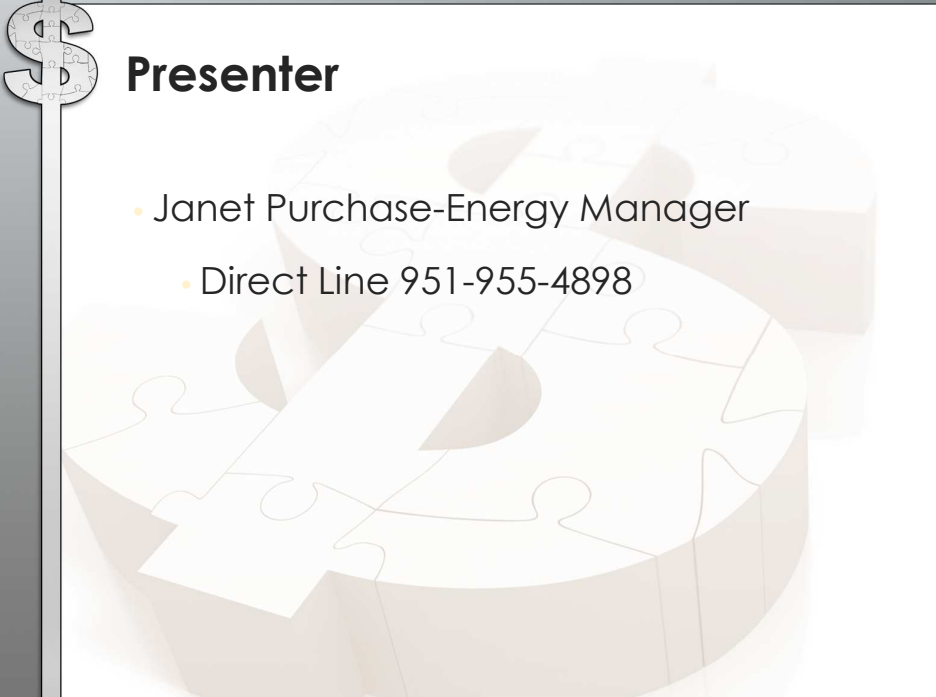


H-32 & Energy Accounting
Riverside County Economic Development Agency



Presenter

- Janet Purchase-Energy Manager
- Direct Line 951-955-4898

\$ H-32—The Policy
 Approved August 10, 2010

Policy highlights:

- EDA processes most utility bills for payment
- EDA charges user departments for utility costs
- EDA coordinates new account creation
- EDA creates and communicates utility budgets



\$ Why is H-32 Needed?
 We need to be preventative and proactive about utility costs

PREVENTATIVE ACTIVITIES	PROACTIVE ACTIVITIES
<ul style="list-style-type: none"> • Activities include: <ul style="list-style-type: none"> *Utility Bill Auditing *Rate Schedule Analysis 	<ul style="list-style-type: none"> • Areas include: <ul style="list-style-type: none"> *Energy Procurement *Utility Budgets *User Communication

Utility Bill Auditing
EDA reviews bills for the following:

- 1 **Bill Ownership**
- 2 **Utility Company Errors**
- 3 **Consistency with Historical Usage**
- 4 **Estimated meter readings**
- 5 **New line item charges**
- 6 **Utility tax charges**



Historical Usage Example
Fire Station #19--Highgrove

- The fire station and a community center are on the same site, with the fire department paying its own bills.

\$ Historical Usage Example
 Fire Station #19--Highgrove

- Fire noticed that for two summers in a row, their usage had been going up.

= ~\$7,000 credit

\$ Rate Schedule Analysis

Are utility accounts on the most beneficial/correct rate?

Rate schedules are becoming increasingly complex.

