

***Regular Meeting of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
AGENDA***

Monday, August 14, 2023

10:00 a.m.

PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Board members shall appear in person.

In-Person Meeting Location:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**

Zoom, **Virtual Meeting Link:** <https://pencleanenergy.zoom.us/j/85785703368>
Meeting ID: 857-8570-3368 **Passcode:** 2075 **Phone:** +1(669) 444-9171

This meeting of the Peninsula Clean Energy Executive Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Committee are expected to attend the meeting in person** and should reach out to Associate General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at <https://www.peninsulacleanenergy.com/executive-committee> following the meeting.

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/85785703368>. The meeting ID is: 857-8570-3368 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 857-8570-3368, then press #. (Find your local number: <https://pencleanenergy.zoom.us/u/kTIH1Ocod>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (nwogberg@peninsulacleanenergy.com) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

Spoken public comments will be accepted during the meeting in the Board Room(s) or remotely through Zoom at the option of the speaker. Please use the "Raise Your Hand" function in the

Zoom platform, or press *6 if you phoned into the meeting, to indicate that you would like to provide comment.

ADA Requests

Individuals who require special assistance or a disability related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting, should contact Nelly Wogberg, Board Clerk, by 10:00 a.m. on the day before the meeting at (nwogberg@peninsulacleanenergy.com). Notification in advance of the meeting will enable PCEA to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

Closed Captioning is available for all PCEA Executive Committee meetings. While watching the video broadcast in Zoom, please enable captioning.

CALL TO ORDER / ROLL CALL/ APPROVE TELECONFERENCE PARTICIPATION UNDER AB 2449

This item is reserved to approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. Members of the public who wish to address the Committee are customarily limited to two minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Overview and Update of Programs Department (Discussion)
4. Recommend to the Board of Directors to Approve the Local Government Building Electrification Program (Action)
5. Update on Net Billing Tariff (Discussion)
6. Committee Members' Reports (Discussion)

ADJOURNMENT

Public records that relate to any item on the open session agenda are available for public inspection. The records are available at the Peninsula Clean Energy offices or on PCEA's Website at: <https://www.peninsulacleanenergy.com>.

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

- Please mute your microphone when you are not speaking to minimize audio feedback
- If possible, utilize headphones or ear buds to minimize audio feedback
- If participating via videoconference, audio quality is often better if you use the dial-in option (Option 2 below) rather than your computer audio

Options for Joining

- A. Videoconference with Computer Audio – see Option 1 below
- B. Videoconference with Phone Call Audio– see Option 2 below
- C. Calling in via Telephone/Landline – see Option 3 below

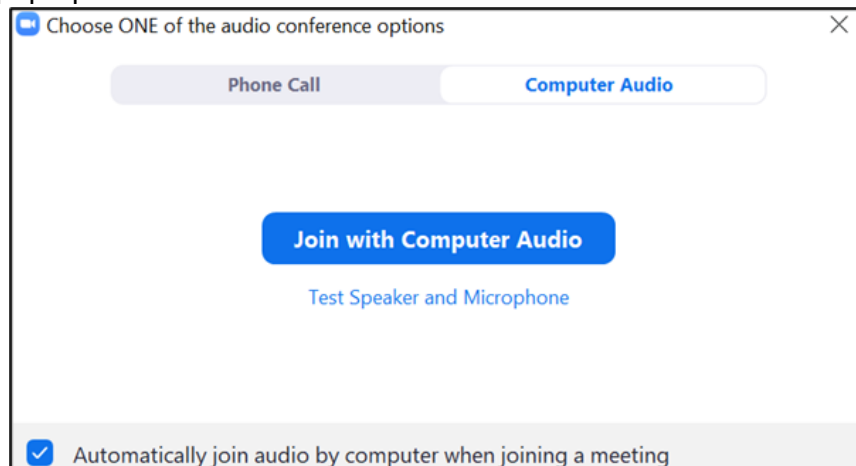
Videoconference Options:

Prior to the meeting, we recommend that you install the Zoom Meetings application on your computer by clicking here <https://zoom.us/download>.

If you want full capabilities for videoconferencing (audio, video, screensharing) you must download the Zoom application.

Option 1 Videoconference with Computer Audio:

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/85785703368>.
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



4. Click the blue, "Join with Computer Audio" button.
5. In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Option 2 Videoconference with Phone Call Audio:

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/85785703368>.
2. The Zoom Application will open on its own or you will be instructed to Open Zoom.
3. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.

