SILICON VALLEY CLEAN ENERGY

Tina Walia, Chair
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Yvonne Martinez Beltran
City of Morgan Hill

Pat Showalter
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, June 12, 2024
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Milpitas Police Department
1275 N. Milpitas Blvd
Milpitas, CA

2302 Zanker Road
San Jose, CA

TownePlace Suites Sacramento Rancho Cordova
11212 Point East Drive
Rancho Cordova, CA

2352 Middlefield Rd.
Markham, ON L3S 4T6
Canada

Villanueva 547
M5507 Lujan de Cuyo
Mendoza, Argentina

Teleconference Meeting
Webinar:
https://cityofcupertino.zoom.us/j/92271287052

Telephone (Audio Only):
US: +1 669-900-6833
Webinar ID: 922 7128 7052

Members of the public may also attend this meeting in person, or observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Board of Directors. The public will also have an opportunity to provide comments during the meeting. Members of the public participating remotely and using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Clerk for the Authority at (408) 721-5301 x1005. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.105 ADA Title II).

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(audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org prior to the meeting for assistance.

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Consent Calendar (Action)

1a) Approve Minutes of the May 8, 2024, Board of Directors Meeting

1b) Receive April 2024 Treasurer Report

1c) Authorize Payments Totaling $3,054,971 for the California Community Choice Association and $1,270,327 for California Community Power Membership Costs

1d) Authorize the Chief Executive Officer to Execute a Third Amendment to the Peninsula Clean Energy Cost Share Agreement to Extend the Term Through December 31, 2026 and Increase SVCE's Amount to $1,090,000 for Technical Support for the Reach Code Program

1e) Authorize the Chief Executive Officer to Negotiate and Execute a Memorandum of Agreement for an EPA Climate Pollution Reduction Grant

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City of Sunnyvale

Otto Lee
County of Santa Clara

1f) Authorize the Chief Executive Officer to Amend Agreement with Power MC LLC to Increase the Not to Exceed Amount by $121,613 to $545,797 for Business Process Optimization Project Consulting Services

1g) Approve July 2024 Rates Update in Alignment with SVCE's 4% Budgeted Discount Rate for All Retail Rates

1h) Executive Committee Report

1i) Finance and Administration Committee Report

1j) California Community Power Report

1k) Additional Committee Reports

Regular Calendar

2) CEO Report (Informational)

3) Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart (Action)

4) Results of Stress Test Analyses (Discussion)

5) FY 24-25 Budget Framework (Discussion)

6) Intro to 2025 Strategic Plan and Strategic Focus Areas (Discussion)

7) Local Agency Action Planning (Informational)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

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Revised: February 7, 2024

SVCE
GLOSSARY OF TERMS

BTM – Behind the Meter – Customer-sited resources which connect to the distribution system on the customer's side of the utility's meter. See also "DER".

C&I – Commercial and Industrial – Business customers

CAISO – California Independent System Operator – a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California's electric flow). Its stated mission is to "operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development. CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

CALCCA – California Community Choice Association – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California's community choice electricity providers.

CARB – California Air Resources Board – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CARE – California Alternate Rates for Energy Program – A monthly discount of 20% or more on gas and electricity. Participants qualify through income guidelines or if enrolled in certain public assistance programs.

CEC – California Energy Commission

CCCFA – California Community Choice Financing Authority – The California Community Choice Financing Authority (CCCFA) was established in 2021 with the goal to reduce the cost of power purchases for member community choice aggregators (CCAs) through pre-payment structures. The founding members of CCCFA include Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy. CCCFA is a Joint Powers Authority which can help member CCAs save up to 10% or more on power purchase agreements, helping reduce costs for ratepayers and increase available funding for local programs.

CC Power – California Community Power – California Community Power is a Joint Powers Agency comprised of nine CCAs. CC Power allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals.

CP – Compliance Period – Time period to become RPS compliant, set by the **CPUC** (California Public Utilities Commission)

DA – Direct Access – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

Demand – The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DR – Demand Response – An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

DER – Distributed Energy Resource – A small-scale unit of power generation that operates locally and is connected to a larger power grid at the distribution level.

Distribution – The delivery of electricity to the retail customer's home or business through low voltage distribution lines.

eHub – SVCE's online customer resource center with the latest information on electric vehicles, home electrification, and solar and battery storage.

ERRA – Energy Resource Recovery Account – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

ESP – Energy Service Provider – An energy entity that provides service to a retail or end-use customer.

FERC – Federal Energy Regulatory Commission – Independent federal agency that regulates the interstate transmission of electricity, natural gas and oil. The CAISO is subject to FERC jurisdiction.

GHG – Greenhouse gas – water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

GWh – Gigawatt-hour – The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

IOU – Investor-Owned Utility – A private electricity and natural gas provider.

