



City of Needles, California Request for Council Action

☒ CITY COUNCIL/NPUA ☐ Board of Public Utilities ☒ Regular ☐ Special

Meeting Date: September 12, 2023

Title: Adopt the Energy Efficiency Program dated September 12, 2023

Background: The Electric O&M budgets \$200,000 annually for the existing energy efficiency program. The \$200,000.00 is funded by ratepayers via a line item on their electric bill (Mandated Conservation at \$0.0035/kWh). The prerequisite for eligibility for the energy efficiency program (City pays for 14 or higher SEER rated air conditioners, evaporative coolers and refrigerators) is based on income guidelines set by the U.S. Department of Health and Human Services.

The program also provides rebates for non-low-income resident. The current rebates have not been adjusted since 2015. Through the energy efficiency program Air conditioner replacement costs have increased 50% since 2015.

In addition, there has been an increased popularity of ductless mini-split units. These units are efficient, by design, as they can be used to cool/heat zones of a structure without traditional ductwork, eliminating the potential for duct leakage.

Staff is proposing to increase the rebate amounts for the non-low-income program to account for the cost increase and provide incentive rebates for higher SEER rated units. Also, incorporate a mini-split rebate up to \$500 per resident.

The Board of Public Utilities approved the recommended action on September 5, 2023.

Fiscal Impact: The current program allows non-low-income residents to receive \$100 per ton up to five (5) tons. The recommendation is to double that amount to \$200 per ton for a 14 SEER rating unit. There is also a recommendation to change the program to allow for larger rebates for higher rated SEER rating units. The proposed recommendation is up to a maximum \$2,000 rebate for a 17 SEER or greater unit. Also, the program has been updated to allow mini-split rebates up to \$500 per residents. All rebates over \$600 will require a W-9.

Recommendation: Adopt the Energy Efficiency Program dated September 12, 2023

Submitted By: Rainie Torrance, Assistant Utility Manager

City Management Review: Rick

Date: 9/6/23

Approved: ☐

Not Approved: ☐

Tabled: ☐

Other: ☐

Agenda Item: 9



CITY OF NEEDLES
Energy Efficiency Program
Revised September 12, 2023

- The City of Needles Public Utilities Department was established in 1982.
- Needles is located in Western Area Power Authority Administration control area and is not part of the CAISO grid.
- Needles has 2,840 meters, serving 2,478 residential customers, 432 commercial customers, 37 commercial demand customers, and 4 master metered and 1 municipal customers.
- Approximately 45% of Needles power comes from hydroelectric
- Peak demand is 21 megawatts
- Needles is an extreme summer peaking utility. Summer temperatures (late June through early September) can reach 130 degrees, and daytime temperatures range from minimum temperatures in the mid-90s with afternoon temperatures between 100 and 120 degrees.

City of Needles Energy Efficiency Program Highlights

On an annual basis, Needles' load factor is less than 37 percent. The Needles City Council approved Resolution No. 7-24-07 1 on July 24, 2007 adopting the provisions of California Assembly Bill 2021 – *Public Utilities Energy Efficiency*. The budget amount of \$200,000.00 adopted for the program was based upon the Rocky Mountain Institute's analysis "to identify all potentially cost-effective electricity efficiency savings and establish annual targets for energy efficiency savings and demand reduction for the next 10-year period"

The City of Needles' energy efficiency programs are designed to reduce the summer air conditioning loads and increase the annual load factor.

The City of Needles will continue to budget \$200,000 annually for the existing energy efficiency programs and will allocate additional funding if customer demand is greater than the program allocation. The \$200,000.00 is funded by ratepayers via a line item on their electric bill (*Mandated Conservation* at \$0.0035/kWh). The prerequisite for eligibility for the energy efficiency program (City pays for 14 or higher SEER rated air conditioners, evaporative coolers and refrigerators) is based on income guidelines set by the U.S. Department of Health and Human Services.

Current Low Income/Senior Residential Customer Programs:

- Air conditioner, evaporative cooler: with SEER 14 or higher
- Sun Shade Program: designed to lower house temperatures during the summer.
- Energy Star Qualified Appliances: save energy, save money, and help reduce emissions of greenhouse gases and air pollutants. Qualified appliances are;
 - a) Dishwashers – use at least 41% less energy than the federal minimum standard for energy consumption.
 - b) Clothes Washers – use 40-50% less energy and about 55% less water than standard washers.
 - c) Refrigerators and Freezers – use up to 40% less energy than conventional models.

The City augments its Mandated Conservation funding with 25% landlord participation on equipment cost where installation is a leasehold improvement to landlord's property. Tenant and landlord are encouraged to apply for weatherization through San Bernardino Community Action Partnership ("SBCAP").

All low-income/senior applicants must complete an AB 2021 Energy Efficiency Application and provide proof of income. Applicants are approved following the U.S. Department of Health & Human Services poverty guidelines.

Current Residential Customer Programs:

- Air conditioner, evaporative cooler, mini-split rebate, refrigerator replacement with SEER 14 or higher with proof of home weatherization completed. ~~Rebates are currently \$100.00 per ton with a SEER equal or greater than 14.0 and shall not exceed five (5) tons per residence.~~

The rebate schedule is:

14 SEER AC Unit - \$200 per ton shall not exceed five (5) tons per residence

15 SEER AC Unit - \$250 per ton shall not exceed five (5) tons per residence

16 SEER AC Unit - \$300 per ton shall not exceed five (5) tons per residence

Greater than 17 SEER AC Unit - \$2,000 max rebate per residence

The mini-split rebate schedule is:

15 SEER Mini-Split - \$150 per residence

16 SEER Mini-Split - \$300 per residence

17 SEER Mini-Split - \$400 per residence

Greater than 17 SEER AC Unit - \$500 max rebate per residence

For any rebate amount over \$600, residents will be required to submit a W-9.

Residents are also required to show proof of building permit with the City of
Needles for installation of a new unit.

Rebates are only applicable to full HVAC unit replacements and units must be 10
+ years old to qualify.

- Water Heater Replacement – Applicable to all electric domestic water heaters: \$200 per tank converted. Solar water heating to supplement electrical domestic water heaters; \$200 per household, minimum 40 gallons of storage.
- Sun Shade Program: Provides rates for the installation of residential sun shades, designed to lower house temperatures during the summers. 92¢ per square foot. Such solar screens must have a shading coefficient of not greater than .4.
- Commercial Buildings – Air Conditioner replacement \$150.00 per ton with a \$5,000 maximum rebate.