City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL   DATE: FEBRUARY 9, 2021

FROM: PUBLIC UTILITIES DEPARTMENT   WARDS: ALL

SUBJECT: TREE POWER PROGRAM FISCAL YEAR 2020-21 PURCHASE ORDERS WITH PARKVIEW NURSERY, 4377 CHICAGO AVENUE; PARKVIEW NURSERY, 3841 JACKSON STREET; AND LOUIE'S NURSERY, 18550 VAN BUREN BOULEVARD IN A COLLECTIVE AMOUNT OF $495,250.

ISSUE:

Authorize the issuance of purchase orders with qualified vendors to implement the Fiscal Year 2020-21 Tree Power Program Free Shade Tree Coupon Campaign in the collective amount of $495,250.

RECOMMENDATIONS:

That the City Council authorize the City Manager, or his designee, to issue purchase orders with Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard and make changes to the purchase order amounts based on the variable product demand of each nursery for the Tree Power Program's Free Shade Tree Coupon Campaign in a collective amount of $495,250.

BOARD RECOMMENDATION:

On January 25, 2021, the Board of Public Utilities voted unanimously to recommend the City Council authorize the City Manager, or his designee, to issue purchase orders for the Fiscal Year 2019-20 Tree Power Program Free Shade Tree Coupon Campaign with Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard and make changes to the purchase order amounts based on the variable product demand of each nursery in a collective amount of $495,250.

BACKGROUND:

The Riverside Public Utilities (RPU) Department 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 been a successful energy efficiency program for nearly 20 years and is responsible for over 230,000 trees being planted in the City of Riverside. Each tree conservatively provides energy savings of 164 kilowatt hours (kWh) over the life of the tree and consistently helps RPU achieve its energy savings goals at minimal cost.
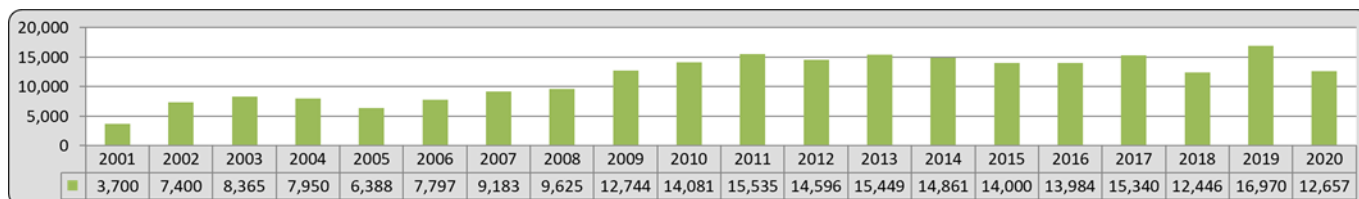
The Tree Power Program provides rebate incentives to RPU's electric customers who plant shade trees in locations adjacent to their homes or businesses to help conserve energy and save on summer cooling costs. While most trees are eligible for the program, due to the vulnerability of the City's citrus stock to Asian Citrus Psyllid and Huanglongbing (HLB), an agreement was made by RPU and the participating nurseries to remove any citrus trees from program participation. RPU customers can receive a maximum of six free or rebated trees annually. A dual marketing approach is used for the Program – the Tree Power Rebate Program and the Tree Power Free Shade Tree Coupon Campaign.

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 up to a $35 rebate, which is credited to the customer's RPU electric account. Customers must apply for the rebate after they have purchased the trees. Trees must be planted within 10-35 feet of the foundation on the customer's own property to achieve maximum energy efficiency without negatively impacting any dwelling, business, underground pipes, utility lines or solar power access.

The Tree Power 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 at up to $35, or an instant rebate of $35 off a single higher cost tree. 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 in 2001 resulted in 3,700 planted trees; last year's coupon yielded 11,607 trees. To date, 198,403 have been planted by RPU customers as a result of the Free Shade Tree Coupon Campaign. Additionally, 34,668 trees have been planted by customers who elected to participate in the Rebate Program. In total, the Tree Power Program is responsible for 233,071 planted trees in the City of Riverside. The energy saved from the planted trees is enough to power over 4,750 average single-family homes for a year.

