Customer Relief and Community Resiliency
Discussion of Draft Program Outlines

SVCE Executive Committee Meeting
April 24, 2020
Background

• SVCE BOD recently approved $10M allocation for COVID customer relief and longer-term community resiliency

• At BOD direction, staff has drafted program outlines for:
  o Preliminary discussion with MAWG (yesterday)
  o Exec Committee review and input (today)
  o Subsequent update, BOD review and approval

• Currently in DRAFT
Seeking to Balance Multiple Goals

Mission-Aligned
Fairness
Longer-term Value

Need/Equity
Speed
Near-term Materiality
## Summary of Draft Program Outlines

<table>
<thead>
<tr>
<th>Program</th>
<th>Est $</th>
<th>$ spent by</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Relief</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a) $100 bill credit to all residential CARE/FERA customers</td>
<td>$2.5M</td>
<td>July 2020</td>
</tr>
<tr>
<td>1b) $250 bill credit to qualifying/responding small business customers</td>
<td>$1.0M</td>
<td>August 2020</td>
</tr>
<tr>
<td><strong>Workforce Relief</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a) Workforce Electrification Training with $500 Stipend</td>
<td>$1.0M</td>
<td>August 2020</td>
</tr>
<tr>
<td>2b) Workforce Home Electrification Installation</td>
<td>$0.5M</td>
<td>March 2021</td>
</tr>
<tr>
<td><strong>Community Resiliency</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3a) Resiliency Infrastructure Planning Support</td>
<td>$1.0M</td>
<td>December 2020</td>
</tr>
<tr>
<td>3b) Resiliency Infrastructure Capital Project Support</td>
<td>$4.0M</td>
<td>December 2021</td>
</tr>
</tbody>
</table>

~$10M
# 1. Customer Relief Options - Overview

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Avg Monthly Elec Bill</th>
<th># Customers</th>
<th>Est Bill Credit</th>
<th>Est Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARE/FERA</td>
<td>$80</td>
<td>~24,000</td>
<td>$100</td>
<td>$2.5M</td>
</tr>
<tr>
<td>DAC</td>
<td>TBD</td>
<td>3,548</td>
<td>$100</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Other Socio-economic Community Indicators (SEVI, AMI)</td>
<td>TBD</td>
<td>(scalable)</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Small Business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CARE</td>
<td></td>
<td>33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1 (less than 5 A1 accounts only)</td>
<td>~$250</td>
<td>~11,000</td>
<td>$100</td>
<td>$1.1M</td>
</tr>
<tr>
<td>A1 by application</td>
<td>~$250</td>
<td>(scalable – cap at 4,000)</td>
<td>$250</td>
<td>$1.0M</td>
</tr>
</tbody>
</table>
1. Customer Relief – CARE/FERA

- Sunnyvale: NCustomers 58,536, CARE/FERA 5,029
- Gilroy: NCustomers 17,213, CARE/FERA 4,680
- Milpitas: NCustomers 25,370, CARE/FERA 3,583
- unincorporated: NCustomers 23,212, CARE/FERA 2,874
- Mountain View: NCustomers 36,217, CARE/FERA 2,699
- Morgan Hill: NCustomers 14,850, CARE/FERA 2,218
- Campbell: NCustomers 18,189, CARE/FERA 1,832
- Cupertino: NCustomers 21,640, CARE/FERA 918
- Los Gatos: NCustomers 12,934, CARE/FERA 670
- Saratoga: NCustomers 11,008, CARE/FERA 388
- Los Altos: NCustomers 11,312, CARE/FERA 215
- Los Altos Hills: NCustomers 3,025, CARE/FERA 36
- Monte Sereno: NCustomers 1,223, CARE/FERA 16
2. Workforce Relief Overview

Objective:
Provide opportunity for building industry professionals to gain electrification skills and experience, and earn extra money in the near-term

Recommended Funding: ~$1.5M

Program Components:

2a) Provide $500 stipend for local contractors, trades, building officials and design professionals who complete ~5-6 hours of online building electrification training
- Electrification 101
- HP Hot Water Systems
- Appliances + Outdoor
- HP HVAC
- Solar + Battery Storage

2b) Provide $4-5K in support for local contractors or trade professionals to install HPWH, HP HVAC, or battery storage at their primary residence
3. Community Resiliency Overview

**Objective:** Provide near term economic stimulus through support of direct investment in improved energy resilience at critical facilities in our communities over the next 12-18 months.