Phone Call		Computer Audio
Country/Region	United States	
Dial	+1 253 215 8782 +1 346 248 7799 +1 720 707 2699 +1 301 715 8592 +1 312 626 6799	
Meeting ID	838 3472 4993	
Participant ID		
Passcode	2075	

4. Please dial +1 (669) 444-9171.
5. You will be instructed to enter the meeting ID: **857-8570-3368 followed by #.**
6. You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.
7. After a few seconds, your phone audio should be connected to the Zoom application on your computer.
8. In order to enable video, click on “Start Video” in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Audio Only Options:

Please note that if you call in/use the audio only option, you will not be able to see the speakers or any presentation materials in real time.

Option 3: Calling in via Telephone/Landline:

1. Dial +1 (669) 444-9171.
2. You will be instructed to enter the meeting ID: **857-8570-3368 followed by #.**
3. You will be instructed to enter your **Participant ID** followed by #. If you do not have a participant ID or do not know it, you can press # to stay on the line.
4. You will be instructed to enter the meeting passcode **2075 followed by #.**

**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: August 10, 2023
BOARD MEETING DATE: August 24, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Rafael Reyes, Director of Energy Programs
Blake Herrschaft, Programs Manager, Buildings

SUBJECT: Recommended approval of Local Government Building Electrification Program

RECOMMENDATION

Approval of Local Government Building Electrification Program, including new \$5 to 10 million revolving loan fund, and existing budgeted incentive funding to support electrification projects at local government facilities.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions by expanding access to sustainable and affordable energy solutions. This includes an organizational priority to contribute to our community reaching a goal of 100% greenhouse gas-free in buildings and transportation by 2035. Nearly 30% of GHGs in Peninsula Clean Energy's service territory are from methane gas combustion in buildings.

Since January 2021, Peninsula Clean Energy has provided incentives for efficient electric building systems to replace equipment utilizing combustion of methane gas beginning with heat pump water heaters in residential buildings. In most cases these upgrades will also deliver operating cost reductions.

While Peninsula Clean Energy currently offers solar and transportation electrification programs for local governments, it does not offer any programs to assist local governments with existing building/facility decarbonization. Many member agencies have adopted Climate Action Plans that recommend decarbonization of government buildings. In recent years, some agencies have had success building new all-electric buildings, but many others have had challenges funding the electrification of existing local government buildings.

Local government budgets are limited, and sometimes building electrification does not fit within currently approved capital improvement budgets. While some statewide incentive and loan programs exist for local governments, they are often not adequately funded or not a fit for local agency facilities for various reasons.

DISCUSSION

Peninsula Clean Energy's local government programs for solar, EV charging, and fleets have been popular as a mechanism to help cities install and finance solar on government facilities and electrify their municipal fleets. Local governments are also seeking support to upgrade their facilities to clean, efficient electric space and water heating systems. Because cities have noted a need for both loans and incentives, both are proposed by PCE staff to work individually or in tandem.

In June, the Board approved a budget that includes funding for a local government electrification incentive program. Since governments do not have unlimited debt capacity, pairing loan-funded projects with some incentives will be useful to governments to help meet their electrification goals. Government building portfolios are incredibly diverse, including: offices, recreation centers, fire stations, community pools, gymnasiums, and many other types of municipal facilities.

By establishing an electrification revolving loan fund, Peninsula Clean Energy can provide capital for government building electrification, while establishing a repayment method following the highly successful residential Zero Percent Loan on-bill finance program. The revolving fund limits total future program costs to Peninsula Clean Energy and provides a long-term fund that can be used for future government building electrification.

Based on analysis of local government needs, \$5 to 10 million is proposed for the revolving loan fund and would include a 7-year term at a very low or zero percent rate. If an interest rate is applied it would be to recoup administrative costs only. A maximum loan cap of \$600,000 is proposed both per project and per-agency-per-year.

The incentive budget in the approved FY24 budget is \$750,000 and forecast for \$1 million per year in subsequent years and may vary based on funds availability and uptake. A \$600,000 maximum incentive cap is proposed both per project and per year. Project amounts would vary using a formula based on methane gas reduction in therms which would be available to all building and system types.

This scale for the loan pool and incentive would allow for two to six large-to-medium sized projects to be funded annually. However, the potential demand for the program likely will be significantly larger. The program would operate on an annual cycle accepting proposals based on urgency, project readiness, gas savings, and showcase potential. Access to the incentives and loan would also be contingent upon a minimum 25% cost-share of non-PCE funds. First year participation would be limited to PCE member agencies but could be opened to other local agencies and public facilities in PCE's service territory such as school districts in subsequent rounds.

FISCAL IMPACT

Incentives from approved budget and \$5-10 million in loan capital from reserves to seed a revolving loan fund to be repaid by participating agencies.

STRATEGIC PLAN

The proposed program supports the following elements of the strategic plan:

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders
 - *5. Develop technical assistance and incentive program for existing municipal facilities to transition to all-electric appliances*

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization