



STAFF REPORT

DATE: 04/16/2025
TO: Honorable Mayor and City Council Members
FROM: Utilities Department

2025-125

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

RESOLUTION ADOPTING THE CITY OF CORONA UTILITIES DEPARTMENT 10-YEAR ENERGY EFFICIENCY TARGETS PURSUANT TO PUBLIC UTILITIES CODE § 9505

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt a resolution approving the 10-Year Energy Efficiency Savings Targets, which identify all potentially achievable, cost-effective, reliable, and feasible energy efficiency savings opportunities per Public Utilities Code § 9505.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution 2025-019, approving the 10-Year Energy Efficiency Savings Targets for the Utilities Department.
- b. Authorize the Utilities Director, or his designee, to approve all future updates to the 10-Year Energy Efficiency Savings Targets.

BACKGROUND & HISTORY:

Assembly Bill 2021 of 2006 was established to ensure that prudent investments in energy efficiency continue to produce cost-effective energy savings, reduce customer demand, reduce overall system costs, increase reliability, and increase public health and environmental benefits. The Legislature intended for electric utility providers to identify all cost-effective energy efficiency measures so the State can meet its goal of reducing total forecasted electrical consumption. Accordingly, the 10-year targets required by Public Utilities Code (PUC) § 9505 reflect a percentage of the Utilities Department's (UD) forecasted energy sales and the associated amount of energy. The City Council approved UD's previous 10-year targets on May 5, 2021. To comply, UD and other California Municipal Utilities Association members worked with GDS Associates, Inc. to develop the energy efficiency savings targets for California's publicly-owned utilities.

UD collects a State-mandated public benefits charge from bundled Greenfield customers, which funds various customer energy efficiency savings programs, income-qualified customer rate discounts, and UD's battery energy storage power purchase costs. The energy efficiency savings program includes rebates on items such as smart thermostats, energy-efficient appliances, induction stoves, heat pumps, and air conditioners. Greenfield customers who receive bundled electric services from the City can take advantage of these programs. Direct Access customers receive similar benefits from Southern California Edison. These programs help customers reduce their electricity costs and assist the utility in achieving their energy efficiency savings targets and related regulatory requirements.

ANALYSIS:

The 10-Year Energy Efficiency Savings Targets (2026-2035) are as follows:

10 Year Energy Goals (Incremental Net MWh)										
ALL Sectors (MWh)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Incremental Market Potential	20	19	18	17	16	18	17	17	17	18
Total Incremental Potential as a % of Total Sales	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
10 Year Demand Goals (Incremental kW)										
ALL Sectors (kW)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Incremental Market Potential	24	23	21	18	16	17	15	13	10	10

GDS Associates, Inc. developed targets based on the energy efficiency programs UD currently has in place. The results also account for the unique characteristics of UD's service area, customer base, climate zone, and economic conditions. The forecast model creates targets that are consistent with those of other publicly owned utilities of similar size and market base. The comparison-to-retail sales reflect the size of the publicly-owned utility.

UD's projected energy efficiency savings over the next 10-year period is 177-megawatt hours or an average of 18-megawatt hours annually, representing .02% percent of UD's forecasted energy sales. All facilities in the City's bundled customer base meet the California Energy Code Title 24 energy compliance requirements under the California Code of Regulations. As a result, these newer facilities provide fewer energy efficiency upgrade opportunities than older facilities.

PUC § 9505 does not expressly require that the governing board of a publicly-owned electric utility review or approve the 10-Year Energy Efficiency Savings Targets. In fact, it appears that most publicly-owned utilities approve the 10-Year Energy Efficiency Savings Targets administratively. Staff is recommending that in the future, the Utilities Director be authorized to approve any amendments or updates to the 10-Year Energy Efficiency Savings Targets pursuant to the requirements of PUC § 9505.

UD recommends that the City Council approve the 10-Year Energy Efficiency Savings Targets, as developed by the California Municipal Utilities Association Energy Efficiency Potential Forecasting study, and authorize the Utilities Director, or his designee, to approve all future updates to them.

FINANCIAL IMPACT:

Funds for energy efficiency projects are made available yearly in the electric operating budget through the annual budget preparation process.

ENVIRONMENTAL ANALYSIS:

State CEQA Guidelines Section 15061(b)(3) states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to update the 10-Year Energy Efficiency Savings Targets, and there is no possibility that approving these changes will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: ERIN KUNKLE, ELECTRIC UTILITY MANAGER

REVIEWED BY: TOM MOODY, UTILITIES DIRECTOR

ATTACHMENT:

1. Exhibit 1 – Resolution 2025-019