



Report to City Council

TO: Mayor and City Council

FROM: Melissa Walker, Public Works Director/City Engineer

AGENDA DATE: April 1, 2025

TITLE: **ADOPTION OF A RESOLUTION FOR THE ENERGY EFFICIENCY PROGRAMS BOOK (REPORT OF: PUBLIC WORKS)**

TITLE SUMMARY: Approve and Adopt Resolution 2025-XX for the Public Purpose Programs Book and Approve Additional Funding for Fiscal Years 2025/2026 and 2026/2027 for the City of Moreno Valley Electric Utility

Recommendation(s)

That the City Council:

1. Approve Resolution 2025-XX, a Resolution of the City Council of the City of Moreno Valley, California, to adopt the Electric Utility Public Purpose Programs Book for the Moreno Valley Electric Utility; and
2. Approve budget allocations totaling \$630,000 for Public Purpose Programs as identified in the Fiscal Impact section of this report; and
3. Authorize the Public Works Director/City Engineer to make any minor amendments as is necessary for the finalization of the Public Purpose Programs Book and subject to the City Attorney.

SUMMARY

This report recommends approval of Resolution 2025-XX to adopt the Moreno Valley Public Purpose Programs Book to outline key policies governing Moreno Valley Electric Utility's (MVU's) initiatives for residential and commercial customers and to outline the various programs that aim to offer financial incentives, reduce energy costs, and support for disadvantaged communities. Staff further recommends approval of the proposed

budget allocations to assist with supporting the Public Purpose Programs identified in the Fiscal Impact Section of this report.

DISCUSSION

In 1996, the California Public Utilities Code (PUC) 385 mandated publicly owned electric utilities to implement charges for public benefit programs. This required that publicly owned electric utilities identify and implement programs for low-income electricity customers to include, but not limited to, targeted energy efficiency services, rate discounts, education, and weatherization. Moreno Valley Utility has established and maintained Energy Efficiency Programs through its Public Purpose Programs fund. These programs have benefited both residential and commercial customers.

Staff proposes the adoption of a comprehensive Public Purpose Programs Book to effectively showcase all the programs and incentives offered by the Moreno Valley Utility (MVU). This important resource will conveniently consolidate the available programs and budgetary needs for the Public Utility that require City Council approval and adoption annually. Additionally, the Public Purpose Programs Book will serve as a valuable communication tool, outlining the various programs and resources available to our MVU customers.

Public Purpose Programs cover both residential and commercial customers and offer a variety of program options to serve the needs of the MVU customer base. Programs fall under the following mandated categories: Low-Income Assistance, Energy Efficiency, Renewable Resources, and Research & Development. These programs provide financial incentives, reduce energy costs for customers through the use of energy-conserving products, and provide support for low-income and disadvantaged families.

The state-mandated public purpose charge is assessed on each customer's electric bill based on power consumption. This charge funds financial assistance to help low-income customers pay their bills and encourages all customers to implement energy efficiency measures in their homes and businesses.

Customers must meet eligibility requirements and program rules. They must be the account holder of record, submit an application, and provide all required documentation. All applications are subject to inspection and verification. Credits and rebates will be issued to the account holder or property owner.

Residential Programs

Emergency Bill Assistance

The Emergency Bill Assistance program currently offers a one-time credit of up to \$1,200 to help customers experiencing financial hardship.

Energy Bill Assistance (Low Income)

The Energy Bill Assistance program provides a 23% or 35% discount to customers who qualify based on income and household size.

Level Pay Plan

The Level Pay Plan allows customers to make equal monthly payments throughout the year based on their billing history.

Energy Audit and Direct Install Program

The Energy Audit and Direct Install Program provides customers with energy-saving upgrades, including weatherization, programmable thermostats, and whole-house fans. Customers choose the upgrades they want from MVU's contractor up to \$4,000 in energy efficiency improvements per residential account.

Commercial Programs

Lighting Retrofit Rebate

MVU commercial customers can replace higher-energy-use light fixtures with energy-efficient LED fixtures to improve energy savings. A pre- and post-inspection is required, and customers receive a rebate of \$0.07 per kilowatt-hour of annual savings.

AC or HP Tune-Up Rebate

Although originally drafted for residential customers, the AC or HP Tune-Up Rebate (Air Conditioner or Heat Pump Rebate) program has been widely utilized by small to medium-sized commercial customers. This program provides a \$75 rebate per AC or HP unit for system tune-ups.

ALTERNATIVES

1. Approve and adopt the proposed Public Purpose Program Book detailing programs funded by the public purpose charge. *This alternative will ensure the continuation of these Public Purpose Programs, providing great benefit to all MVU customers while supporting the utility in reaching its energy savings goal.* Staff recommends this alternative.
2. Do not approve and adopt the proposed Public Programs Book funded by the public purpose charge. *This alternative could prevent MVU customers from benefitting from costs savings and may hinder the utility from reaching its energy savings goal.* Staff does not recommend this alternative.

FISCAL IMPACT

The Public Purpose Programs are funded through the collection of state mandated funds. The City Council formally adopted this program in January of 2004. The table below outlines various programs and proposes three budget allocations for the following programs: the Low-Income Assistance Program, the Transportation Electrification Program, and the Marketing Services Program. **Public Purpose Program funds are strictly utilized under a category of programs, determined by the State of California.** There is no impact to the General Fund.

Program Description	GL Account No.	Type (Rev/Exp)	FY 24/25 Budget	Proposed Adjustment	FY 24/25 Amended Budget
Solar Programs	6012-70-80-45511-710124	Exp	\$250,000	\$0	\$250,000
Demand Response	6012-70-80-45511-710142	Exp	\$50,000	\$0	\$50,000
Energy Efficiency	6012-70-80-45511-710144	Exp	\$1,000,000	\$350,000	\$1,350,000
R&D (Research & Development)	6012-70-80-45511-710150	Exp	\$50,000	\$0	\$50,000
Low Income Assistance	6012-70-80-45511-710152	Exp	\$700,000	\$100,000	\$800,000
Transportation Electrification	6012-70-80-45511-710154	Exp	\$215,000	\$100,000	\$315,000
Emergency Assistance	6012-70-80-45511-710156	Exp	\$0	\$500,000	\$500,000
Marketing Services	6012-70-80-45511-620610	Exp	\$50,000	\$30,000	\$80,000

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
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Department Head Approval:
Melissa Walker, P.E.
Public Works Director/City Engineer

Concurred By:
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Electric Utility Manager

CITY COUNCIL GOALS

Positive Environment: Create a positive environment for the development of Moreno Valley's future.

CITY COUNCIL STRATEGIC PRIORITIES

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Report Approval Details

Document Title:	STAFFREPORT_PW_MVU_PUBLIC_PURPOSE_PROGRAMS_BOOK.docx
Attachments:	- Resolution.docx - PPP Book_03182025 - FINAL.pdf
Final Approval Date:	Mar 25, 2025

This report and all of its attachments were approved and signed as outlined below:

Melissa Walker

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