

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 12, 2023

SUBJECT: RECOMMEND APPROVAL OF AN EXPENDITURE AMOUNT NOT TO EXCEED \$250,000 FOR THE PROGRAM ORDER OF THE MASTER INTER-UTILITY AGREEMENT BETWEEN SOUTHERN CALIFORNIA GAS COMPANY AND RIVERSIDE PUBLIC UTILITIES FOR ENERGY EFFICIENCY, RESOURCE SAVINGS, AND RELATED ACTIVITIES WITH SOUTHERN CALIFORNIA GAS COMPANY, FROM JULY 1, 2023 UNTIL DECEMBER 31, 2023

ISSUE:

Consider approving an expenditure amount not to exceed \$250,000 for the Program Order of the Master Inter-Utility Agreement between Southern California Gas company and Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities for July 1, 2023 until December 31, 2023.

RECOMMENDATION:

That the Board of Public Utilities recommend that the City Council approve an expenditure amount not to exceed \$250,000 for the Program Order of the Master Inter-Utility Agreement between Southern California Gas company and Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities for July 1, 2023 until December 31, 2023.

BACKGROUND:

Riverside Public Utilities (RPU) is the primary energy and water service provider in the City of Riverside, while Southern California Gas Company (SoCal Gas) provides natural gas throughout the City. In January 2012, RPU and SoCal Gas entered into an Inter-Utility Agreement to create the Energy Savings Assistance Program (ESAP), an energy and gas efficiency program for qualifying low-income customers. ESAP provides both electric and gas efficiency measures at no-cost to the customers to assist in lowering their monthly utility bills, while making their home more energy efficient. This provision meets the requirements as set out in Public Utilities Code - PUC § 385 (a) (4) which stipulates publicly owned utilities shall fund "Services provided for low-income electricity customers, including, but not limited to, energy efficiency services, education, weatherization, and rate discounts."

The Agreement with SoCal Gas allowed RPU to develop a cost-effective program to weatherize low-income homes at a significantly lower cost to the utility, by utilizing economies of scale and combining interests with another utility service provider that is also bound to provide energy efficiencies to customers. As part of SoCal Gas, ESAP local contractors provide the direct installation of both attic and wall insulation, weather-stripping and caulking to lower heating and

cooling costs, as well as interior water saving fixtures such as faucet aerators and showerheads. RPU supplements SoCal Gas measures in a co-branded partnership to provide electric efficiency measures such as new energy-efficient LED lighting and air-conditioning tune-ups. Through this partnership, RPU can utilize SoCal Gas energy savings data collection methods and reporting tools to account for energy savings associated with the program. These savings are included as part of RPU's annual energy savings report to the California Energy Commission.

Eligibility for the ESAP no-cost energy efficient home improvement program is based on income and household size. Households may be eligible for the program, based on participation in certain public assistance programs such as RPU's Sharing Households Assist Riverside's Energy (SHARE) Program, which assists income-qualified, residential customers with their electric utility bills, deposits, and urgent notices.

DISCUSSION:

On January 24, 2022, the Board of Public Utilities approved to recommend that the City Council approve the Amended and Restated Program Order of the Master Inter-Utility Agreement with Southern California Gas Company for \$500,000 through fiscal year 2022/23. On February 8, 2022, the City Council approved the Program Order of the Master Inter-Utility Agreement with SoCal Gas for \$500,000 for fiscal years 2021/22 and 2022/23.

The terms of the approved Master Inter-Utility Agreement are through December 31, 2023. Additional approvals are required for program expenditures from July 1, 2023 through December 31, 2023.

The Amended and Restated Program Order of the Master Inter-Utility Agreement between SoCal Gas and RPU includes enhanced energy efficiency measures to provide improved direct energy savings to program participants. During fiscal year 2019/20, the enhanced ESAP program saw increased participation and served 1,286 homes, saving 2,120,768 kWh, with a total program expenditure of \$591,164 or \$0.28 per kWh saved.

The program was suspended during the COVID-19 pandemic until the Program Order was approved by City Council in February 2022. Since the program has resumed, uptake has been gradual and as RPU's outreach and marketing campaigns have gained momentum, so has participation in the program. The table below outlines uptake pre-COVID (FY 19-20) and more recent participation since the program was reestablished in 2021/22.

Fiscal Year	FY 19-20	FY 21-22	FY 22-23
Homes Served	1,286	456	613
KWH Saved	2,120,768	642,570	760,605
Program Expenditures	\$ 591,162	\$ 313,942	\$ 385,040
Cost per kWh Saved	0.28	0.44	0.46
	*12 months	*4 months only	*9 months only

Participation is projected to remain consistent, and as the current Agreement will end in December 2023, the request for funding only reflects a six-month period at \$250,000. Staff will review the program as the current Agreement reaches expiration and will present any future proposals for a new Agreement with SoCal Gas to Board and Council at the appropriate time.

STRATEGIC PLAN ALIGNMENT:

The ESAP program contributes to **Strategic Priority 4 - Environmental Stewardship**. Program deliverables will focus on helping customers maximize energy efficiency practices and support the Priority goals of championing proactive and equitable climate solutions based in science to ensure clean air, safe water, a vibrant natural world and a resilient green new economy for current and future generations.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The ESAP program will serve all our qualifying customers, providing high quality programs, where the key focus is on energy efficiency and water conservation, which in turn will benefit the wider community.
2. **Equity** – ESAP ensures every member of the community has equal access to share the benefits of the energy efficiency and water conservation measures the program offers. This program further extends into the ethos of ensuring that every member of the community can participate in holistic community progress.
3. **Fiscal Responsibility** – ESAP is a cost-effective program for low-income customers. The program parameters ensure that quality public services are accessible across the community. This program is also provided in collaboration with SoCal Gas and requires that there is collective and robust scrutiny over public fund management
4. **Innovation** – The enhanced measures of the ESAP program aligns with the community's changing needs and will ensure that the City is helping to provide sector-leading technologies to our customers in response to energy efficiency and water conservation requirements.
5. **Sustainability & Resiliency** – ESAP is committed to meeting the energy efficiency needs of our low-income customers and those of the City, by providing direct install of measures that will provide future savings and realize the full potential of energy savings and sustainability measures.

FISCAL IMPACT:

The total fiscal impact is \$250,000. Sufficient funds are available in Public Benefits Programs Energy Savings Assistance Program Account No. 6020100-456083.

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Approved by:	Todd M. Corbin, Utilities General Manager
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney
Certifies availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer

Attachments:

1. Program Order of the Master Inter-Utility Agreement
2. Presentation