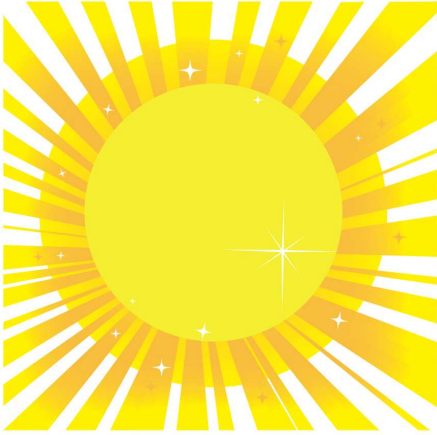

In SCE territory alone, there are over ? different rates.

- Is the rate appropriate for the usage?
- Has the rate changed?
- Will the rate be changing?
- What is the impact of a proposed rate change?

\$

Rate Example—CPP Rate (SCE)

In 2009, the CPUC ordered all "IOUs" to put certain customers on a CPP rate.






- Under this rate, if a customer cannot reduce electric usage on hot days, they get penalized with higher electricity costs.

\$

Rate Example—CPP Rate (SCE)


EDA had 15 accounts that were automatically defaulted to this account.

- At first, seven of these accounts saved money (\$10,000 in 3 months)
- Two months later, all but two of the lost money (around \$3,000)

\$ **Rate Example—CPP Rate (SCE)**


EDA has the expertise to understand the rates, evaluate their effectiveness and make sure all accounts are on appropriate rates.



- We stay current on upcoming rate changes so we're not wasting money.

\$ **We want to be Proactive . . .**

Not reactive!



H-32 will prepare us to be proactive

\$ Energy Procurement

There are opportunities to-----

- *Purchase energy in bulk
- *Acquire funding to reduce energy usage

The diagram consists of four ovals arranged in a 2x2 grid, connected by thin lines. The top-left oval is light blue and labeled 'Natural Gas'. The top-right oval is light blue and labeled 'Electricity'. The bottom-left oval is medium blue and labeled 'Grant Funds'. The bottom-right oval is dark blue and labeled 'Energy Projects'.

\$ Procurement Example--Natural Gas

EDA current purchases the natural gas "commodity" in bulk for our largest users.

We are part of a 90-member public agency pool that buys natural gas through the California State Department of General Services.

\$ Procurement Example--Natural Gas

Over the past six years, the commodity part of natural gas has ranged in price from a low of \$0.21 to a high of \$1.25 per therm.




- *Through this bulk purchase, we pay \$0.58 per therm.*

\$ The Opportunity—Direct Access

Legislation was passed in 2009 to allow “IOU” customers to purchase electricity directly from energy service providers (ESPs).

- *To do this, we have to have an accurate & complete picture of our electric usage.*



H-32 brings all bills into one location so we know our needs

\$ Energy Procurement

There are opportunities to-----

- *Purchase energy in bulk
- *Acquire funding to reduce energy usage

The diagram consists of four ovals arranged in a square pattern, connected by thin lines. The top-left oval is light blue and labeled 'Natural Gas'. The top-right oval is light blue and labeled 'Electricity'. The bottom-left oval is medium blue and labeled 'Grant Funds'. The bottom-right oval is dark blue and labeled 'Energy Projects'.

\$ Special Funding—Grants & Projects

Accurate knowledge of energy use and costs is key to obtaining grants and identifying energy projects.

Funding Source	Percentage
States	24%
Cities and counties	59%
Indian tribes	2%
Large competitive	13%
Small competitive	2%

- Being able to demonstrate opportunities for saving energy costs and usage was key to Riverside County obtaining a \$6.5 million grant from the Department of Energy.

\$

Special Funding—Grants & Projects

Having all bills processed and tracked by EDA will allow us to better identify energy projects that save the most in cost and usage.

