H-32 & Energy Accounting
Riverside County Economic Development Agency

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H-32—The Policy
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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
Activities include:
* Utility Bill Auditing
* Rate Schedule Analysis

PROACTIVE ACTIVITIES
Areas include:
* 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.

Fire Station #19--Highgrove

= ~$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.
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

**Procurement Example--Natural Gas**

EDA currently purchases the natural gas “commodity” in bulk for our largest users.
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

*Natural Gas  
*Electricity  
*Grant Funds  
*Energy Projects

Special Funding—Grants & Projects

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

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.

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
  - 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
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?

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