



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Glendale Care Program Electric Bill Discount Adjustments.

1. Resolution adjusting Glendale Water & Power's (GWP) Glendale Care Program discount rate from \$23.50 to \$35.00 per month, effective January 1, 2025.
2. Resolution of Appropriation to appropriate \$800,000 for the increase in the Glendale Care Program discount rate from \$23.50 to \$35.00 per month, effective January 1, 2025.

COUNCIL ACTION

Item Type: Action Item

Approved for December 17, 2024 **calendar**

EXECUTIVE SUMMARY

To help mitigate the impact of recent rate increases on low-income customers, GWP staff respectfully recommends that the City Council approve an increase in the Glendale Care Program discount rate from \$23.50 to \$35.00 per month, effective January 1, 2025.

RECOMMENDATION

Adopt a Resolution adjusting GWP's Glendale Care Program discount rate from the current rate of \$23.50 to \$35.00 per month, effective January 1, 2025. Adopt a Resolution of Appropriation increasing the Public Benefit Charge Fund (PBC) budget by \$800 thousand to cover the additional cost of the program effective January 1, 2025.

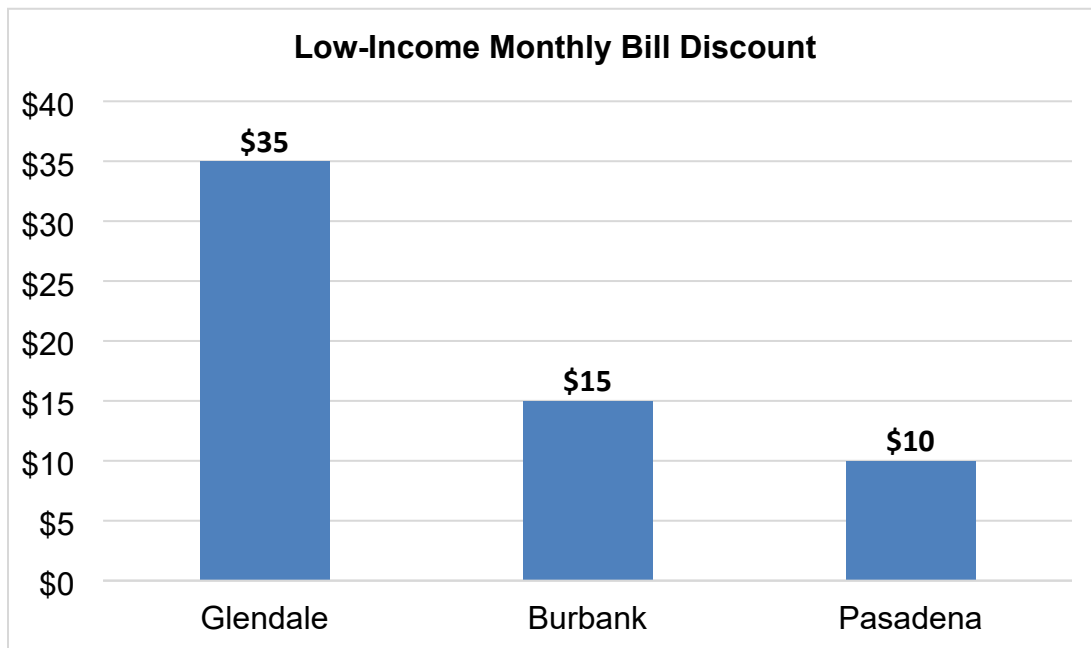
ANALYSIS

GWP currently provides electric utility bill discounts to qualifying low-income customers through the Glendale Care Program. The Glendale Care Program was approved by the City Council on November 12, 2008, and is funded through the PBC. It was generally modeled after the California Alternative Rates for Energy (CARE) Program that offers a 20% discount on natural gas bills and a 30-35% discount on electric bills for low-income customers of investor-owned electric and gas utilities.

In 2008, GWP set the discount at a flat rate of \$10 per month for program participants, which at the time equaled approximately 20% of the average low-income customer's bill. On November 28, 2023, the City Council adopted Resolution No. 23-185, which

increased the discount from \$17.50 to \$20.50, effective January 1, 2024; from \$20.50 to \$23.50, effective July 1, 2024; and from \$23.50 to \$26.50, effective July 1, 2025. The current discount of \$23.50 represents 23% of the average monthly low-income bill. Increasing the discount to \$35.00 will increase the discount percentage to 34% of the average monthly low-income bill.

The table below compares GWP's Glendale Care Program with similar programs provided by Burbank Water and Power and Pasadena Water and Power, and it shows that the proposed discount will provide significantly more relief to Glendale Care customers.



The Glendale Care Program currently has approximately 11,314 participants, with current program costs totaling \$2.7 million in FY 2023-24. The annual recurring cost for increasing the discount rate from \$23.50 to \$35.00 is estimated at \$1.6 million, for a total program cost of approximately 4.75 million per year.

Pursuant to Proposition 26 GWP electric customer rates are required to be based on the cost-of-service, so the Glendale Care Program is funded by the Public Benefits Charge (PBC), which authorizes low-income subsidies. The PBC fund currently collects approximately \$8.25 million per year, which would leave approximately \$3.5 million per year for energy efficiency programs also funded by the PBC; however, as of June 30, 2024, the PBC fund has a balance of \$15.1 million, which would sustain all PBC programs for a period of approximately four years. GWP staff will monitor the fund balance and, prior to such time of PBC fund depletion, staff will recommend adjustments to the PBC programs during the budgeting process.

STAKEHOLDERS/OUTREACH

Not Applicable. Glendale Care Program participants will be notified of the Council's action to increase the program's electric bill discount rate in response to the proposed electric rate increases.

FISCAL IMPACT

The Glendale Care Program discount rate increase to \$35.00 is estimated to add \$1.6 million in recurring expenses to the PBC Fund. For FY 2024-25, the increased cost is approximately \$800 thousand (for six months of the fiscal year). Thus, staff is requesting a Resolution of Appropriation as follows:

Requesting Appropriation			
Amount	From Account String	To Account String	Funding Source
\$800,000	GL: 27900-2900-GWP-0000-P0000-	GL: 45512-2910-GWP-4800-P0000-	PBC Fund

ENVIRONMENTAL REVIEW (CEQA/NEPA)

This item is considered a ministerial activity and therefore, not subject to California Environmental Quality Act (CEQA) review.

CAMPAIGN DISCLOSURE

Not applicable.

ALTERNATIVES TO STAFF RECOMMENDATION

Alternative 1: Choose not to approve and authorize the requested action, which will keep the Glendale Care Program discount at the current rate of \$23.50 per month.

Alternative 2: Consider any other alternative not proposed by staff.

ADMINISTRATIVE ACTION

Submitted by:

Manuel Robledo - Interim General Manager - Glendale Water and Power

Prepared by:

Adrine Isayan, Assistant General Manager - Finance and Risk Management

Ruzan Soloyan, Clean Energy Officer

Dave Davis, Utility Finance Manager

Approved by:

Roubik R. Golanian, P.E., City Manager

EXHIBITS/ATTACHMENTS

None.