 15% discount by procuring services through SCPPA using the economies of scale pricing.

Key Account Energy Efficiency Program (KEEP) – Muni-Fed Partner Energy:

KEEP is offered to RPU's Key Accounts, including the largest time-of-use (TOU) rate commercial and industrial customers. KEEP is intended to provide Key Account customers with a comprehensive energy efficiency plan, including a priority list of recommended energy efficiency measures along with an

estimated return on investment and applicable utility incentives. RPU has increased the budget for this program for FY 2019/20 to allow Muni-Fed Partner Energy to provide all Key Account customers with a comprehensive energy efficiency plan within the next three (3) years. In addition to the KEEP audit, RPU is also working with Southern California Gas Company to provide additional technical and contracting assistance to bring large energy efficiency projects from concept to completion.

Key Account Energy Efficiency Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Key Account Energy Efficiency Program	Munifed/ Partner Energy	Commercial and Industrial in Depth Efficiency Audits	3/4/2014	\$100,000	14	*1,017,729	\$64,500	\$0.06	\$0.02

* Savings numbers are derived from customers who completed projects identified during the comprehensive energy efficiency plan.

SCPPA executed the current MPSA (Resolution No. 2017-070) with Muni-Fed Partner Energy in 2017. The original MPSA executed by SCPPA with Muni-Fed Partner Energy was completed in 2014 as a sole source procurement. Muni-Fed Partner Energy conducts audits to identify energy conservation measures (ECM), provides simple payback analysis for the identified ECMs, and uniquely offers RPU customers the option to allow Muni-Fed Partner Energy to manage the procurement and installation of the identified ECMs for the customer.

The Task Order between RPU and Muni-Fed Partner Energy is for FY 2019/20 in the amount of \$200,000. RPU receives 33% discount by procuring services through SCPPA using the economies of scale pricing.

Customer Engagement Program – Oracle/Opower:

The purpose of the Customer Engagement Program is to enhance the interaction between RPU and its customers by providing them with resources that help manage their energy use, ensuring energy savings and increased customer satisfaction. The current program scope of work under the present Task Order provides up to 24,000 RPU residential electric customers the following services:

- *Home Energy Reports:* Reports are mailed four (4) times per year to residential customers to illustrate how their energy usage compares to a grouping of similar homes. Additional energy savings information is provided in the mailing.
- *Online Web Portal:* Access to an online tool to view energy usage, set efficiency goals, track progress and conduct self-evaluations 24 hours a day in English and Spanish.
- *Energy Savings Tips Library:* Access to a selection of tips targeted to household characteristics, including those of low-income customers.

Due to the acquisition of Opower by Oracle and the required new MPSA between Oracle and SCPPA, this program's launch was delayed by several months. Additionally, program start-up and onboarding costs are included in the program expenditures for FY 2017/18. As a result, the reported savings in the table below are low for the cost of the programing. For FY 2018/19 year to date, this program has saved approximately 900,000 kWh, which translates in to an annual resource cost of \$0.30 per kWh saved. The annual and lifetime resource cost of this program are expected to decline further as RPU will not incur any new onboarding costs.

Customer Engagement Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)*
Customer Engagement Program	Oracle/ Opower	Residential Electric Use Comparison Tool	12/6/2016	\$250,000	12,000	207,993	\$222,640	\$1.07	\$1.07

SCPPA executed a MPSA (Resolution No. 2017-059) with Oracle America in 2014 as a result of a request from member agencies. At that time, two (2) member agencies, Glendale Water and Power and Burbank Water and Power, entered into Task Orders with Opower. After acquisition of Opower by Oracle, SCPPA issued a Request for Proposals and Qualifications to Provide Customer Engagement Programs. RPU staff scored the nine (9) respondents to the RFP and identified Oracle America as being the lowest cost responsive and responsible bidder to provide the program for RPU customers.

The Task Order between RPU and Oracle America, Inc. is for FY 2019/20 in the amount of \$235,000. RPU receives a 5% discount by procuring services through SCPPA using the economies of scale pricing.

Business Outdoor Lighting Direct Installation Program – Richard Heath & Associates:

The Business Outdoor Lighting Direct Installation Program provides medium and large businesses with outdoor lighting energy audits and direct installation of energy efficient lighting measures. Richard Heath & Associates (RHA) will offer this program to some Flat and any Demand or TOU customer within the RPU service territory with outdoor lighting.

Business Outdoor Lighting Direct Installation Program through SCPPA				NEW PROGRAM for FY 2018/19 - Figures in this table represent YTD FY18/19					
Program	Vendor	Service	City Council Program Approval Date	FY 2018 - 2019 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Business Outdoor Lighting Direct Installation Program	Richard Heath & Associates	Outdoor lighting improvements for medium to large business customers	6/19/2018	\$965,000	86	967,024	\$487,550	\$0.50	\$0.10

In July 2015, SCPPA released an RFQ for Efficiency-Related Services and Products. The RFQ received eight (8) respondents who were evaluated and scored by the SCPPA Public Benefits Working Group. Of the eight (8) respondents, three (3), including RHA, were awarded SCPPA contracts based on selection criteria, including: Direct Installation of Contractor-identified and/or Member-specified Efficiency Measures, Quality Assurance/Quality Control, Fees and Pricing, Experience and References. SCPPA executed the current MPSA with RHA (Resolution No. 2017-113) in 2018.

