



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: NOVEMBER 27, 2023**

**SUBJECT: ENERGY SAVINGS ASSISTANCE PROGRAM MASTER INTER-UTILITY AGREEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY FOR ENERGY EFFICIENCY, RESOURCE SAVINGS, AND RELATED ACTIVITIES IN THE AMOUNT OF \$375,000 FOR JANUARY 1, 2024, THROUGH JUNE 30, 2024, AND \$750,000 FOR FISCAL YEAR 2024/25, FOR A TOTAL CONTRACT OF \$1,125,000**

**ISSUE:**

Consider approving the Energy Savings Assistance Program Master Inter-Utility Agreement between Southern California Gas Company and City of Riverside Public Utilities for Energy Efficiency, Resource Savings, and Related Activities in the amount of \$375,000 for January 1, 2024, through June 30, 2024 and \$750,000 for fiscal year 2024/25.

**RECOMMENDATIONS:**

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

1. Approve the Energy Savings Assistance Program (ESAP) Master Inter-Utility Agreement with Southern California Gas Company in the amount of \$375,000 for January 1, 2024, through June 30, 2024, and \$750,000 for fiscal year 2024/25; and
2. Authorize the City Manager, or designee, to execute the Master Inter-Utility Agreement with Southern California Gas Company including the ability to make any minor, non-substantive changes.

**LEGISLATIVE HISTORY:**

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

**BACKGROUND:**

In January 2012, Riverside Public Utilities (RPU) and Southern California Gas Company (SoCal Gas) entered into an Inter-Utility Agreement to create the Energy Savings Assistance Program

(ESAP), an energy efficiency program for qualifying low-income homeowners and renters. SoCal Gas offers ESAP as part of a broad program that provides energy efficiency measures at no cost to qualified, low-income customers, to assist in lowering utility bills and improving home energy efficiency.

Eligibility for the ESAP no-cost energy efficiency home improvement program is based on income and household size. Households may be eligible 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 and deposits. RPU prioritizes SHARE participants to receive ESAP program benefits to provide the additional support for lower utility charges through direct energy savings and education.

On May 5, 2020, in response to the pandemic, the City Council approved to authorize the City Manager, or designee, to adjust or temporarily suspend any or all programs funded with Public Benefit Funds, except for the Emergency Response Assistance Program and SHARE programs to assist low-income residential electric customers that were adversely financially impacted by COVID-19. The ESAP program was suspended during COVID-19 until the amended and restated Agreement was approved by the City Council on February 8, 2022

On May 17, 2022, the City Council expanded access to ESAP and other low-income assistance programs by increasing the income eligibility requirement, raising it from 200% to 250% of the Federal Poverty Level Guidelines. This action aligned RPU’s income qualification to that of SoCal Gas which has resulted in increased participation and improvements to the program’s administration.

**DISCUSSION:**

RPU and SoCal Gas have worked collaboratively for over a decade to assist RPU’s income qualified customers by providing energy efficiency measures. The Agreement maintains the co-branded program inclusive of a range of direct install measures including weatherization, LED lighting, air-conditioning tune-ups, installation of new Energy Star-rated refrigerators and the recycling of old refrigerators. Through this partnership, RPU is able to continue to utilize SoCal Gas energy savings data collection methods and reporting tools to account for energy savings associated with the program.

The current ESAP contract expires on December 31, 2023. The ESAP contract amount for July 1, 2023, through December 31, 2023, is \$250,000. Since the program was reinstated in 2022, there has been steady customer participation, which has seen a demand increase as the program has regained momentum.

<b>Program Details</b>	<b>FY 19/20</b>	<b>FY 21/22*</b>	<b>FY 22/23</b>
Homes Served	1,286	470	709
kWh Saved	2,120,768	642,570	884,862
Program Cost (RPU)	\$591,162	\$313,942	\$443,591

\*FY 21/22 program was only available for 4 months due to Covid restrictions and contract expiration.

The current program offers a wide range of measures including:

- LED lighting (including floodlamps, porch lights, etc.)
- Nightlights
- Refrigerators
- A/C tune-ups
- Duct sealing and testing
- HVAC efficient fan control switches and HVAC motors
- Ceiling insulation
- Occupancy sensors
- Smart thermostats
- Computer smart power strips

Program expansion for the new agreement includes all current programs plus the following measures:

- Whole house fan 2500 CFM (cubic feet)
- Whole house fan 3300 CFM

These additional measures have been included to provide additional energy efficiency solutions for customers and will contribute significant kWh savings, which can be applied to RPU's annual efficiency targets.

Per Purchasing Resolution 23914, 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 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 23914.

### **STRATEGIC PLAN ALIGNMENT:**

The ESAP program contributes to the Environmental Stewardship Strategic Plan priority, specifically, 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 ESAP program promotes electric efficiency and water conservation by offering a range of diverse efficiency and conservation tools and devices that can be installed at no-cost to qualified, low-income customers and aligns with the Cross-Cutting Threads.

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 our customers can contribute to.

**FISCAL IMPACT:**

The fiscal impact for January 1, 2024, through June 30, 2024, is \$375,000. Sufficient funds are available in Public Benefits Programs Energy Savings Assistance Program Account No. 6020100-456083.

Funding for Fiscal Year 2024/25 in the amount of \$750,000 will be included as a part of the biennial budget process.

Prepared by:	Carlie Myers, Utilities Assistant General Manager/Business and Customer Services
Approved by:	Todd M. Corbin, 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:	Phaedra A. Norton, City Attorney

**Attachments:**

1. Master Inter-Utility Agreement between Southern California Gas Company and City of Riverside Public Utilities
2. Presentation