



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: MAY 20, 2025**

**FROM: PUBLIC UTILITIES DEPARTMENT** **WARDS: ALL**

**SUBJECT: FIRST AMENDMENT TO THE INTER-UTILITY SERVICE AGREEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY FOR THE MOBILE-HOME AND MULTI-FAMILY ENERGY EFFICIENCY PROGRAM TO ADD \$500,000 FOR ADDITIONAL FUNDING PER YEAR FOR FISCAL YEARS 2024/25 AND 2025/26 FOR A TOTAL ANNUAL AMOUNT OF \$1,000,000 PER YEAR FOR A TOTAL CONTRACT AMOUNT OF \$2,000,000**

## **ISSUE:**

Approve the first amendment to the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program and increase program funding for Fiscal Years 2024/25 and 2025/26 by \$500,000 per year to a total annual amount of \$1,000,000 per year for a total contract amount of \$2,000,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the First Amendment to the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program to add \$500,000 per year for Fiscal Years 2024/25 and 2025/26 for a total annual amount of \$1,000,000 per year and for a total contract amount of \$2,000,000; and
2. Authorize the City Manager, or their designee, to execute the First Amendment to the Master Inter-Utility Agreement with Southern California Gas for Energy Efficiency, Resource Savings, and Related Activities, including making non-substantive changes.

## **BOARD RECOMMENDATION:**

On April 28, 2025, the Board of Public Utilities voted unanimously to approve the First Amendment to the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program to add \$500,000 per year for Fiscal Years 2024/25 and 2025/26 for a total annual amount of \$1,000,000 per year and for a total contract amount of \$2,000,000

## **LEGISLATIVE HISTORY:**

Assembly Bill (AB) 1890, adopted in 1996, requires publicly owned utilities to collect and spend Public Benefits Charge funds for low-income assistance, energy efficiency and conservation programs, renewable energy, as well as research, development, and demonstration projects.

Senate Bill X 2-2 was adopted in 2001, which requires POU's to streamline their enrollment for low-income programs by collaborating with existing providers for the Low-Income Home Energy Assistance Program (LIHEAP) and other electric or gas providers within the same service territory.

## **BACKGROUND:**

Riverside Public Utilities (RPU) and SoCal Gas have worked collaboratively for over a decade on offering the Energy Savings Assistance Program (ESAP) to assist RPU's income-qualified customers by providing energy efficiency measures from both utility providers. While the ESAP program provides low-income customers with access to energy efficiency savings measures, the mobile-home and multi-family communities were not able to access the full range of measures specific to their housing type and needs.

On August 6, 2024, City Council approved the new Mobile-Home and Multi-Family Energy Efficiency Program Master Inter-Utility Agreement between Southern California Gas company and RPU to address the energy efficiency measure program gap evident in mobile-home and multi-family residences.

The Mobile-Home and Multi-Family Energy Efficiency Program retains the same co-branded approach with SoCal Gas and continues to offer a range of direct install measures including weatherization, LED lighting, lifecycle refrigerant management, installation of new Energy Star-rated refrigerators and the recycling of old refrigerators. RPU can utilize SoCal Gas energy savings data collection methods and reporting tools to account for energy savings associated with the Mobile-Home and Multi-Family Energy Efficiency Program.

## **DISCUSSION:**

Since it was introduced in 2024, the program has been well received by RPU customers, and the popularity of the program has meant that the initial program budget of \$500,000 for the current fiscal year has been reached and the program is presently paused pending contract amendment to increase the budget availability.

There is a demonstrable need for this program among RPU's mobile-home and multi-family communities. To date, the program has served 107 mobile-homes (out of approximately 2,040 mobile-homes) and 303 multi-family homes across the RPU service territory, providing 558,818 kWh in reportable energy savings, enough to power approximately 78 single family homes for a year. The below figures highlight that most of the mobile-home and multi-family housing occupants that are RPU customers have not yet accessed the program.

FY 24/25 YTD MHMF Participation	
Mobile-Homes Served	107
Multi-Family Homes Served	303
Expenditures	\$494,859.06
kWh Savings	558,818

The Mobile-Home and Multi-Family Energy Efficiency Program closes the energy equity gap by providing energy efficiency measures to more RPU customers across a wider range of housing types, without the need for income qualification.

As the program has only assisted a fraction of the mobile-home and multi-family communities RPU serves, staff project that participation rates will grow exponentially as outreach within these communities increases, and customers are aware of the program benefits. The proposed increase to program funds will secure the program availability through the rest of this fiscal year and into the next fiscal year. Staff will continue to include Mobile-Home and Multi-Family Energy Efficiency Program updates as part of the monthly General Manager's report provided to RPU Board.

Purchasing Resolution 24101, Section 702 (w) states that, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances.... (w) When approved by the Manager, Services 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 Manager shall be authorized to negotiate with any Person or Persons for the Procurement thereof upon the price, terms and conditions need by the Manager to be in the best interest of the City and in doing so may utilize Informal Procurement or Negotiated Procurement process."

The Purchasing Manager concurs that this recommendation is in compliance with Purchasing Resolution 24101.

### **STRATEGIC PLAN ALIGNMENT:**

The Mobile-Home and Multi-Family Energy Efficiency Program contributes to **Strategic Priority 4 - Environmental Stewardship-** and **Goal 4.4** – to implement measures and educate the community to responsibly manage goods, products and services throughout their life to achieve waste reduction. The Mobile-Home and Multi-Family Energy Efficiency Program promotes energy efficiency by offering a range of tools and devices that can be installed at no cost to mobile-home and multi-family customers. This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The program will serve Mobile-Home and Multi-Family Energy Efficiency Program customers by providing a program, focused on energy efficiency available to a broader segment of the community.
2. **Equity** – The program provides a greater number of residents with access to benefits of energy efficiency conservation measures.
3. **Fiscal Responsibility** – The program is a cost-effective program provided in collaboration with SoCal Gas and requires collective and transparent public fund management.

4. **Innovation** – The program aligns with the community’s changing needs and will ensure that RPU is helping Mobile-Home and Multi-Family Energy Efficiency Program customers access modern energy efficiency devices and technologies.
5. **Sustainability & Resiliency** – The program is centered on energy efficiency by providing direct installation of measures that provide the full potential of energy savings and support sustainability goals.

**FISCAL IMPACT:**

The total fiscal impact is \$1,000,000 per fiscal year for 2024/25 and 2025/26, with a total contract amount of \$2,000,000. Funding for fiscal year 2024/25 is available in the Electric Public Utilities Fund, Multi-Family Direct Install Program Account No. 6020100-456092 with a budget transfer from Unprogrammed Funds Account No. 6020100-453001. Funding for fiscal year 2025/26 will be available in the Electric Public Utilities Fund, Multi-Family Direct Install Program Account No. 6020100-456092 with a budget transfer from Electric Public Utilities Fund, Unprogrammed Funds Account No. 6020100-453001.

Prepared by:	Tracy Sato, Utilities Assistant General Manager/Strategic Initiatives
Approved by:	David A. Garcia, Utilities General Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney

**Attachments:**

1. Agreement
2. Presentation