Voluntary Allocation and Market Offer ("VAMO")
May 11, 2022
SVCE Board Meeting
Voluntary Allocation Market Offer (“VAMO”)

VAMO authorized by the CPUC as part of the PCIA proceeding

- IOUs RPS portfolios available to all load serving entities (“LSEs”), including SVCE

- LSE’s elect to participate for allocations starting in January 2023

- Commitment by June 10, 2022, for minimum 10-year term
84% of PG&E’s portfolio is from Portfolio Content Category One (“PCC1”) resources (solar PV, wind)

Some of PG&E’s portfolio comes with biomass and uncertain PCC0 resources
Staff anticipates that no more than 40% of its PG&E VAMO share may be necessary – this translates to about 10% of SVCE’s RPS portfolio.

Resource types, quantity, REC price and term uncertain

- **Resource Type**: May include out-of-state RPS resources (“PCC2”); un-bundled RECs (“PCC3”); and biomass/biogass resources which are limited from an annual compliance standpoint and/or carry reportable greenhouse gas emissions.

- **Quantity**: SVCE may elect to take allocation in increments of 10% of total share. The actual amount will vary based on generation output and subject to rebalancing if PG&E sells off RPS resources.

- **Price**: based on annual PCIA market price benchmark which will vary year-to-year

- **Term**: based on resources in PG&E’s RPS portfolio which can be 30 years
PPA Delay and Termination Risk Could Be Mitigated by VAMO

- SB350 requires 65% of RPS contracted through long-term resources (10 years or greater)
- SVCE Board approved a 5% over-procurement margin as part of Integrated Resource Plan
- VAMO allocations are from projects which already exist and therefore have no development risk.

<table>
<thead>
<tr>
<th>Item</th>
<th>2021-2024</th>
<th>2025-2027</th>
<th>2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. State Mandated RPS per Compliance Period - % of Retail Sales</td>
<td>40%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>2. State Mandated % of Mandated RPS (Row #1) to be Contracted Under RPS Long-term Contracts</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>3. State Mandated % of Retail Sales with RPS Long-term Contracts (Row 2* Row 1)</td>
<td>26%</td>
<td>33%</td>
<td>39%</td>
</tr>
<tr>
<td>4. SVCE: Current Compliance with Row #3: Existing RPS Achieved with Long-term Contracts</td>
<td>37.6%</td>
<td>60.6%</td>
<td>57.7%</td>
</tr>
</tbody>
</table>
Recommendation

• Authorize SVCE’s Chief Executive Officer (CEO) to participate in Pacific Gas and Electric’s (PG&E) Voluntary Allocation Market Offer (VAMO) for a portion of its load ratio share and execute necessary agreements including the Voluntary Allocation Confirmation under Pacific Gas and Electric (PG&E) and SVCE Master Power Purchase and Sale Agreement.

• The CEO will only exercise the delegated authority should he deem it necessary to meet long-term procurement directives, in an amount not to exceed four increments of VAMO allocation - equivalent to approximately a 10% RPS - and will report back to the Board in a timely fashion.
New Construction
Reach Code Update

Zoe Elizabeth
May 2022
To provide a concise summary of your next steps to adopt reach codes this year.
Reach Code Steps Board Member Checklist

- This list can help you track progress.
- SVCE can provide technical assistance and outreach support throughout the process.

<table>
<thead>
<tr>
<th>Action</th>
<th>Suggested Completion Date</th>
<th>Done?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attend first meeting w/SVCE staff</td>
<td>2/1/2022</td>
<td></td>
</tr>
<tr>
<td>Identify your ideal level of reach (your goal)</td>
<td>3/31/2022</td>
<td></td>
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<tr>
<td>Confirm appropriate staff are engaged and aware of your goals</td>
<td>3/31/2022</td>
<td></td>
</tr>
<tr>
<td>Confirm council info sessions and vote sessions are agendized</td>
<td>4/30/2022</td>
<td></td>
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<tr>
<td>Confirm City Manager signed LOI</td>
<td>4/30/2022</td>
<td></td>
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<tr>
<td>Vote</td>
<td>10/31/2022</td>
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</tbody>
</table>
Some Reach Code Actions To Date

- All thirteen jurisdictions are actively engaged.

- Several jurisdictions have leveraged SVCE for public outreach and TRC for technical assistance.

- We suggest completing all recommended actions this month.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Initial Boardmember and Staff Meetings</th>
<th>Signed LOI</th>
<th>Council/Board Item Agendized</th>
<th>SVCE Supported Public Outreach</th>
<th>1:1 Technical Consultation w/ Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Cupertino</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
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<tr>
<td>Gilroy</td>
<td>X</td>
<td>X</td>
<td></td>
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<tr>
<td>Los Altos</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>Planned</td>
</tr>
<tr>
<td>Los Altos Hills</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Los Gatos</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Milpitas</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mountain View</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
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<tr>
<td>Santa Clara Co.</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Saratoga</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sunnyvale</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
We developed a website with all your reach code resources in one place.

- 1-stop shop website for three counties
- Bayareareachcodes.org

2022 Building Electrification & EV Infrastructure Reach Code Initiative
Videos

Model Reach Codes

**Videos**

- Video: How Heat Pumps Work
- Video: 5 Benefits of Induction Cooking
- Video: Why an Electric Home is Better

**Model Reach Codes**

- **PART 11 ALL-ELECTRIC BUILDING REACH CODE ORDINANCE**
  This model is based on an ordinance adopted by the City of Menlo Park and can be used for all Climate Zones in California. The amendment is for 2022 Title 24 Part 11 Green Building Standards (also referred to as CALGreen) and allows only electric appliances for specific end-uses. Over 30 jurisdictions adopted a similar model in California in the 2019 code cycle.