Engine Area	Annualized Cost
Engine 18 [05018_]	2.89
Engine 10 [03310_]	2.57
Engine 01 [01100_]	2.34
Engine 07 [06307_]	2.32
Engine 17 [05017_]	2.25
Engine 08 [03308_]	2.21
Engine 13 [02413_]	2.14
Engine 14 [01300_]1	2.09
Engine 06 [03306_]	2.07
Engine 12 [02412_]	1.98
57 (Old 23) [02457_]	1.9
60 (Old 21) [03360_]	1.81
Engine 19 [04119_]	1.81
Engine 15 [04115_]	1.71
56 (Old 22) [02456_]	1.62
Engine 04 [03304_]	1.61
Engine 16 [02416_]	1.53
Engine 02 [01300_]	1.48
e 11- Florin [02411_]	1.35
Engine 20 [04120_]	1.33
Engine 08 [03308_]	1.32
Engine 02 [05002_]1	1.28
11)- Arica [02470_]	0.96

With all utility data stored in one computer system, it is easier to identify which buildings cost the most in terms of energy.

Projects can then be identified that give the “biggest bang for the buck”.

\$

Utility Budgets

The County needs to accurately forecast utility costs.

- In the county, there are 40 utility providers
 - They provide:
 - Electricity
 - Natural Gas
 - Propane
 - Water
 - Sewer
 - Refuse

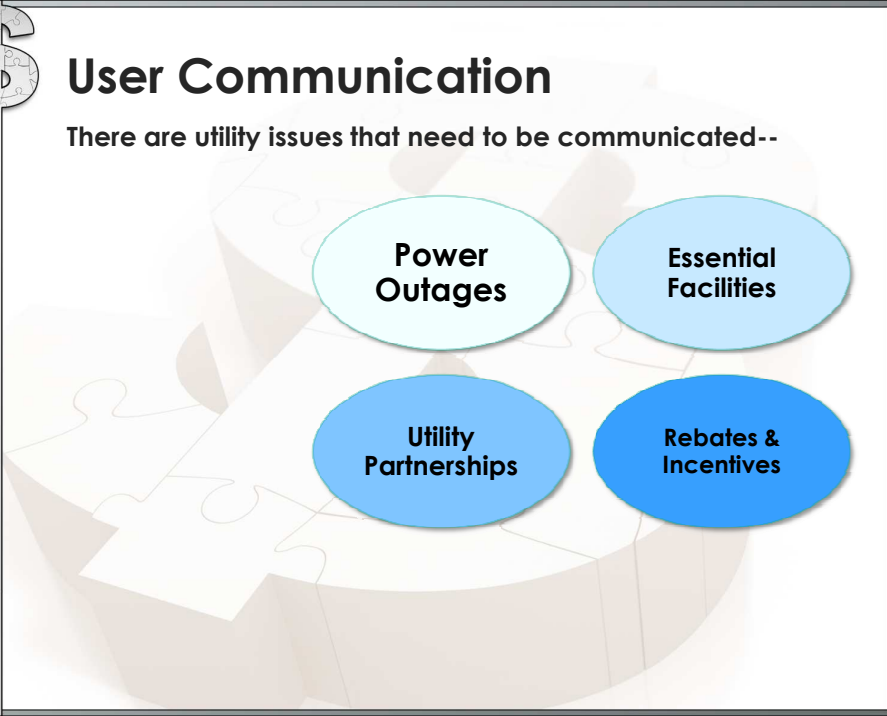
EDISON
10%

EMWD
14%

Corona
36%

- * Sixteen of them will increase their rates this year.
- * Several of them are setting up 5-year rate increase plans.