IRA – Inflation Reduction Act

IRP – Integrated Resource Plan – A plan which outlines an electric utility's resource needs in order to meet expected electricity demand long-term.

kW – Kilowatt – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

kWh – Kilowatt-hour – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

LCR – Local (RA) Capacity Requirements – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

LCFS – Low Carbon Fuel Standard – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

Load – An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

LSE – Load-serving Entity – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

MMT – Million Metric Tonnes – Common unit of measurement in regulatory and policy space for California's GHG emissions.

MAWG – Member Agency Working Group, a group of PIOs from SVCE's member communities that gather monthly

MW – Megawatt – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

MWh – Megawatt-hour – measure of energy

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels. The main differences between NEM and FIT programs are the type of rate (flat vs. dependent on time-of-day generation), number of meters required (two vs. one), and flexibility (long-term contract vs. non-binding program enrollment).

PCC1 – RPS Portfolio Content Category 1 – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as "in-state" renewables

PCC2 – RPS Portfolio Content Category 2 – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

PCC3 – RPS Portfolio Content Category 3 – Unbundled REC**PSPS – Public Safety Power Shutoff** – An event in which the IOUs purposely turn off segments of the grid due to high risk of ignition and wildfires.

PCIA or "exit fee" – Power Charge Indifference Adjustment (PCIA) is an "exit fee" based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

Power Content Label (PCL) – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statue of 2009) and Senate Bill 1305 (Statutes of 1997).

PPA – Power Purchase Agreement – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

Prepay – payment in advance by a municipal utility for a number of years of contracted energy, and this prepayment with tax-exempt debt

RA – Resource Adequacy – Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability. Today LSEs must procure no less than 115% of the peak hour load. In 2023 and 2024, this will increase to 116% and 117% respectively. Beginning in 2025 a new RA program will be implemented requiring LSEs show capacity to meet their hourly reliability needs, the "PRM" adder is still undetermined.

RE – Renewable Energy – Energy from a source that is not depleted when used, such as wind or solar power.

REC – Renewable Energy Certificate – A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RPS – Renewable Portfolio Standard – Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SB 100 – California Senate Bill 100 established a landmark policy requiring renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045.

SMUD – Sacramento Municipality Utility District

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

TOB – Tariff On-bill – Tariff On-Bill Financing is a model in which utilities use a tariff to enable customers to pay back the cost of a solar panel without credit or income level conditions.

TOU – Time-of-Use Rates – The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, midpeak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

Unbundled RECs – Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are "unbundled" and sold to different buyers.

VPP – Virtual Power Plant – A cloud-based energy supply made up of a collection of an aggregation of distributed energy resources (DERs), such as smart EV chargers, smart thermostats, building energy management systems, battery storage systems, solar PV and smart inverters.

24/7 – Goal of supplying consumer energy demand with 100% carbon-free energy at all hours of the day

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, May 8, 2024
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

DRAFT MEETING MINUTES

Call to Order:
Chair Walia called the meeting to order at 7:01 p.m.

Roll Call
Present:
Tina Walia (Chair), Saratoga
George Tyson (Vice Chair), Los Altos Hills
Elliot Scozzola, Campbell
Sheila Mohan, Cupertino
Sally Meadows, Los Altos
Maria Ristow, Los Gatos
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill
Pat Showalter, Mountain View
Larry Klein, Sunnyvale

Absent:
Zach Hilton, Gilroy
Evelyn Chua, Milpitas
Otto Lee, Santa Clara County

Public Comment on Matters Not Listed on the Agenda
No speakers.

Consent Calendar

There were no questions or comments from the Board; there were no requests from the public to speak on any matter on the Consent Calendar.

1a) Approve Minutes of the April 10, 2024, Board of Directors Meeting
1b) Receive March 2024 Treasurer Report
1c) Receive FY24 Q2 Decarbonization Strategy and Programs Quarterly Report
1d) Authorize the Chief Executive Officer to Execute an Agreement with Rock Rabbit, Inc. to Pilot a Customer Incentive and Contractor Management Tool with a Not to Exceed Limit of $190,000 for an 18-month Term

1e) Authorize the Chief Executive Officer to Execute a Long Form Resource Adequacy Agreement and any Ancillary Agreements for Resource Adequacy Capacity from High Desert Power Project, LLC

1f) Authorize the Chief Executive Officer to Execute an Agreement with Strategic Energy Innovations to Host Three Climate Corps Fellows with a Not to Exceed Limit of $216,750 for the 2024-2025 Fellowship Cycle

1g) Authorize the Chief Executive Officer to Execute Engagement Letter with Hall Energy Law PC for Legal Services Related to Energy and Capacity Transaction Needs and Long-term Power Purchase Agreements

1h) Executive Committee Report

1i) 2024 Legislative Responses to Industry Transition Ad Hoc Committee Report

1j) California Community Power Report

1k) Additional Committee Reports

MOTION: Director Klein moved and Director Mekechuk seconded the motion to approve the Consent Calendar, Items 1a through 1k.