- **ALL-ELECTRIC MUNICIPAL CODE ORDINANCE**
  This model is a municipal code ordinance that broadly requires buildings to be constructed without any natural gas lines with limited exceptions. The municipal code amendment is not tied to the building code cycle and can be adopted indefinitely. Over the last two years about 10 jurisdictions adopted some form of this ordinance.

- **EXISTING BUILDINGS ELECTRIFICATION ORDINANCES**
  Due to added complexity and a heightened need to address equity when decarbonizing, cities have taken customized approaches to decarbonizing their existing building stock. Please visit back to access resources we are developing, including:
  1. Policy Framework and links to adopted ordinances. Coming in April 2022.
**Process and Timeline**

**Contact PCE/SVCE/EBCE to understand resources available**

**Conduct community engagement**

**Draft local amendments**

**Submit to council for review**

**Application to Energy Commission**

**File with Building Standards Commission**

*Letter of Intent for $10,000 support grant from your local CCA

**Payment of $10,000 support grant from your local CCA**

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**Upcoming Events**

**External Events**

- **April 26th, 2022** – Reach Codes Newcomers Webinar Series: Session 4 (BayREN)
  - Reach code ordinance options
  - Time: 10:00 AM – 11:30 AM PST, Location: Webinar
  - Register here

- **May 3rd, 2022** – Statewide Reach Codes Team Webinar
  - Results & Findings: Single Family New Construction Cost-Effectiveness Study
  - Time: 10:00 AM – 11:30 AM PDT, Location: Webinar
  - Register here

- **May 11th, 2022** – Statewide Reach Codes Team Webinar
  - Draft Results: Nonresidential New Construction Cost-Effectiveness Study
  - Time: 10:00 AM – 11:30 AM PDT, Location: Webinar
  - Register here

- **September 27th, 2022** – Reach Codes Newcomers Webinar Series: Session 5 (BayREN)
  - Implementation
  - Time: 10:00 AM – 11:30 AM PST, Location: Webinar
  - Register here

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**Past Events**

- **April 13th, 2022** – City Staff Feedback Event (Existing Buildings)
  - Time: 2:00 PM – 4:00 PM PST, Location: Webinar
  - View recording

- **February 17th, 2022** – City Staff Feedback Event
  - Time: 10:00 AM – 12:00 PM PST, Location: Webinar
  - View slide deck
  - View recording

- **February 16th, 2022** – Community Feedback Event
  - Time: 6:00 PM – 7:30 PM PST, Location: Webinar
  - View slide deck
  - View recording

- **February 15th, 2022** – Building Industry Feedback Event
  - Time: 10:00 AM – 12:00 PM PST, Location: Webinar
  - View slide deck
  - View recording

- **January 26th, 2022** – Kickoff Meeting for City Staff
  - Time: 11:00 AM – 12:30 PM PST, Location: Webinar
  - View slide deck
  - View recording
Building on the stakeholder engagement learnings of 2019 building code cycle, we offer a Zoning Code amendment that exceeds the adopted 2022 Title 24 Part 11 Green Building Standards (also referred to as CALGreen). Similar to the All-Electric Municipal Ordinance, this zoning code amendment is not tied to the building code cycle and can be adopted indefinitely. The model code enhances charging accessibility while meeting driver needs, minimizing costs, and allowing for limited exceptions. Dozens of cities adopted a similar model code in 2019 under a CALGreen building code amendment.

This code amendment will be translated into a 2022 CALGreen building code amendment, coming in April 2022.
Thank you!

svcleanenergy.org

Zoe.Elizabeth@svcleanenergy.org
# 2019 Success – Your Efforts Made a Difference

<table>
<thead>
<tr>
<th>Type</th>
<th>How it works</th>
<th>SVCE Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Preferred</td>
<td>Allows mixed-fuel buildings with high energy performance. Electrification-ready panel and wiring in mixed-fuel buildings.</td>
<td>2 – Milpitas, Monte Sereno</td>
</tr>
<tr>
<td>Mostly-Electric</td>
<td>Water and space heating must be electric, exemptions for other appliances. Electrification-ready panel and wiring in mixed-fuel buildings.</td>
<td>4 – Campbell (res), Los Altos, Los Altos Hills (res), Saratoga</td>
</tr>
<tr>
<td>Building</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All-Electric</td>
<td>All appliances must be electric, with very limited exemptions.</td>
<td>5 – County of Santa Clara, Cupertino, Los Gatos (res), Mountain View, Sunnyvale</td>
</tr>
<tr>
<td>Gas Ban</td>
<td>No gas hookup (via municipal ordinance). Limited exceptions.</td>
<td>1 – Morgan Hill</td>
</tr>
<tr>
<td>No Reach</td>
<td>Meet state code minimum requirements.</td>
<td>1 – Gilroy</td>
</tr>
</tbody>
</table>
## 2019 Reach Codes – EV Charging

<table>
<thead>
<tr>
<th>Type</th>
<th>How it works</th>
<th>SVCE Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>EV Charging</td>
<td>More charging infrastructure for a higher percentage of parking spaces.</td>
<td>9 – County of Santa Clara, Cupertino, Los Altos, Los Gatos, Mountain View, Milpitas, Monte Sereno, Saratoga, Sunnyvale</td>
</tr>
</tbody>
</table>
New Construction Energy Code (Part 6)

- Electric heat pumps are prescribed for:
  - Residential HVAC
  - Nonresidential – most include one or both of water heating and HVAC, depending on building type

- Residential
  - Performance credit for all-electric buildings
  - Required higher ventilation rate for gas stoves
  - Pre-wiring required for residential dwellings
  - Energy storage readiness

- Nonresidential - Solar PV and Battery Storage required