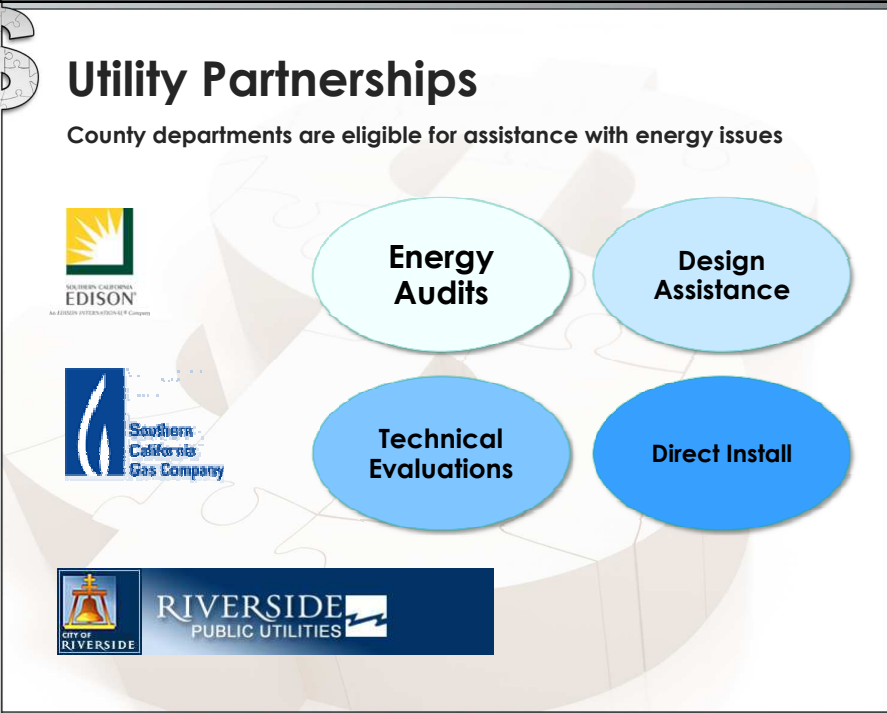
EDA tracks rate increases countywide so budgets can be predicted.



\$ User Communication

There are utility issues that need to be communicated--


- Power Outages
- Essential Facilities
- Utility Partnerships
- Rebates & Incentives




\$ Utility Partnerships

County departments are eligible for assistance with energy issues


- Energy Audits
- Design Assistance
- Technical Evaluations
- Direct Install



Southern California Edison
AN EDISON INTERNATIONAL COMPANY




Southern California Gas Company




CITY OF RIVERSIDE
RIVERSIDE PUBLIC UTILITIES

\$ Palm Desert Sheriff Station
Grand Opening

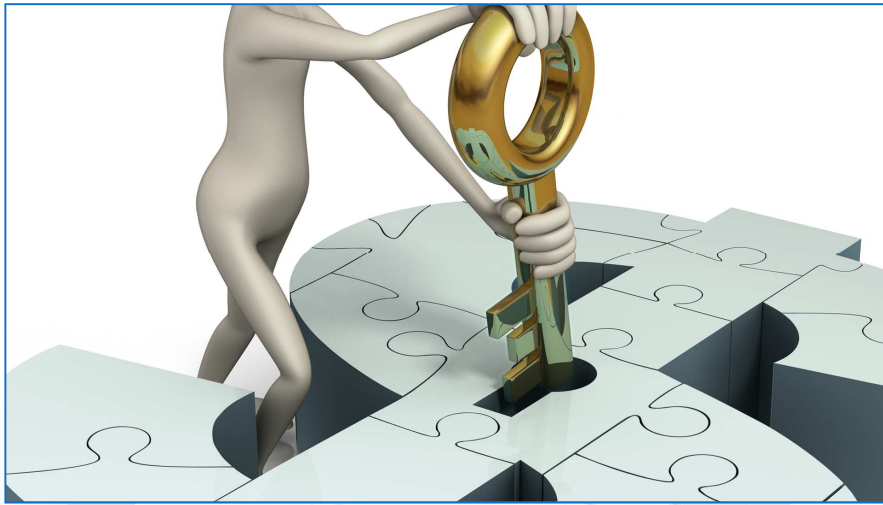
- The county received design assistance through a partnership with SCE and the Gas Company.
- As a result the building is 34% more efficient.
- The County received **\$342,275** in rebates & incentives.



\$ There are many pieces to the energy "puzzle"



Having all the utility bills processed in one location is the foundation for managing utility costs and usage



Energy represents the single largest controllable operating expense for buildings. H-32 was created to help the county better manage this.



Questions or Concerns?

Janet Purchase--Energy
jpurchase@rivcoeda.org

951-955-4898

Cathy Lovell—Fiscal Manager

clovell@rivcoeda.org

951-955-8126

Jim Baucom—Principal Accountant

jbaucom@rivcoeda.org

951-955-0438