The motion carried unanimously with Directors Chua, Hilton and Lee absent.

Regular Calendar

2) CEO Report (Discussion)

CEO Monica Padilla reported the following:

1) Highlights from the CEO Report, including the new format;
2) Congratulations to Sophia Zhang on her promotion from Power Supply Climate Corp Fellow to Associate Power Analyst;
3) Announcement of Director of Energy Services and Community Relations, Adam Selvin, would be leaving SVCE;
4) Acknowledgement of SVCE's Community Impact Award, which was received at the CalCCA Annual Conference;
5) An update on an EPA grant submission, noting a Memorandum of Agreement would be brought to the June Board of Directors meeting for approval;
6) An update on the Income Graduated Fixed Charge from Bena Chang, Director of Government and Legislative Affairs, and Citlalli Sandoval, Senior Regulatory Advisor.

Staff responded to board member questions on the Income Graduated Fixed Charge regarding the 2026 start date; who would be responsible for monitoring who fits into the income-based CARE and FERA programs; and outreach to CARE and FERA customers.

CEO Padilla ended her report by highlighting the look-ahead document in the CEO report.

Chair Walia thanked SVCE staff for their work during Earth Month, noted SVCE was well represented at the CalCCA Annual conference, and commended SVCE's impact in the community.

Chair Walia opened Public Comment.
No speakers.
Chair Walia closed Public Comment.

3) Adopt Resolution Approving the Hanford Hybrid Plant Emissions Mitigation Guidelines (Action)

Senior Regulatory Advisor Sandoval presented the item requesting the Board of Directors approve the Hanford Hybrid Plant Emissions Mitigation Guidelines via adoption of Resolution 2024-09. The

presentation included background information on the request, which stemmed from the adoption of Resolution No. 2023-06 in April 2023 approving a 12-year power purchase agreement with Middle River Power for energy and reliability products from its Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System. The proposed guidelines included the following key elements:

- Establish the Hanford Hybrid Plant Emissions Mitigation Fund ("Hanford Fund")
- Specify that the Hanford Fund will be used to fund existing local programs to help reduce emissions from greenhouse gases through electrification activities in disadvantaged or low-income communities in Kings County
- Recommend a one-time funding allocation of $750,000 to $1.8 million– for the entire duration of the Hanford contract (12 years)
- This represents 0.6% - 1.5% of SVCE's total Programs Budget Allocation
- Specify that the Hanford Fund will be used to pay for activities led by organizations working in Kings County
- Require the collection of feedback be used to determine best course of action for utilizing Hanford Hybrid Plant Emissions Mitigation funds as well as the final funding amount
- Require SVCE staff to evaluate the effectiveness of fund disbursements and report on progress to the Board in the Board Information Packet on an annual basis following the first disbursement and until the entire Hanford Fund has been disbursed, if necessary
- All funds in the Hanford Fund must be disbursed by June 1, 2036

Staff responded to questions regarding the proposed guidelines, the Hanford Hybrid Plant, similar initiatives from other CCAs, reaching a variety of community members and a suggestion to electrify public spaces, how many of the local people in Kings County work at the Hanford Hybrid Plant, and if the money disbursement would be split equally from year to year.

Chair Walia opened Public Comment.
Bruce Karney, Mountain View resident, shared results from the Mountain View Environmental Sustainability Task Force from 2017/2018, which identified what a city could do to reduce greenhouse gas emissions. Mr. Karney noted he would share the list of projects with the Board of Directors and staff.
Chair Walia closed Public Comment.

MOTION: Director Martinez Beltran moved and Director Scozzola seconded the motion to adopt Resolution 2024-09 approving the Hanford Hybrid Plant Emissions Mitigation Guidelines, which provides for the following:

- **Specifies the types of programs and projects that will be funded to help to mitigate the emissions associated with energy produced by the Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System during the 12-year term of the power purchase agreement;**
- **Establishes a fund of no less than $750,000 and no more than $1.8 million;**
- **Authorizes the Chief Executive Officer to disburse the funds; and**
- **Requires staff to report back to the SVCE Board of Directors on the effectiveness of the fund one year after the first disbursement and on an annual basis thereafter, if necessary.**

The motion carried unanimously with Directors Chua, Hilton and Lee absent.

4) Authorize the Chief Executive Officer to Execute an Agreement with CLEAResult for the SVCE Commercial and Industrial Decarbonization Program with a Not to Exceed Limit of $2,489,087 through December 31, 2027 (Action)

Joey Lande, Energy Services Principal, and Justin Zagunis, Director of Decarbonization Programs and Policy, presented the request to the Board of Directors to authorize the CEO to execute an agreement for the SVCE Commercial and Industrial (C&I) Decarbonization Program with CLEAResult. The presentation included the following:

- Outline of the key elements of the program;
- SVCE C&I Decarbonization budget;
- Target market (large customers, annual usage >10 million kWh and 250,000 therms);

- A recap of the SVCE portfolio of programs;
- Engaging commercial and industrial customers;
- Building on Strategic Energy Management (SEM);
- Emissions avoidance;
- Trust building with customers; and
- Timeline and next steps.

