Doubling Down on Decarbonization Programs

Board of Directors
November 10, 2021
Objectives – seeking Board input

Feedback on direction – still to be fleshed out

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Where are we in the process?

Timeline

Today

Input from Board on direction

Staff finalize program details, launch, report back

Input on direction from stakeholders, EC

Board approval on "double down" programs with additional details

SILICON VALLEY CLEAN ENERGY
Key takeaways on doubling down

Target barriers that SVCE (and member agencies) are best positioned to tackle:

- Multifamily tenant EV access
- Natural gas phase-out
- Focus on programs that further create the foundation to enable new policy for big impacts
Programs are an emphasis in the 2021-22 strategic focus areas.

Support local agency work and leverage close ties.

1. Additional staffing
2. Bring PPAs into operations mode
3. Procurement and integration
4. Financial stability
5. Operations and cyber risk management
We will need to bend a lot of different carbon curves.

2018 Energy- and transportation-related emissions (incl. fugitive emissions) (Total = 3.74 MMT CO2e)

Mix of shared and unique challenges across sources

- Passenger vehicles (sedans, smaller SUVs/pickups)
  - 32%

- Commercial trucks
  - 5%

- Commercial gas space heating
  - 5%

- Commercial gas water heating
  - 5%

- Industrial gas usage
  - 7%

- DA + PG&E electricity
  - 7%

- Off-road transportation
  - 9%

- Res gas space heating
  - 8%

- Res gas water heating
  - 10%

- Utilities gas usage
  - 4%

- All cooking
  - 4%

- Remainder
  - 4%
Major leaps in adoption are needed – residential EV example

On the order of $10B to buy EVs;

(total cost)

Some customers face bigger

(total cost)
Major leaps in adoption are needed – residential heat pump water heater example

SVCE program very successful, compared to deployment

Similar scaling needed for other building technologies

<table>
<thead>
<tr>
<th>Adoption rate, target 2030</th>
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<tbody>
<tr>
<td>Water Heating</td>
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<tr>
<td>Space Conditioning</td>
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<td>Stovetops</td>
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<td>Dryers</td>
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<td>Panel Upgrades</td>
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SVCE Program Approach

To succeed, policy/mandates need a support structure
SVCE will “double down” on key programs with more resources and staff focus

- Lay the foundation for rapid, smart adoption of policy
- Based on learnings from programs so far
- Additional programs budget may be available
- Key barriers and approaches already identified
- Focus on SVCE and city roles
Proposed programs to expand

Focus efforts on two key areas, across a suite of programs

- Multifamily EV Natural Gas Phase-Out
- AccessSVCE Programs
- Multifamily EV Charging Assistance and Grants/Incentives
- Whole-Building Electrification Grants/Incentives
- Reach Codes 2.0 and pilot policy
- Permitting Simplification
- Accessible Financing
Next steps

Timeline

- Input from Board on direction
- Staff finalize program details, launch, report back
- Input on direction from stakeholders, EC
- Board approval on programs with additional details (budget/staff impact, program outlines, de-prioritization)
- and on
Appendix
Putting “double down” in context

What about programs not listed as priorities?

- Multifamily EV charging assistance and grants/incentives
- Whole-building electrification grants/incentives
- Reach codes 2.0 and pilot policy
- Permitting simplification
- Accessible financing

Continue the rest of programs at planned levels:

- Municipal resilience grants
- Online contractor training
- CALeVIP EV charger incentives
- eHub
- Virtual power plant programs
- and others...

De-prioritize:

- Limit # of small innovation pilots
- Fleet electrification grants
- HPWH-only incentive program

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