

# Water Planning and Stewardship Committee

Item 6c

**Subject:** Conservation Program Update

**Purpose:** Inform Board and member agencies of the conservation activities

# Water Planning and Stewardship Committee

Item 6c

## Summary

Conservation actions in response to the drought.



# Update on Conservation Program Activities

Water Planning and Stewardship Committee  
Item 6c  
October 13, 2014

# Conservation Program Status

	Reservation Requests *	Committed *	Paid FY 2014/2015 *
Rebates Residential	\$5.6M	\$5.6M	\$2.5M
Rebates Commercial	\$11.9M	\$11.9M	\$3.2M
Turf Removal	\$70.9M	\$27.9M	\$2.6M
Other	\$23.1M	\$6.1M	\$0.5M
<b>TOTAL</b>	<b>\$111.5M</b>	<b>\$51.5M</b>	<b>\$8.8M</b>

\* As of September 29, 2014

**Requests:**

Applications requesting funds submitted by customers and member agencies

**Committed:**

Applications approved to proceed

# Expenditure Trend Is Higher Than Previous Years

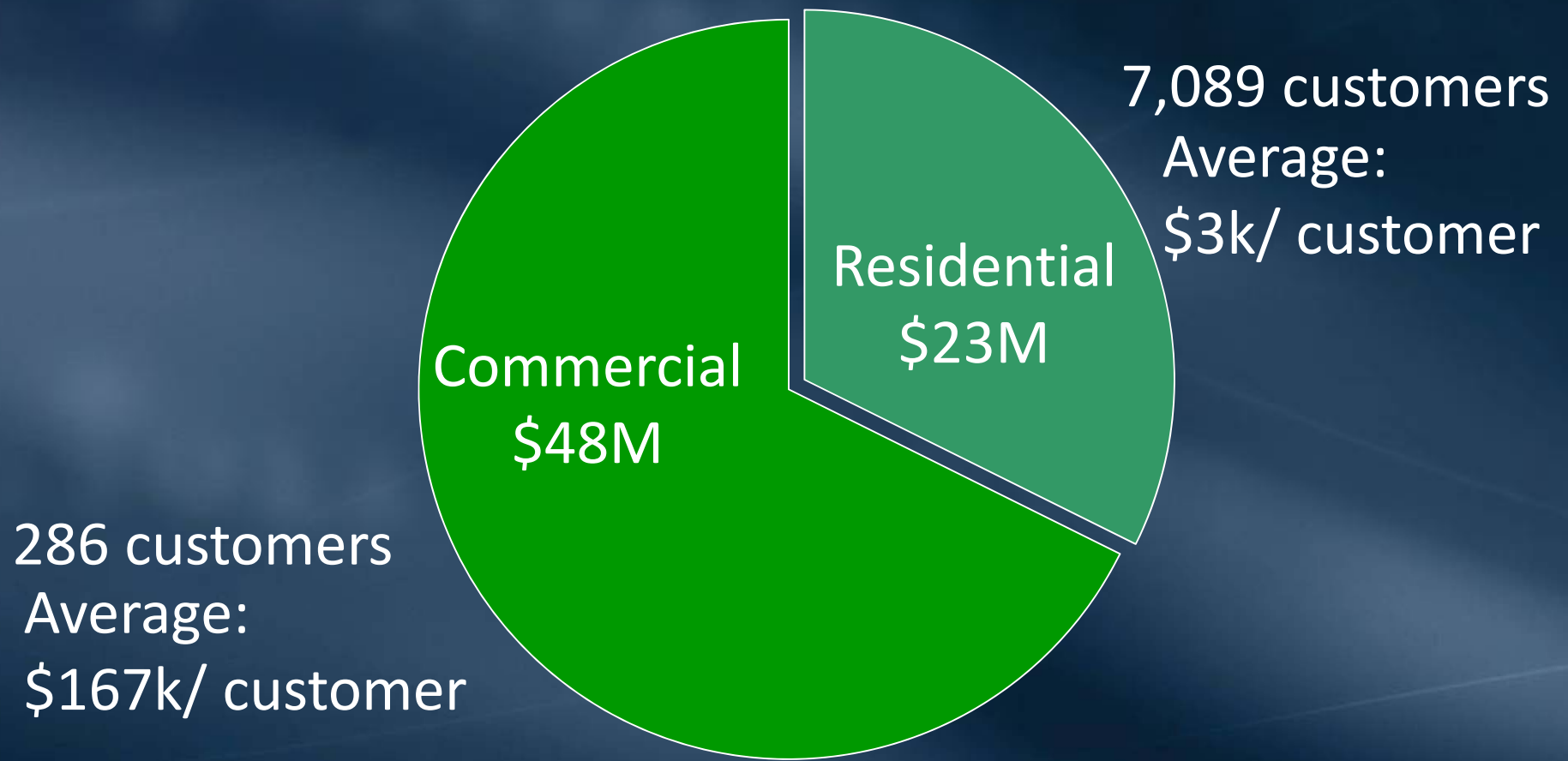


# Conservation Expenditures (July – September)

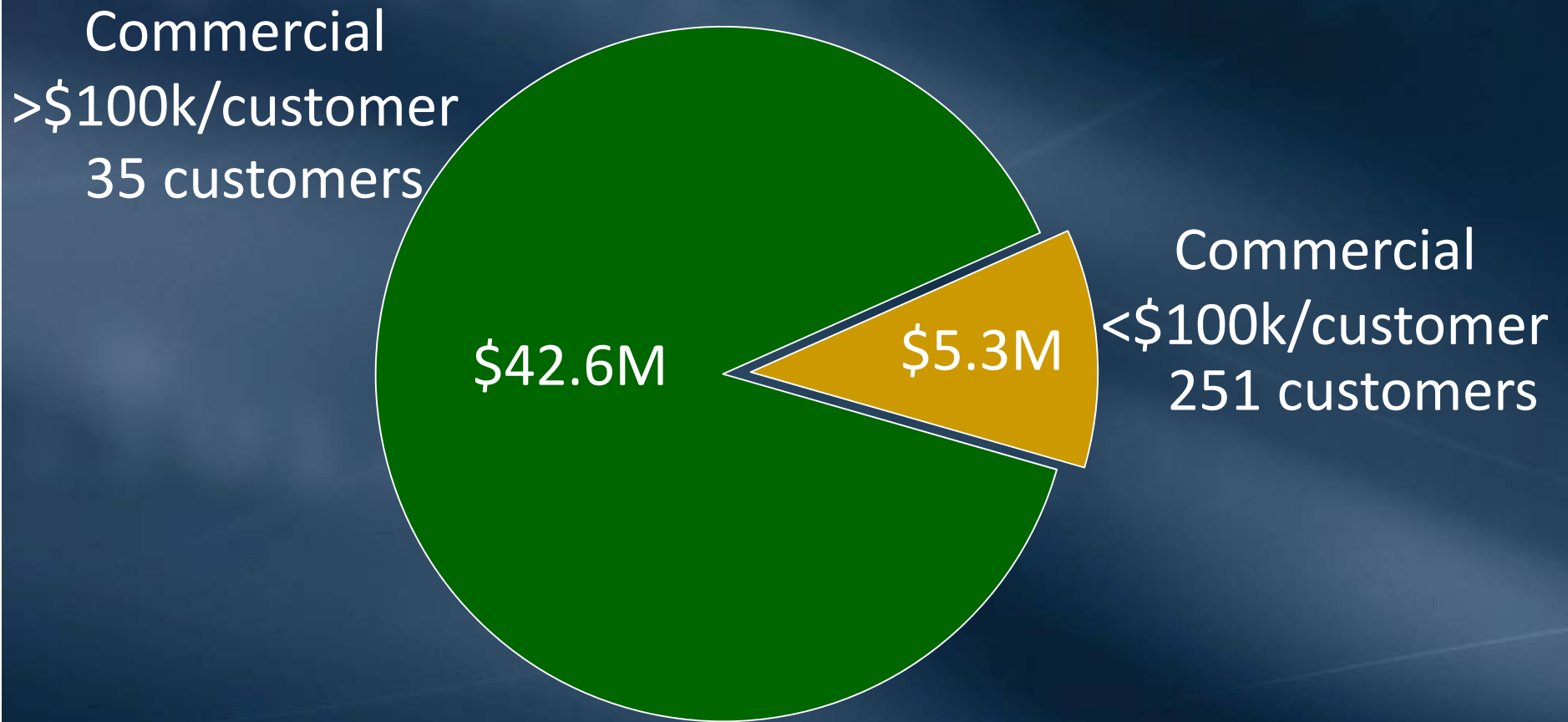
	Paid FY 2013/14	Paid FY 2014/15 *
Rebates Residential	\$0.7M	\$2.5M
Rebates Commercial	\$1.2M	\$3.2M
Turf Removal	N/A	\$2.6M
Other	\$0.4M	\$0.5M
<b>TOTAL</b>	<b>\$2.3M</b>	<b>\$8.8M</b>

\* As of September 29, 2014

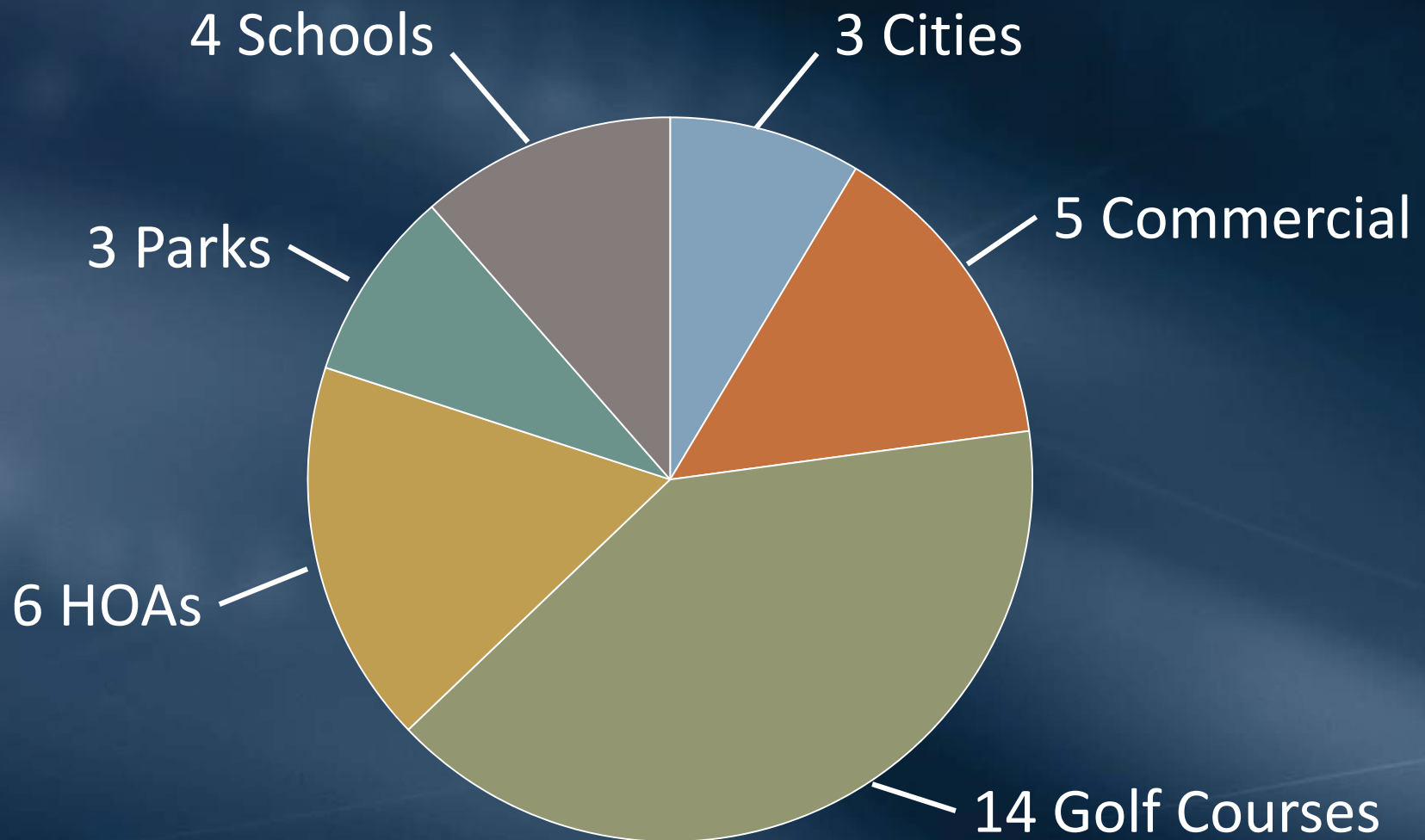
# Commercial Turf Removal Requests Are The Largest Part Of The Program



# Large Commercial Customers Account For Most Of The Activity



# Large Commercial Turf Requests (Request Amount Greater Than \$100K Per Customer)



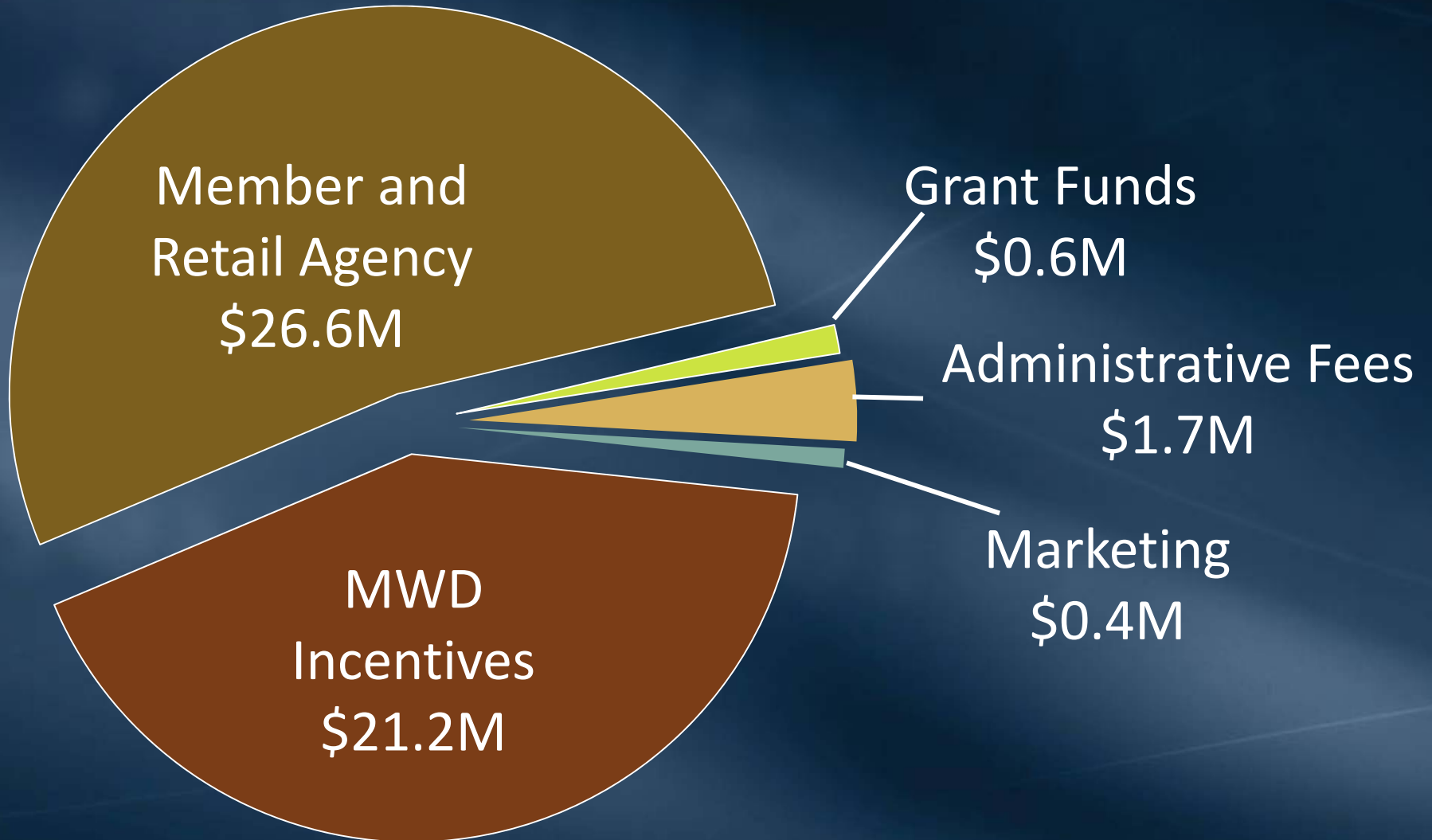
# How Rebates Are Processed

# Electric and Gas Industries Association (EGIA)

- Agreement to administer rebates:
  - **Rebates:**
    - Commercial, residential, and turf removal
  - **Funding:**
    - Metropolitan, member agency, grant, administrative
- 5 year agreement
- Maximum authorized contract capacity of \$90M
- Current Info:
  - **3<sup>rd</sup> year**
  - **\$50.5M paid (Through August of 2014)**
  - **Averaging about 4% in admin fees**

# Current EGIA Breakdown

(\$50.5M Paid – Contract Capacity is \$90M)



# Administrative Controls

- Reservations required for turf removal and commercial customers
- MWD site visits for projects > \$100k incentive (2.3 acres)
- Weekly reporting of requests for funds received
- Monthly reporting on customer service
  - Number of phone calls and handling time
  - Application processing time
- Real-time reports on activity on program website

# Potential Upcoming Actions

- Request additional funds in conservation program
  - Operating under a budget of \$60M
  - Actual expenditures are well below budget, but commitments are nearing budget amount
- Increase contract capacity with EGIA
  - \$50M spent through August with large increase in payments looming in coming months (both MWD and local agency funds)
  - Increase in cap will allow program to continue with a high level of efficiency

# Summary

- Messaging and incentive changes have motivated consumers to action
- Increased activity continues
- Monitoring costs and customer service level
- Return to Board in November with actions
  - Consider budget increase
  - Consider increase to cap in EGIA contract
- December – Discuss commercial turf program and public sector participation