The Task Order between RPU and RHA is for FY 2019/20 in the amount of \$965,000. RPU receives a 15% discount by procuring services through SCPPA using the economies of scale pricing.

SCPPA staff worked with RHA to increase the effectiveness of this program by reducing the pricing an average of 20% for the majority of outdoor lighting measures being offered through this program.

Multi-family & Mobile Home Direct Installation Program – Synergy Companies:

This program offers multi-family and mobile home residents the direct installation of a specific list of measures including HVAC tune-ups, lighting efficiency upgrades, weatherization and advanced Tier 2 power strips. The program also addresses energy efficiency in multi-family and mobile home park common areas.

Multifamily & Mobile Home Direct Installation Program through SCPPA					FY 2017 - 2018				
Program	Vendor	Service	City Council Program Approval Date	FY 2017 - 2018 Budget	Participation	Energy Savings (kWh)	\$ Spent	Annual Resource Cost (kWh)	Lifetime Resource Cost (kWh)
Multifamily & Mobile Home Direct Installation Program	Synergy Companies	Direct installation of energy efficiency measures	3/4/2014	\$150,000	1,399	167246	\$56,748	\$0.34	\$0.03

SCPPA executed the current MPSA (Resolution No. 2014-082) with Synergy Companies in 2014 with a three-year extension executed in 2017. The original MPSA executed by SCPPA with Synergy Companies was completed in 2014 as a sole source procurement since Synergy Companies had an existing contract with Southern California Gas Company; therefore, one (1) vendor could complete direct installation services for both electric and gas measures during the same site visit with the customer.

The Task Order between RPU and Synergy Companies is for FY 2019/20 in the amount of \$150,000. RPU receives a 12% discount by procuring services through SCPPA using the economies of scale pricing.

FISCAL IMPACT:

The total fiscal impact of the energy efficiency programs through SCPPA will be \$3,340,000 for FY 2019/20. For programs with insufficient funds, funds will be transferred from Unprogrammed Funds, account number 6020100-453001, to the respective program accounts upon approval by City Council.

Since energy efficiency programs are driven by customer participation and market conditions, it is difficult to predict an exact budget amount to allocate to each program at the time when the biennial budget is prepared. An Unprogrammed Funds account is used to ensure programs are not suspended due to insufficient funds. Unprogrammed Funds are budgeted in the Public Benefit Program budget and remain unallocated until a specific program requires an increase in the previously approved budget amount. Any budget transfers from the Unprogrammed Funds account to a specific program account must meet all City requirements. The Task Orders contained in this report contain a not-to-exceed amount, so there will be no additional allocation to the approved amounts in the fiscal impact notes below.

Program	SCPPA Contractor	SCPPA Resolution Number	Fiscal Year 2019-20 Budget	Account Number	Sufficient Funds Available
Load Profiler Program	Automated Energy	2017-067	\$75,000	6020100-456056	After Budget Transfer of \$45,000
Keep Your Cool Program	Efficiency Services Group	2018-070	\$200,000	6020100-456080	After Budget Transfer of \$100,000
Upstream HVAC Program	Energy Solutions	2019-025	\$250,000	6020100-456091	Yes
LED Buydown Program	GreenLite	2014-119	\$300,000	6020100-456096	Yes
Small Business Direct Installation Program	Lime Energy	2016-008	\$965,000	6020100-456080	Yes
Key Account Energy Efficiency Program	Muni-Fed Partner Energy	2017-070	\$200,000	6020100-456094	After Budget Transfer of \$50,000
Customer Engagement Program	Oracle America Inc.	2017-059	\$235,000	6020100-456097	Yes
Business Outdoor Lighting Direct Installation Program	Richard Heath & Associates	2017-113	\$965,000	6020100-456006	Yes

Multifamily Direct Installation Program	Synergy Companies	2014-082	\$150,000	6020100-456092	Yes
Total			\$3,340,000		

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 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
 of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. Presentation
2. Automated Energy Task Order RPU02 FY 19-20
3. Energy Solutions Task Order RPU05 FY 19-20
4. ESG Task Order RPU04 FY 19-20
5. Greenlite Task Order RPU04 FY 19-20
6. Lime Energy Task Order RPU04 FY 19-20
7. Munifed Partner Energy Task Order RPU05 FY 19-20
8. Oracle Task Order RPU03 FY 19-20
9. RHA Task Order RPU02 FY 19-20
10. Synergy Task Order RPU05 FY 19-20
11. SCPPA Approval Process - Task Orders