City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** JUNE 9, 2026

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

SUBJECT: INTER-UTILITY SERVICE AGREEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY FOR THE MOBILE-HOME AND MULTI-FAMILY ENERGY EFFICIENCY PROGRAM, FOR A TERM THROUGH JUNE 30, 2028, IN THE ANNUAL AMOUNT OF $800,000 FOR A TOTAL CONTRACT AMOUNT OF $1,600,000

ISSUE:

Consider approving the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program, for a term through June 30, 2028, in the annual amount of $800,000 for a total contract amount of $1,600,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program, for a term through June 30, 2028, in the annual amount of $800,000 for a total contract amount of $1,600,000; and

2. Authorize the City Manager, or their designee, to execute 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 May 11, 2026, the Board of Public Utilities voted unanimously to approve recommending that City Council approve the Inter-Utility Service Agreement with Southern California Gas Company for the Mobile-Home and Multi-Family Energy Efficiency Program, for a term through June 30, 2028, in the annual amount of $800,000 for a total contract amount of $1,600,000.

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 POUs 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 withing the same service territory.

BACKGROUND:

On August 6, 2024, City Council approved a new Mobile-Home and Multi-Family (MHMF) Energy Efficiency Program Master Inter-Utility Agreement between Southern California Gas Company (SoCal Gas) and Riverside Public Utilities (RPU) to expand the availability of energy efficiency measure programming for mobile-home and multi-family communities. The program supports customers to make energy efficiency savings with no-cost direct installation measures tailored specifically to their homes. Program qualification is based on housing type, which serves to streamline the administrative process and ensure optimal participation amongst the residents in qualified homes. This program mirrors the income-qualified Energy Savings Assistance Program (ESAP), which assists low-income RPU and SoCal Gas customers by providing energy efficiency measures from both utility providers.

On May 20, 2025, City Council approved the First Amendment to the MHMF Program increasing the agreement by $500,000 per year for fiscal years 2024/25 and 2025/26. This was in response to the program participation rates, which were higher than had been anticipated when it was initially launched. Demand for the program has remained constant since its launch.

DISCUSSION:

While it has been successful in becoming more fully established, there is a demonstrable need to retain momentum; there are still many mobile-home and multi-family communities in Riverside yet to benefit from the program. To date, the program has served a total of 1,421 homes, this includes 272 mobile-homes and 1,149 multi-family homes across the RPU service territory, providing 1,492,824 kWh in reportable energy savings, enough to power approximately 207 single family homes for a year.

The table below highlights YTD program participation breakdown.

YTD MHMF Participation		
FY 24/25	Mobile-Homes Served	200
	Multi-Family Homes Served	577
	Expenditures	$761,371.00
	kWh Savings	835,737
FY 25/26*	Mobile-Homes Served	72
	Multi-Family Homes Served	572
	Expenditures	$737,695.93
	kWh Savings	657,087
YTD Totals	Homes Served	1,421
	Expenditures	$1,499,066.93
	kWh Savings	1,492,824

Affordable Rentals for Multi-Family

There is a total of 33 affordable rental complexes for seniors and families throughout the City of Riverside. The MHMF program has completed work at 5 affordable rental communities, servicing over 90% of all units in these communities. Most eligible homes have not been served through the program, and the proposed new agreement will secure additional funding to allow more of RPU's affordable housing residents to continue to access the program.

The table below shows the program participation of affordable multi-family homes by Wards and highlights the percentage that have participated.

Wards	Affordable Senior Rental Communities	Affordable Family Rental Communities	Total	Multi-Family Communities Served	Percentage of total served
Ward 1	5	7	12	-	0
Ward 2	-	2	2	2	100%
Ward 3	2	-	2	-	0
Ward 4	1	-	1	1	100%
Ward 5	4	2	6	1	17%
Ward 6	2	7	9	1	11%
Ward 7	-	1	1	-	0

Mobile Home Parks

There are 15 mobile home parks located in the City of Riverside. The MHMF program has served 272 of the approximately 2,040 mobile home spaces in the RPU service territory, which means about 87% have not participated in the program.

The table below shows program participation of mobile home parks by Wards and the percentage that have participated. Note: Wards 3 and 4 do not have mobile home communities.

Wards	Mobile Home Parks	Total Spaces	Mobile Home Participants	Percentage of total served
Ward 1	3	75	0	0%
Ward 2	2	289	10	3%
Ward 3	-	-	-	n/a
Ward 4	-	-	-	n/a
Ward 5	1	137	50	36%
Ward 6	8	1,185	71	6%
Ward 7	1	354	141	40%

Energy Efficiency Measures

The MHMF 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 well as a range of standardized measures such as lighting and sensors, the program also provides measures that are specific to the housing type. This means that participants can benefit from energy efficient devices designed to work effectively in their home.

The following table outlines the measures covered in the program and includes a new HVAC control measure for common areas. Common area measures are located in places that can be accessed by multiple residents and are beneficial to the wider housing community.

MHMF Program Measures	
Mobile Homes & Multi-Family	Duct seal and test
	LED lighting
	LED night lights
	Occupancy sensors
	Energy Star refrigerator recycling old unit
	ECM HVAC motor
	Smart programmable thermostat
	HVAC tune-ups
Mobile-Homes Only	Mobile Home smart fan controller
	Mobile Home return duct retrofit
	Mobile Home crossover duct replacement
New Measure	HVAC occupancy fan controller Multifamily common area

Cost-effective Program

RPU's direct installation energy efficiency programs are aimed at maximizing energy savings. Customers participating in the MHMF program can benefit from energy efficiency upgrades provided by RPU and gas efficiency upgrades from SoCal Gas, the programs also support customers by helping to lower their bills. On average, MHMF participants are expected to save approximately 1,076 kWh annually or about $147 per year. The program is cost effective for RPU costing five cents per kWh for lifetime energy savings.

The table below highlights the average savings for MHMF program customers.

Average Customer Savings FY 24/25	
$/kWh Lifetime Savings for Total Program	$0.05
Average spend per home	$980.00
Average kWh annual savings per home	1,076
Average annual bill savings*	$147.00

**Formula used is based on RPU's approved rate structure for domestic service Tier 1 energy charge*

Program Marketing

As the program has only assisted a minority of the mobile home and multi-family communities RPU serves, staff projects that participation rates will continue to grow as outreach within these communities increases. Staff plans to coordinate meetings and presentations with mobile home parks and multi-family communities to educate the public about the range of programs available to them. RPU staff will also coordinate with other City departments such as the Department of Housing and Homeless Services and the Office of Sustainability and provide program information and marketing materials to maximize outreach potential.

Staff projects that program funds will adequately secure program availability through the term of the agreement. Program updates will continue to be included in the General Manager's monthly Customer Engagement report provided to the RPU Board.

Purchasing Resolution 24101, Section 702 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 maimer 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 complies with Purchasing Resolution 24101.

FISCAL IMPACT:

The total fiscal impact is $800,000 per fiscal year for 2026/27 and 2027/28, with a total contract amount of $1,600,000. Sufficient funds are budgeted in the FY 2026-2028 Electric Public Benefits Fund, Public Utilities Multi-Family Direct Install Program Account No. 6020100-456092.

Prepared by: Tracy Sato, Utilities Assistant General Manager- Strategic Initiatives
Approved by: David A. Garcia, Utilities General Manager

Certified as to
availability of funds: Julie Nemes, Interim Finance Director
Approved by: Gilbert Hernandez, Interim Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:
1. Agreement
2. Presentation