Conservation Update and Authorize Increase to the Contract Authority with Electric and Gas Industries Association

Water Planning and Stewardship Committee
Items 6b and 8-4
October 12, 2015

Conservation Program Update

Conservation Budget

	Paid* FY 14/15 – 15/16	Approved*	Outstanding Requests*
Devices	$38.3M	$33.6M	N/A
Member Agency	$35.9M	$26.0M	N/A
Turf Removal	$104.0M	$142.8M	$35.4M
Other	$5.9M	$1.0M	N/A
TOTAL	**$184.1M**	**$203.4M**	**$35.4M**

***As of October 5, 2015**

Approved:
Applications and member agency requests approved to proceed

Outstanding Requests:
Applications requesting funds submitted by customers

Waiting List for Turf

Waiting List Total:

$19.9M

*Agency Fully Funding Turf Removal

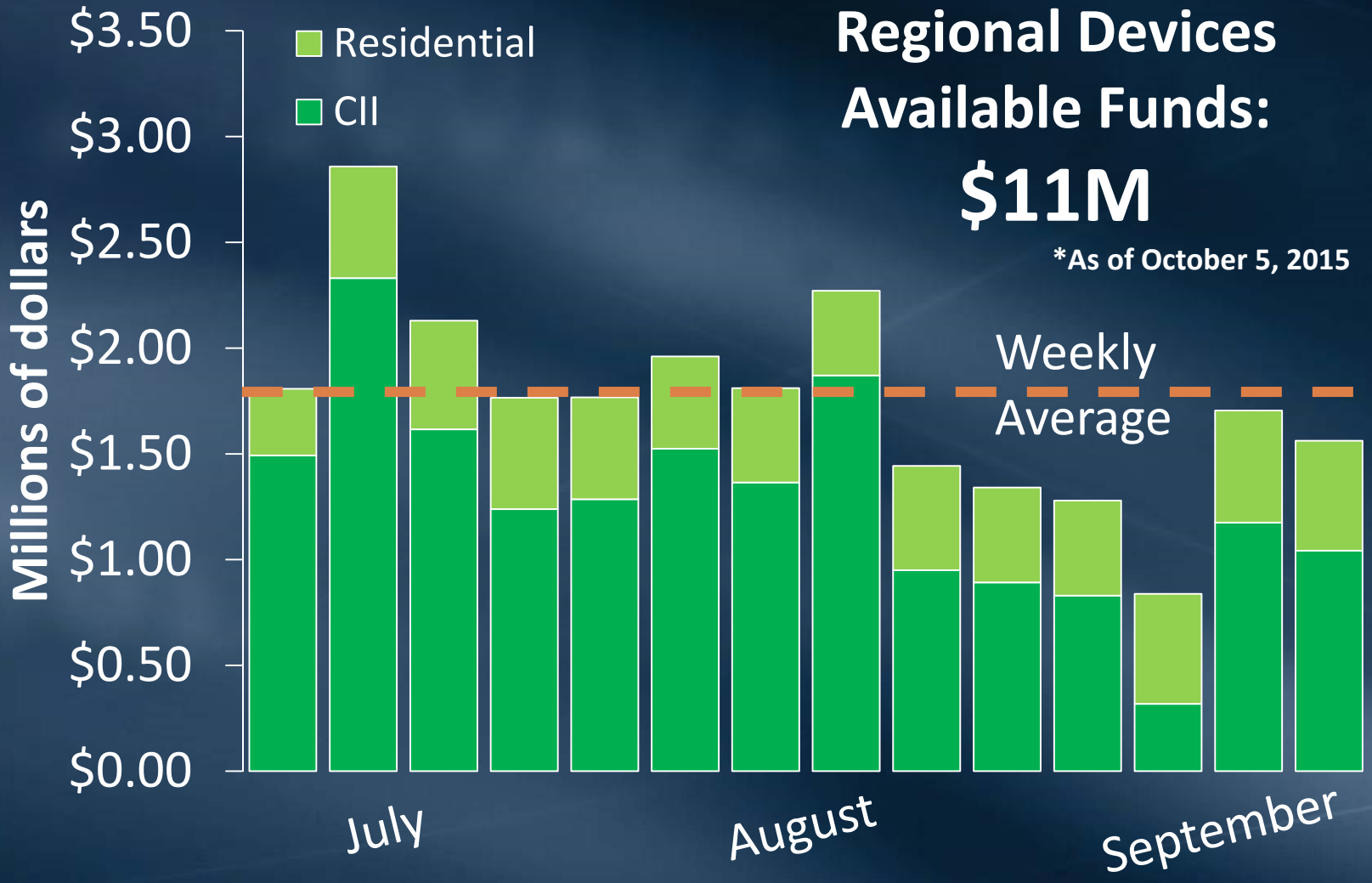
**Agency Keeping Own Waiting List

*As of October 5, 2015

WP&S Committee

October 12, 2015

Weekly Commitments for Devices FY 15/16



Regional Devices Available Funds:

$11M

***As of October 5, 2015**

Electric Gas Industries Association (EGIA) Contract

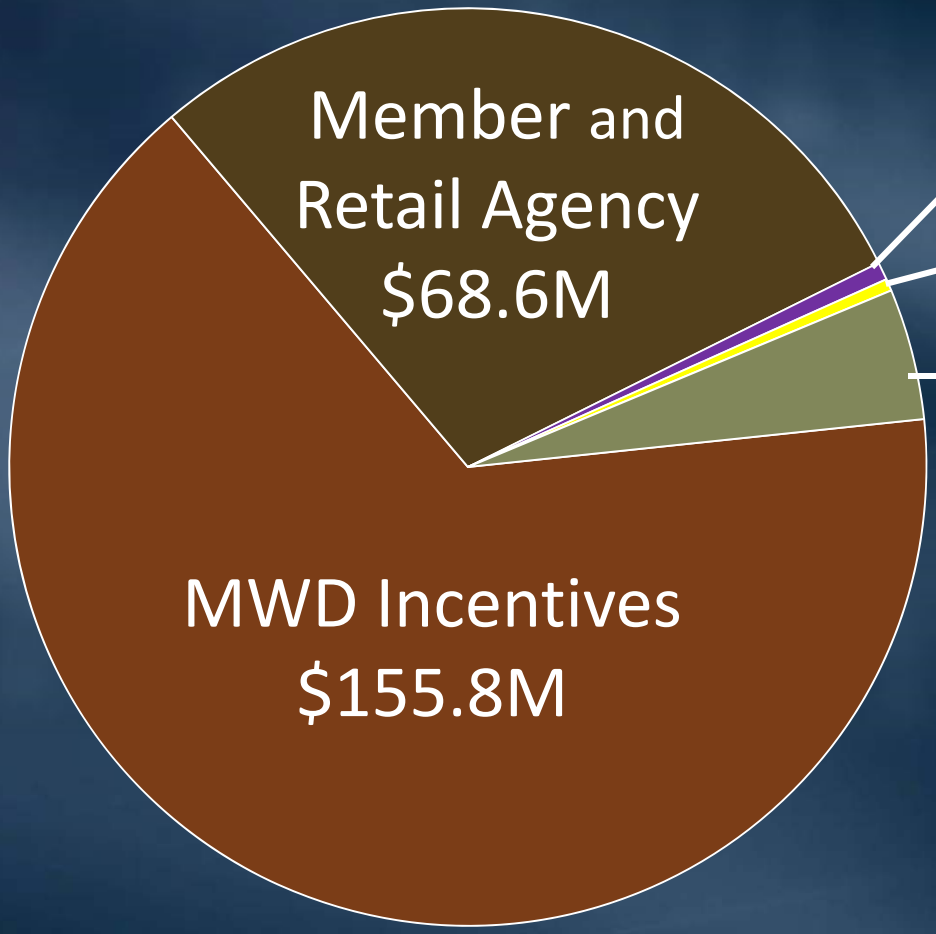
Rebate Vendor Selected through Competitive Process

- EGIA selected through a competitive process (RFP #995)
- EGIA was recommended by a panel
- EGIA was approved by the Board (Board Letter 8-4 of 5/8/2012)
- 5 year agreement thru June 30, 2017
  - New RFP Process in 2016

EGIA Administers Rebates

- Types of Rebates
  - Commercial, residential, and turf removal
- Sources of Funding
  - Metropolitan, member agencies, grants
- Maximum authorized contract capacity of $290M

Current EGIA Expenditures
(Contract Capacity is $290M)



Grant Funds $1.5M

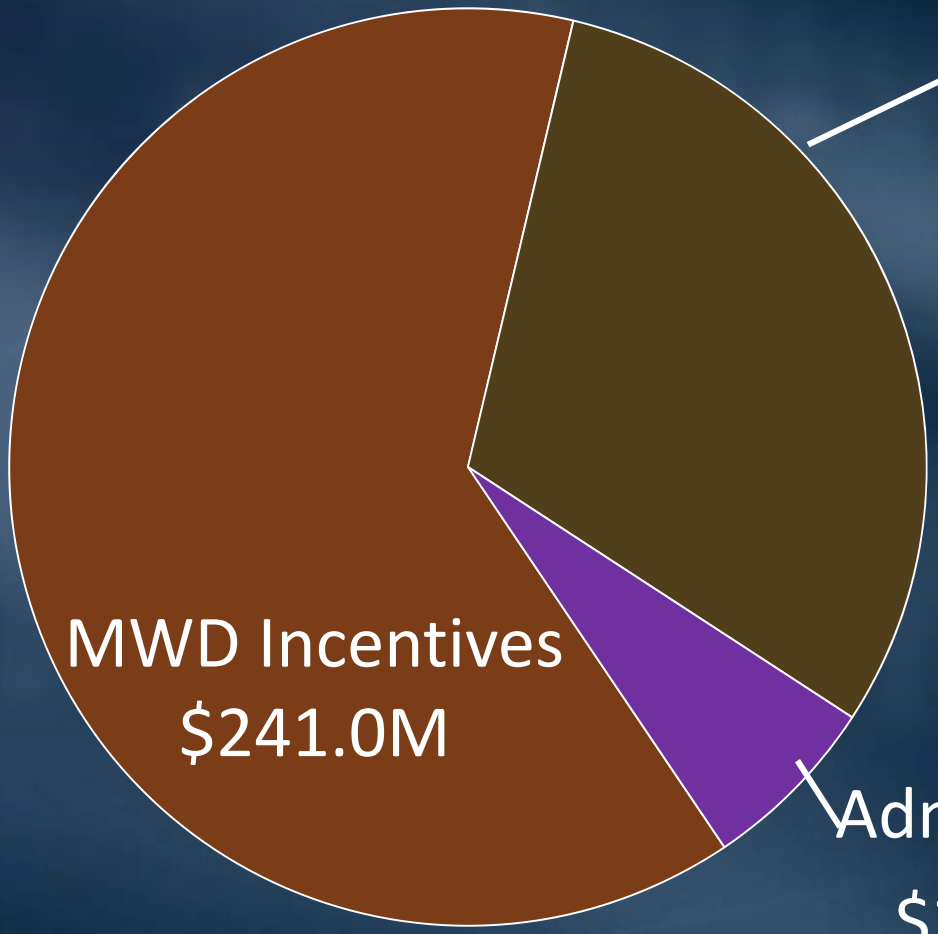
Marketing $1.0M

Administrative Fees $11.4M

$238.3M Total Paid

Projected EGIA Expenditures

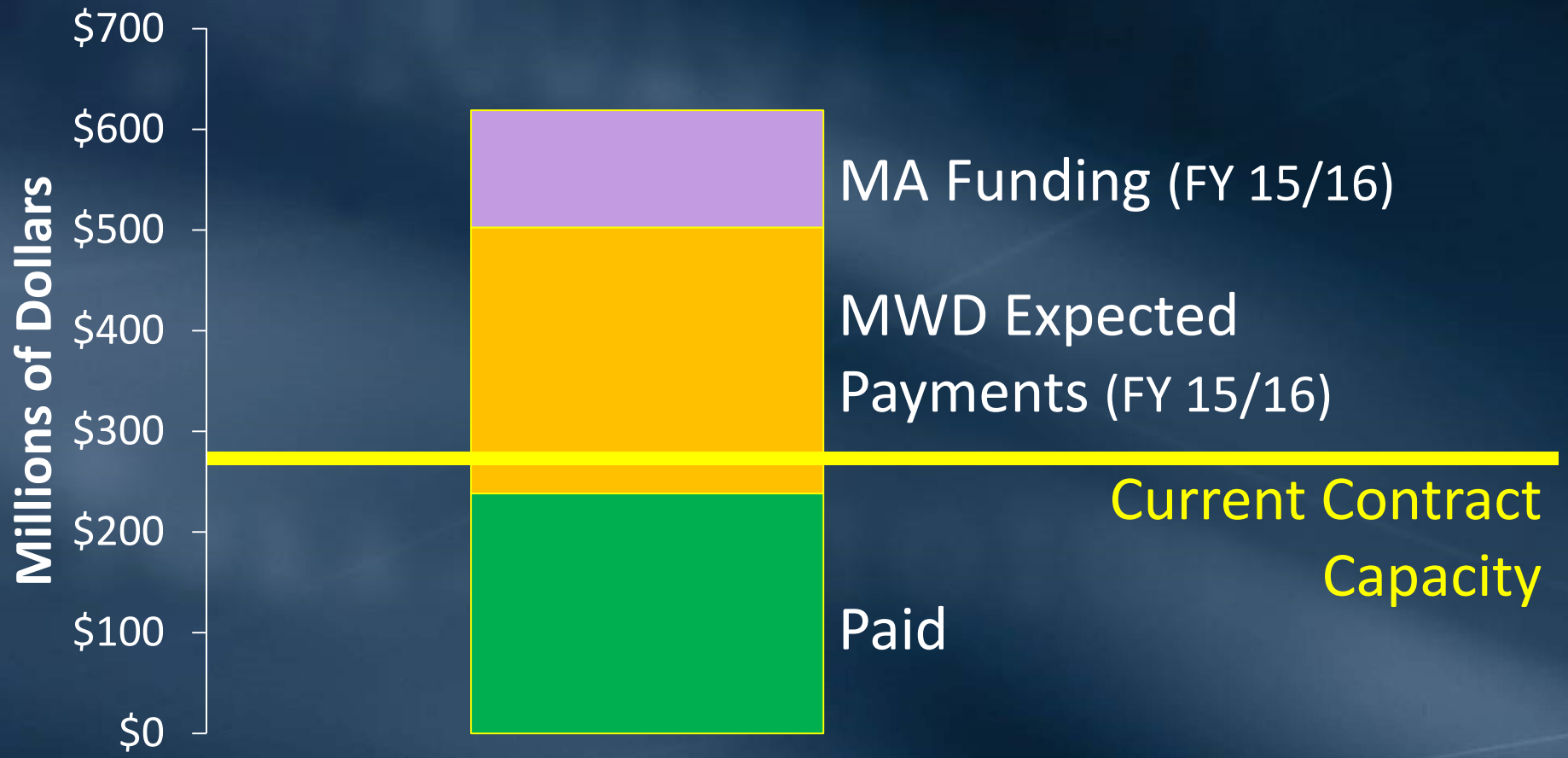
(Additional $382M in Expected Payments thru FY2015/16)



EGIA Administrative Fees

- Administrative Fees are included in O&M Budget
- Running at less than 10% of Incentive Payments - Industry leading

EGIA Contract Capacity



Summary

- Increase in contract capacity necessary to allow continued administration of rebates
- This does not affect Metropolitan's approved Conservation Program Budget
- Five-year contract with EGIA expires June 30, 2017
  - RFP for new vendor scheduled for 2016

Board Options

Option 1:

- Adopt the CEQA determination, and
  - Authorize the General Manager to amend Agreement No. 129415 with EGIA to increase contract capacity from $290 million to $620 million to allow for the increased activity in Metropolitan's regional rebate program.

Option 2:

- Take no action

Staff Recommendation

Option 1

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA
1928