
RPU'S OUTREACH TO THE LOW-INCOME COMMUNITY

September 22, 2017 | 2:30-4:00pm
Mission Square
3750 University Avenue, Riverside
5th Floor Multi-Purpose Room

MEETING ATTENDEES

Community Leaders

Tom Donahue, Family Service Association
Brenda Salas Freeman, Community Action Partnership of Riverside County
Kim Knight, Family Resource Center, Riverside Unified School District
Rose Mayes, Fair Housing Council of Riverside County
Kathy Michalak, Habitat for Humanity Riverside
Damien O'Farrell, Path of Life Ministries
Lisa Walcker, Riverside County Children Services Division

Riverside Board of Public Utilities Members

Jennifer O'Farrell, Board Vice Chair
Andrew Walcker

Riverside Public Utilities Staff

Girish Balachandran, General Manager
Kevin Milligan, Deputy General Manager
Laura Nomura, Assistant General Manager – Finance & Administration
Andrew Markis, Principal Account Manager
Jason Tarasi, Senior Account Manager
Justin Scott-Coe, Integrations Manager
Tracy Sato, Integrations Manager

ACRONYMS

CAP: Community Action Partnership
CPI: Consumer Price Index
MFR: Multi-family residential structure or housing type
RPU: Riverside Public Utilities

Meeting Notes

OPENING COMMENTS AND BACKGROUND

Review of Utility as a System and the Rate Proposal

Utilities are a system of systems – Electricity, Water, Telecommunications, Wastewater, and more. If one system goes down, other systems may be impacted. For example, if electricity goes out it may cause the telecommunications system to fail.

It has been 10 years since the community has discussed utility rates. RPU staff proposed a 10-year plan to board/council that represented the next step in Utility 2.0. After presenting the proposal to the RPU Board, the RPU Board noted, among several things, that the low-income community will be most affected by the rate increase. Therefore, staff was asked to reach out to the community, specifically the low-income community, and then report back on the findings, including metrics on the outreach.

To implement the Board direction, RPU is bringing together community leaders to discuss reaching low-income customers. RPU has not brought a group like this together for many years. Further, the group has a larger potential for greater outreach and program development to take RPU to the next level of low-income customer support. This is the kickoff meeting; RPU does not expect this to be the last meeting.

Questions on the Rate Proposal

❖ **What is the rate proposal?**

- Mr. Balachandran reviewed the key points of the rate increase as proposed recognizing that it will be tough for customers to budget for a 9% increase in rates.
- Reference slides 20-22 on pages 10-11 of Section 1 in the binder.

❖ **The rate increase compounds year to year. What does that look like? (See slide 21)**

- At the end of 5 years, electric bills for the typical residential customer will be \$25 more than today.
- At the end of 5 years, water bills for the typical residential customer will \$25 more than today.

❖ **Why is the percentage increase more for small user? (See slide 21, Low-Use water customer = 12% increase while High-Use water customer = 8%)**

- This is due to the shift in how rates are structured. More of the cost recovery is now focused on recovering fixed costs instead of variable costs. (See slide 23, page 12)

❖ **Are the rate tiers changing as well?**

- Yes, the proposal reduces the number of tiers and consolidates the different types of charges
- Eliminating the 4th tier as well as reducing the amount of 1st tier
- A Multiple Family Residential (MFR) rate is also being added

❖ **Will the MFR rate help low-income families?**

- Yes, it increases the usage limits within the tier 1 allocation
- *For consideration, there is still a gap in the rates in that there are often multiple families living in a single housing unit. These families often move into the higher rate tiers simply due to the number of people in the household and are therefore paying higher rates. How can this issue be addressed?*

- ❖ **Why is the fixed cost charge changing?**
 - State regulations require utilities to capture actual cost.
 - RPU needs funding sources to keep up with infrastructure demands.
 - The proposal is trying to create revenue generation and recover from cost structure imbalances.

- ❖ **Is the proposal reallocating fixed costs across tiers?**
 - Yes. The reallocation includes solar customers.
 - Solar customers currently receive a subsidy because they do not receive an equitable fixed cost charge; however, this situation was required by state law.
 - With the ending of the SB 1 program, this will change after our target is reached (probably in late 2018).
 - Network Access Charge - all customers, including solar, paying to maintain system.

- ❖ **How is the increase in rooftop solar impacting the utility?**
 - RPU needs to better balance our revenues because current solar customers are subsidized by all other customers.
 - Long-term goal is to recover all fixed costs with our fixed rates.
 - At same time, we want to encourage customers to do what's best for them.
 - Advantage of community-owned utility, seeking to benefit community.

- ❖ **In regards to the fixed charges, will the new rate calculator include all costs and fees?**
 - We will ensure that customers will be able to see the impact on their bills and where the impact is coming from. It must clearly identify
 - The fixed charges and what the fixed charges are.
 - The bills of solar customers.
 - The tool is set up to calculate a customer's entire bill, including the tax aspects of the bill (utility user tax). It will show exactly what is on bill for any given month. Customers will select the month and year to show.
 - The calculator is only for residential customers. It will not be directly applicable to business. Business customers will need to call in and will receive direct assistance from account managers and an estimate from staff.

- ❖ **What is the number and percentage of customers in each category shown on slide 21 and 22 on page 11?**
 - *The typical use customer is at the median of usage. Therefore, for both electric and water, one half of customers will be less than the typical user and one half will be more.*

- ❖ **Please explain why small commercial has a larger increase than large commercial customers (See slide 22 on page 11)?**
 - The percentages are mostly affected by the shift to an increase of fixed charges

DISCUSSION

How Could RPU Better Engage the Low Income Community and Increase Participation?

(Note the following consolidates comments and recommendations into topic areas for easier reference. The write-up is not necessarily consistent with the actual order of the conversations.)

About the Customers

Customers

- Trust factor affects participation
 - Margin for understanding in high stress environments (like poverty) leave little room for thinking about conservation. The margin for thinking beyond survival is low.
 - They are not thinking about an LED bulb saving them money in the long run, they need to provide dinner for their families; e.g., lightbulbs not important in crisis.
 - Need to ask what is the immediate need in the household – convenience standpoint.
- ❖ How does RPU work with seniors in the situation of a utility cut off?
- Seniors are in difficult situations. They light candles at night, especially if they lose power.
 - RPU currently provides multiple contacts before shut off
 - No present protocol for notifying family, housing council or social services.
 - Could this process be improved?

MFR challenges

- MFR - multifamily in same home, may have big impact by rates
 - A lot of housing has multiple families, extended families, in same home. They are heavy users. Maybe look at an adjustment back to Tier 1 for MFR customers with more than 4 units.
- Rental owners without incentive to replace or improve property for energy/water efficiency because renter is paying bill.
- May need to change rate structure further for MFR.
- Freeze rate for low income after meeting baseline.
- An option is to encourage owners to include utilities in the price of rent.
- Leverage with energy efficiency or zero net energy buildings.

Potential New Programs or Program Changes

SHARE program

There are currently 4,404 SHARE customers (See slide 28, page 14). Because this is smaller than the number of low-income customers in our community, there appears to be disconnect between targeting and the community. We need to develop "Resident 2.0".

- Proposed changes to SHARE
 - Can SHARE contribution (the amount provided to the customer) be tied to CPI? This will allow for the program to catch up with current costs and index for the future.
 - Potential tie to SHARE participation to CAP. Change the eligibility requirement to be the same as the CAP eligibility standard. Currently, CAP is at 200% of the federal poverty levels while RPU SHARE program eligibility based on 150% of federal poverty levels. The benefits could be:
 - Easier to administer and will capture more participants.
 - Increased participation increases Federal investment into the community.
 - Improved customer engagement: enroll SHARE customers at same time they qualify for CAP.
 - *How many customers that qualify for LIHEAP/weatherization at 200% are denied RPU SHARE participation that has an eligibility threshold of 150%?*

- These changes would require slight revision to contract after board/council approval as well as consider a review and changes to the contract with the County.
- Can qualifying for SHARE be tied to other program applications?
 - Continue to offer the solar rebate after SB 1 ends
 - Increase the number of energy efficiency measures which are currently offered in partnership with Southern California Gas Company
 - Rebate combinations:
 - Continue to offer the solar rebate after SB 1 ends
 - EnergyStar rebates for SHARE customers

Energy and Water Efficiency Programs

Like Utility 2.0, we need Energy/Water Efficiency 2.0 - make it easy (e.g. power strip regulators – automatic)

- ❖ Can RPU be more creative with their public benefit funds and combining programs with CAP? Are there economies of scale that can accomplish more? (E.g. potentially receiving larger grants because of consideration of the RPU share as a matching contribution.)
 - In MFR, if 60% of the families/households in a complex are qualified as low income, they qualify for weatherization in all of the units.
- ❖ Simplification of programs is needed
- ❖ RPU's new Integration Managers will be working on
- ❖ Expand direct install - assistance beyond marketing/rebates
- ❖ Create neighborhood assistance, particularly for elderly, fixed income customers
- ❖ Appliance Finance Program (RPU currently working to create an On-Bill Finance Program)
 - Example: new refrigerator with dollar added to bill each month
- ❖ Refrigerator replacement program currently provide a new refrigerator and recycling of the old refrigerator
 - How could the program be modified for renters and/or MFR? (With owners' consent)
- ❖ Use technology to better support low-income customers
 - Smart Meters: Change the smart meters roll out which is going to commercial first so that they first go to LI
 - Nest Thermostats: Provide Nest thermostats (Grid Alternatives may be able to get a grant to become "Nest" city)

Recommendations for new housing

- ❖ Promote solar with new developments
 - What would be the cost?
 - Developers usually know what their costs are going to be
 - Habitat doesn't build w/o solar – solar should be included across the city
 - With the upcoming building code changes, will not have choice due to zero net energy
- ❖ Outreach to residential developers to promote EE on new construction
 - join advocating for more housing, reduce costs of housing (more housing equates to lower housing costs and benefits low-income customers)
- ❖ Affordable housing options
 - Micro/modular homes - RPU has part in
 - Housing for the homeless - Anaheim, container homes
 - Program options:
 - Waive connection fees/reduce fees for electricity for developers that build low-moderate income housing

- Convince landlords to include utilities in cost of rent, fixed
- Incentivizes landlord to be efficient
 - Use public benefit funds, in exchange for use of discount to invest in efficiency (e.g. Anaheim)
 - No break on fee unless exceed Title 24 standards

Training program on how to maintain drought-tolerant plants

- Benefiting both job creation & promoting drought tolerant landscaping
- Offer training for gardeners on how to take care of drought tolerant landscaping

Outreach Recommendations

Create or participate in workshops, events, fairs to promote programs

RPU does not currently have workshops but desires to do so in the future. The group discussed the following opportunities:

- Fair Housing Council - Thanksgiving giveaway, baskets
- Town hall meeting - nonprofits provide information and is an opportunity to provide outreach on the various programs available to the LI community
- Community fairs at neighborhood centers
- Fair Housing Council Housing conference – April and will include apartment complex managers and 1st time homebuyer programs. Opportunity to reach community.
- Meet with The Group - Nov presentation (1st/3rd Thurs, 7am), 30 minutes
- Promote programs via schools
- Student Outreach/Volunteers/Faith-based organizations
- Youth opportunity center (down street, over the bridge)

Increased marketing/promotion to low-income communities

- ❖ Marketing Concept: "Go to them" strategy – go to the community and make it seamless for the customer to receive the information
 - RTA ads internal and external - good response
 - City - "toolkit of stuff", resource bus similar to the library on wheels
 - "navigators"
- ❖ Market segmentation
 - Need different communication strategy for low-income and senior populations
 - May need to have different strategies for different wards
 - Communications and collateral must be easy to understand/access/implement
 - Cannot be solely on Internet because the low-income community may not be able to access the internet, need to go door to door and in-person.
 - Many people do not have internet access, need to go door to door, particularly for seniors.
- ❖ Showcase low income home that received assistance and can be good example for others.
 - Show amount that can be saved through energy/water efficiency
 - Targeting what low-income customers face every day, helpful savings
 - Potential for testimonials from families that have participated in the programs – success stories
- ❖ Information distributed through all programs/departments that go out into community (e.g., Meals on Wheels)
 - The benefit is that these programs are working through people who are already trusted by community

- ❖ Video in Spanish and English to articulate all programs, how to save water/energy - 5 mins
Promotional videos (testimonials, program advertisements, etc.)
 - Can be shown at Customer Service Centers, passed out to outreach organizations, etc.
- ❖ Types of content for collateral and presentations that would be helpful:
 - List of a home's Top Ten Energy User (appliances) – “Energy Hogs”
 - Develop Brochure (One-Pager) that may be passed out to all- Low-Income customers and market programs new and old, any assistance programs
 - Direct mailer of an LED
- ❖ Create an efficiency demonstration home

Train the trainer programs

Train staff who are going into the homes to provide information and become brand ambassadors – maybe change bulbs or show residents how to increase efficiency. CAP has a new training facility and if the program is for public training, the facility can be free – can make information available to people as they wait.

- RPU is looking to the meeting participants to help identify partners
 - faith-based and neighborhood groups
- Nonprofits as ambassadors
 - Habitat Home repair and CAP Home repair
 - Each does a lot of home repair, they can give out information
 - Meals on wheels: Provide dual language information for staff to distribute
- RPU employees - opportunity to give through talking about utilities
 - System of Systems - everyone should be talking about this
- City departments that have lots of contact with community – Code Enforcement, Parks and Recreation, Community and Economic Development Department, Public Works

Measuring success

Benchmark effectiveness

- Need to know the number participating now and after effort show the results
- Leverage metrics to learn what works and what doesn't
- Need better metrics/numbers. # of people eligible and # of people in programs
- Need to understand the lifecycle of customer experience

RPU MUST BEGIN THINKING OUTSIDE THE BOX OF A COMPLIANCE
ORGANIZATION.

Next meeting in October

Date and time to be determined