Tree Power Rebate and Free Shade Tree Coupon and Redemption Statistics

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
3,700	7,400	8,365	7,950	6,388	7,797	9,183	9,625	12,744	14,081	15,535	14,596	15,449	14,861	14,000	13,984	15,340	12,446	16,970	12,657

DISCUSSION:

RPU works with all 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 that have agreed to work with RPU on the Program includes: Parkview Nursery, 4377 Chicago Avenue; Parkview Nursery, 3841 Jackson Street; and Louie's Nursery, 18550 Van Buren Boulevard.

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

average number of coupons redeemed at each location over the last three years of the Tree Coupon Program.

Nursery	2 Year Average Coupons	Estimated Program Year 2020/21		
		Coupons	Funding	Purchase Order
Louie's	2,223	2,650	$ 92,750	$ 92,750
Parkview Chicago	3,192	4,000	$ 140,000	$ 140,000
Parkview Jackson	6,762	7,500	$ 262,500	$ 262,500
Total	12,177	14,150	$ 495,250	$ 495,250

Participating nurseries will be paid on the basis of actual coupons redeemed at a rate of $35 per tree. The nurseries are responsible for any other costs associated with coupon redemption and program administration.

Purchasing Resolution No. 23256, Section 602(m) states that when approved by the Purchasing Manager, competitive procurements shall not be required when the City requires goods not subject to the bidding requirements of Section 1109 of the City Charter, which are of such a nature that suitable technical or performance specifications describing them are not readily available and cannot be developed in a timely manner to meet the needs of the City, in which case the Purchasing Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions deemed by the Purchasing Manager to be in the best interest of the City, and in doing so may utilize the informal procurement or negotiated procurement process.

The Purchasing Manager concurs that the recommended action is in compliance with Purchasing Resolution No. 23256, Section 602(m).

Fiscal Year 2021/22 Tree Power Program Enhancements

As part of RPU's overall program portfolio review, staff will continue to research industry best practices to increase Tree Power Program participation by creating a new commercial/industrial/institutional customer focused program that will maximize energy savings and improve program reporting. Other goals of the Tree Power Program review include supporting City initiatives such as strengthening partnerships that facilitate opportunities for improved quality of life for all Riverside residents.

Due to the current Covid-19 impacts on operations, RPU will utilize this time to gather information on program best practices and create a recommended course of action for the development of the new commercial tree program. Once able, staff will communicate and engage with Riverside residents, businesses and other stakeholders to achieve program improvement by doing the following:

1. **Procure a web-based tool**, such as the Energy-Saving Trees Program developed by the Arbor Day Foundation. The Energy-Saving Trees Program platform allows customers to select a tree location on their property using an RPU branded web platform. Customers will have the ability to adjust the location of their tree within the web tool in order to maximize their energy savings. There are nearly 70 cities and utilities throughout the country using this tool, including SMUD, San Diego Gas & Electric and the City of Redding.

The web tool has in-depth reporting functionality that was built in partnership with and validated by the U.S. Forest Service.

2. **Engage community groups and individuals** to gain insights into ways that will allow the Tree Power Program to meet the goals of the greater Riverside community. Groups that will be approached include RPU customers, Riverside Corona Resources Conservation District, Inland Urban Forest Council, Victoria Avenue Forever, Grow Riverside, Riverside Food Systems Alliance and local nurseries. RPU will form a working group to leverage the knowledgebase and experience of these community members in an effort to enhance and maximize the benefits of the program.

3. **Review peer utilities** to determine how they implement their tree programs and their methodology for claiming energy savings as well as evaluation of industry best practices. Staff has already begun this process but will conduct a more detailed survey prior to recommending changes to the existing program.

4. **Consult other City departments** to better align the Tree Power Program with existing City sustainability goals and to help meet other legislatively mandated utility objectives, including carbon sequestration, greenhouse gas reduction, and the tree planting goals contained in the Green Action Plan and the Climate Action Plan.

5. **Propose program changes** to the RPU Tree Power Program that include the inputs from the stakeholder groups and other City departments for the Fiscal Year 2021/22 program. Staff will present a follow up report to the Board of Public Utilities with its findings and suggested course of action during a subsequent meeting.

FISCAL IMPACT:

The total fiscal impact is $495,250. Sufficient funds are available in the Public Benefits Residential Tree Power Program Account No. 6020100-456038.

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachment: Presentation