

# Local Government Building Electrification Program

Citizen's Advisory Committee - 5.11.2023

# Agenda

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1. Local Governments have decarbonization goals
2. Local Governments sometimes struggle to fund building electrification
3. Diverse portfolios need flexible incentives
4. Existing incentive program cost effectiveness
5. Proposed program
  1. Providing a flexible, per therm, per year incentive
  2. Recommended incentive structure
  3. Project prioritization criteria
  4. Timeline

# Local Governments have decarbonization goals

## **Municipal Green Building Policy and Electrification**

City facilities will follow the CALGreen Code and consider having new municipal buildings certified for LEED Silver or Gold status or equivalent. The new Community Center will be built to green building standards; however, at this point it is unknown what level of LEED standard will be achieved. The City is also looking at opportunities for including PV solar panels for the new Community Center.

In order to lead by example, all new construction projects by the City will be all-electric based on adopted Reach Codes and will strive to be zero net energy via on-site solar. The Community Center currently under design is committed to these goals.

Excerpt from Millbrae 2020 Climate Action Plan



New All-Electric Recreation Center

# Local Governments sometimes struggle to fund electrification

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East Palo Alto City Hall



San Mateo Animal Shelter



Menlo Park Burgess Pool



Brisbane Community Pool



Portola Valley Town Center



San Carlos Youth Center



# Diverse portfolios need flexible incentives

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*Governments have the most varied portfolios imaginable*

City hall

Government offices

Police stations

Fire stations

Animal shelters

Human health and services

Forensics labs

Community pools

Recreation centers

Youth centers

Locations for weddings

911 dispatch center

Juvenile hall

Prisons

Libraries

Lifeguard stations

Baseball fields

Tennis and pickleball courts

Corps yard

Airport

Parks and Recreation

Courthouse

Registrar of voters

Daycare center

# Existing incentive program cost effectiveness

Cost effectiveness of current residential incentive program			
Electrification Measure Replacement	Therms Saved per Year	PCE Incentive	Cost to PCE (\$/therm)
Residential HPWH	195	\$3,000	\$15
Residential Furnace	203	\$3,500	\$17

- Our existing incentives have a **cost-effectiveness of \$15-17 per therm** of methane gas avoided per year
- Municipal buildings can save the **GHG equivalent of tens or hundreds of residential HPWH** in one project
- We recommend the program is **designed to be more cost-effective** than the current incentives we offer to single-family homes

# Providing a flexible, per therm per year incentive

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## Rebate Cost Effectiveness



25% more cost effective than current single-family incentives

# Recommended incentive structure

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- Annual **rolling incentive application** process
- Provide a **per-therm** incentive for electrification projects
- Require projects to be **shovel-ready**
- Provide **funds up-front** and verify upon project completion
- Allow for **flexibility** for sites requiring one-time, large electrical upgrades
- **Limited funding per year** (program size could be \$1-3 million per year)
- Allow limited (<10% annual usage) dual-fuel for specific projects with site or capacity issues



# Project prioritization criteria

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If local governments request more funding than is available in a given year, we recommend prioritizing by:

1. Urgency (gas equipment aging out)
2. Shovel-readiness
3. Total therms savings
4. "Showcase project" or high community visibility / benefit

# Possible timeline

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