



## JOINDER AGREEMENT FOR PARTICIPATION IN AND IMPLEMENTATION OF REQUIRED CLEAN FUEL REWARD PROGRAM WITH REQUIRED INITIAL AND ANNUAL CONTRIBUTIONS

**Riverside Public Utilities  
Resource Operations and Strategic Analytics**

Board of Public Utilities  
March 9, 2020

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## LEGISLATIVE HISTORY

1. Assembly Bill 32 (2006) and Senate Bill 350 (2015) established the Low Carbon Fuel Standard Regulation (LCFS) and Program
2. The goal of the LCFS Program is to reduce the carbon intensity of transportation fuels by 20% by 2030
3. Regulatory amendments in 2018 required California Electric Distribution Utilities (EDUs) to implement a statewide Point-of-Purchase new electric vehicle (EV) rebate program

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## LEGISLATIVE HISTORY

4. RPU must participate in the Point-of-Purchase program in order to continue to receive allocations of LCFS credits for the estimated residential EV charging in Riverside
5. Required to contribute a specified percentage of credits or value from residential charging
  - a. 20% for 2019 through 2022
  - b. 25% for 2023 and future years

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## BACKGROUND

1. RPU was authorized to opt into the LCFS Program by the City Council on March 13, 2018
2. RPU is allocated LCFS Credits for the charging of the approximately 2,500 electric vehicles registered in the City of Riverside
3. Credits will be monetized on Spring 2020
4. Revenue received must be used to benefits current and future EV owners

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## CLEAN FUEL REWARD PROGRAM

1. Program named the Clean Fuel Reward (CFR) Program
2. Provides EDU customers who purchase a new electric vehicle with a rebate at the time the vehicle is purchased
  - a. Customers may purchase an EV at any auto dealer in the State of California who opts to participate in the program
  - b. Rebate amount is currently being determined

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## CLEAN FUEL REWARD PROGRAM AGREEMENT

1. CFR Program Governance Agreement is between the five largest EDUs in California (SCE, PG&E, SDG&E, LADWP, and SMUD)
2. RPU must sign a Joinder Agreement with SCE that incorporates the terms & conditions of the Governance Agreement
3. Funded solely by the revenue generated from the proceeds resulting from the sale of LCFS residential charging credit

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## CFR PROGRAM GOVERNANCE AGREEMENT

### 1. Governance by a Steering Committee

1. 9 members including 7 voting and 2 non-voting members
2. RPU will be represented by a selected representative from Southern California medium and small utilities (IOUs and POUs)

### 2. Program Administration

1. SCE has been authorized to act as the first program administrator
2. They will solicit third-party contractors to perform the various functions

### 3. Deposit Accounts and Liability

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## RECOMENDATIONS

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

1. Approve the Joinder Agreement between Southern California Edison, as the Program Administrator, and the City of Riverside for participation in and implementation of the required Clean Fuel Reward Program, until the program or the Agreement are terminated as set forth in the Agreement, with an initial contribution for Program start-up in an amount not to exceed \$168,485 and a required annual contribution equal to a specified percentage of the value received from the sale of Low Carbon Fuel Standard credits for electric vehicle charging as required by state regulation and estimated in the amount of \$200,000 for Fiscal Year 2019/20;

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## RECOMMENDATIONS

2. Authorize the City Manager, or designee, to execute the Joinder Agreement to the Clean Fuel Reward Program Governance Agreement and take all necessary actions required, or advisable to implement, administer, fund, and carry out the City of Riverside's responsibilities under the Joinder Agreement; including the ability to make non-substantive changes, as well as to execute future amendments to the Joinder Agreement or the Clean Fuel Reward Program Governance Agreement under substantially similar terms and conditions; and
3. Authorize an increase in estimated revenue in the amount of \$1,080,000 for the sale of Low Carbon Fuel Standard credits for Fiscal Year 2019/20 in the Electric Fund Low Carbon Fuel Credits Sales Revenue Account, increasing the total revenue to \$1,200,000, and an increase in appropriate expenditures in the amount of \$370,000 to the Electric Fund Power Resources Clean Fuel Reward Expenditure Account for the transfer of funds required for the Program start-up and annual contribution for Fiscal Year 2019/20.