**Recommended Funding:** $5M

**Program Components:**

3a) Infrastructure Planning Support: $500K—$1MM
   - site planning or energy-related community resilience planning as needed (spend by 12/31/2020)

3b) Capital Project Support: $4.0MM—$4.5MM
   - for storage and solar + storage projects (spend by 12/31/2021)
3. Community Resiliency – Draft Approach

**Funding Allocation**
- Funds allocated to member agencies by % of overall SVCE load
- For each agency up to 20% of allocation for planning, 80+% for capital projects

**Scope of Planning Grant Funds**
- Funds could be used for site identification or wider communication and coordination efforts that support energy resilience
- Staff meeting with member agency staff to more fully assess needs

**Next Steps**
- Confirm initial direction on broad program parameters
- Investigate potential for linkage/leverage with current Resilience RFP
- Flesh out full program details over next month
Resilience RFP Update

Executive Committee
April 2020
RFP Background

• On Nov 5, four public agencies jointly released RFP to support community resilience in response to PSPS events
• RFP to spur >30MW of batteries at homes and businesses
• Batteries form a “virtual power plant” to provide grid services when not in use for back-up power
• SVCE target: 10MW (5MW each for resi & C&I)
Results from the Evaluation

• Received 19 proposals and 36 unique bids
• Top reasons for low scores:
  o Non-compliant bid
  o Price
  o No/inadequate RA experience
  o Absent/incomplete go-to-market plan

• Observations from evaluation process:
  o Huge policy/regulatory uncertainty & barriers for behind-the-meter storage for RA
  o Many C&I respondents hyper-focused on specific industries (groceries, multifamily)
  o Significant collaboration and data analysis with vendor necessary to develop effective go-to-market plan
Current Steps

• Entered into contract negotiations with 2 vendors: one C&I and one residential
• Working on data analysis to refine customer segmentation, go-to-market plan, and bid price/volume
• Evaluating how/whether to tie program to COVID community resilience efforts
• Contracts currently expected to be brought forward to BOD in June
MID-YEAR BUDGET UPDATE

EXECUTIVE COMMITTEE
April 24, 2020
01 March Board meeting. Rates Proceeding.
02 Department meetings to discuss expenses. April 22nd PG&E Rates released.
03 Discuss staffing needs with Exec. Committee.
04 Present Mid-Year budget with Staffing Resolution at April Board Meeting.
OPPORTINAL RISK

DATA & RESOURCE PLANNING

CURRENT STATE
1. Small group of people managing multiple large transactions ($240MM)
2. Leveraging many consultants & outside experts
3. Adapting to new regulations continuously
4. Reacting to major events (ex. Wind Contract)
5. Regular complex long-term negotiations

FUTURE STATE
1. Shared dispatchable (Solar + Storage)
2. Significant demand-side operations
3. Move to 24x7 Carbon-Free Goal
4. Managing large customer contracts
5. Increased variables and constraints in future state

GAP
Staff is recommending expansion of the Table of Organization to target specific needs in data and resource planning
• Staff recommends increasing the T/O by 2 positions to 29 FTE’s
• 1 Senior level Data Engineer
  • Programs Department
• 1 Senior level Resource Planner
  • Power Supply Department
NEXT STEPS

• Incorporate staffing comments from Exec. Committee into budget

• Assuming permanent savings are identified in mid-year budget process
  • Discuss allocation of any projected surplus >$30MM
THANK YOU