



CITY OF REDDING, CALIFORNIA

COUNCIL POLICY

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
Residential Energy Discount	2018-025	1407	03-20-18	1

Background

The City Council provides financial oversight and fiscal management for the City of Redding Electric Utility (REU) and has authority to establish appropriate rates, fees, and charges to guarantee the financial integrity of the Utility. Due to electric industry restructuring mandated by the State of California under Assembly Bill 1890, passed in September 1996, the City Council enacted an interim rate surcharge to ensure the Electric Utility's long-term competitiveness. The City Council recognized that the effect of the surcharge on certain customers could be severe. Therefore, in April 1997 the City Council passed Resolution No. 97-082 instituting an income-based discount program for REU. Even though the City Council removed the interim rate surcharge in 2002, the income-based program was continued due to the increasing cost of basic electricity service. Income-based programs have been modified and expanded throughout the years since that time and continue to provide much needed assistance to our most vulnerable customers.

Purpose

The purpose of the Residential Energy Discount program is to provide financial relief by reducing the cost of basic electric service to the City's income qualified population.

Policy

1. The program will be administered to provide a discount on electric utility charges to qualified City of Redding Electric Utility customers.
2. The Residential Energy Discount will be a \$10 discount on the Electric Utility Network Access Charge and a thirty-five (35) percent discount on the first 450 kWh of usage for qualified customers as computed using the standard Residential Rate. The Residential Energy Discount shall not be applicable to or available for three-phase service, resale for profit, temporary construction service, standby or auxiliary service, service to any single motor exceeding a nameplate rating of 7½ horsepower, or any equipment that will cause excessive voltage fluctuations.
3. The Residential Energy Discount will be available to all customers whose maximum household income does not exceed the income level limits most recently published by the City of Redding and as determined by the number of household members. The income level limit is set at sixty (60) percent of median income level for the area.
4. Funds for this program will be considered to be applicable to the "Public Goods Charge" as mandated by California AB 1890, the Electric Industry restructuring bill, and will be taken from the 2.85 percent of retail revenues that REU sets aside for its Public Benefits programs.
5. Customers receiving the Residential Energy Discount shall be subject to all provisions of the current Electric Residential Rate of REU regarding character of service, taxes, and payment.



CITY OF REDDING, CALIFORNIA

COUNCIL POLICY

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
Residential Energy Discount	2018-025	1407	03-20-18	2

Procedure

The City Council directs staff to administer the Residential Energy Discount program as follows:

1. The discount will be in effect until otherwise directed by City Council.
2. The discount will be available only to individually metered single-phase electric residential service provided to any single-family dwelling, apartment, or mobile home.
3. The discount will be available to City of Redding residents only and can only be applied to one location per qualified applicant.
4. REU reserves the right to establish a waiting list if more customers qualify than funds for the program will allow. Whenever budgeted funds are exhausted, qualified customers will be added to a waiting list. As available spaces allow, they will be filled from the beginning of the list, according to the applicant’s date of qualification for the Residential Energy Discount program, if the applicant still meets the program qualifications at the time the space becomes available.
5. Benefits under this program will be denied by the City of Redding for a period of twelve months, subject to appeal to the Electric Utility Director, for any of the following conditions:
 - a. Any evidence of service tampering or meter tampering.
 - b. Failure to re-certify qualification at any time requested to do so by the City of Redding.
 - c. False information provided during qualification or re-certification.
6. Application forms shall be developed by the Electric Utility Director, or his designee, which shall set forth the minimum criteria to obtain the applicable discount.
7. Any project that is master-metered shall have the option to enter into a separate agreement with the City that provides that any credit would be fully passed through to the qualifying households. Included in this category would be mobile home parks, senior housing residences, and nonprofit housing of qualified households.
8. Discounts will become effective at the beginning of the billing period after qualification is met.
9. Determination of eligibility:

To be eligible for the Residential Energy Discount, the applicant must meet the following criteria:

- a. Total gross annual income for all persons in the applicant’s household may not exceed **sixty (60) percent** of the median income levels for Shasta County, as most recently published by the City of Redding. Application forms will show current maximums by household size.



CITY OF REDDING, CALIFORNIA

COUNCIL POLICY

SUBJECT	RESOLUTION NUMBER	POLICY NUMBER	EFFECTIVE DATE	PAGE
Residential Energy Discount	2018-025	1407	03-20-18	3

- b. Customers participating as of March 20, 2018, in either Lifeline program will automatically be enrolled in the new Residential Energy Discount program under their existing eligibility. Recertification for Lifeline applicants will remain at Lifeline’s **seventy-five (75) percent** of Shasta County median income threshold. Recertification for Lifeline Plus applicants will increase to the Residential Energy Discount program’s **sixty (60) percent** of Shasta County median income threshold.

Amended on 11-18-97 by Resolution No. 97-204
Amended on 01-19-99 by Resolution No. 99-009
Amended on 05-06-14 by Resolution No. 14-046
Amended on 01-19-16 by Resolution No. 16-014
Replaced on 03-20-18 by Resolution No. 18-025