Staff responded to board member questions regarding program evaluation, external funding, group cohort format, customer education on new facilities, decarbonization without strictly electrification, CLEAResult's role in the program, estimated staff time on the program, information on the recognition system, an outline of the finances requested, impact of GHG reductions in comparison to program cost,

Chair Walia opened Public Comment.
No speakers.
Chair Walia closed Public Comment.

MOTION: Director Mekechuk moved and Director Showalter seconded the motion to authorize the Chief Executive Officer to execute an agreement with CLEAResult for the SVCE Commercial and Industrial (C&I) Decarbonization Program, from the date of contract execution through December 31, 2027 and for an amount not to exceed $2,489,087.

The motion carried unanimously with Directors Chua, Hilton and Lee absent.

Board Member Announcements and Future Agenda Items
Director Klein congratulated SVCE for the CalCCA Community Impact award, and thanked SVCE for their attendance at the City of Sunnyvale Earth Day event.

Director Mohan complimented SVCE for the portable EV charging station, and shared she attended an induction cooking session with Chef Martin Yan.

Chair Walia announced the City of Saratoga's Cooper-Garrod Vineyards were honored for their commitment to going green.

Public Comment on Closed Session
No speakers.

Closed Session
The Board of Directors convened to Closed Session at 8:46 p.m.

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))
Name of case: Central Coast Community Energy, a California joint powers authority; Silicon Valley Clean Energy Authority, a California joint powers authority v. Big Beau Solar, LLC, et al, Santa Clara County Superior Court Case No. 22CV398156

The Board of Directors returned from Closed Session at 9:16 p.m.

Report from Closed Session
Chair Walia announced there was nothing to report from Closed Session.

Adjourn
Chair Walia adjourned the meeting at 9:18 p.m.

ATTEST:

_____
Andrea Pizano, Board Secretary

TREASURER REPORT

Fiscal Year to Date
As of April 30, 2024

(Preliminary & Unaudited)

Issue Date: June 12, 2024

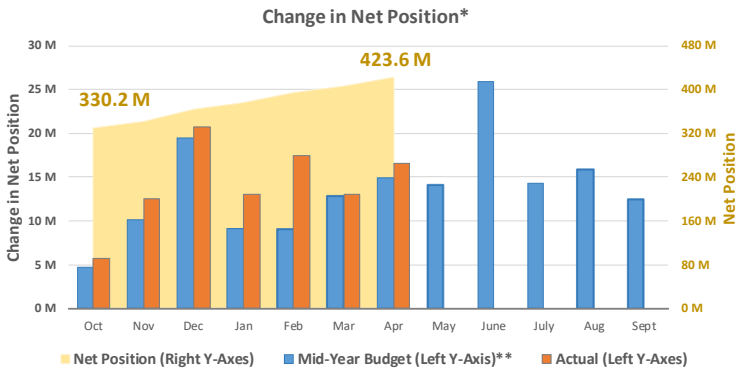
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SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights* ($ in millions)
April 30, 2024

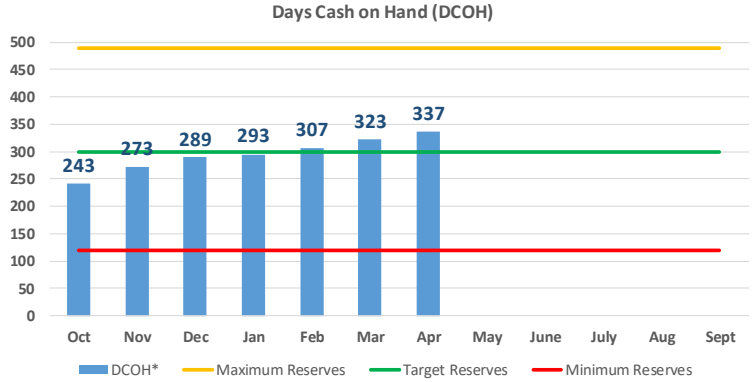
Balance Sheet Highlights:

> SVCE operations resulted in a change in net position of $16.6 million for the month of April and $99 million for fiscal-year-to-date (FYTD).*
> Total Net Position increased further to $423.6 million.
> SVCE is investing ~97% of available funds generating FYTD interest/dividend income of over $11.8 million.



*Does not yet recognize unspent program dollars

**For reconciliation purposes, budget numbers include actual program expenses and depreciation, excludes GASP 87 expenses.



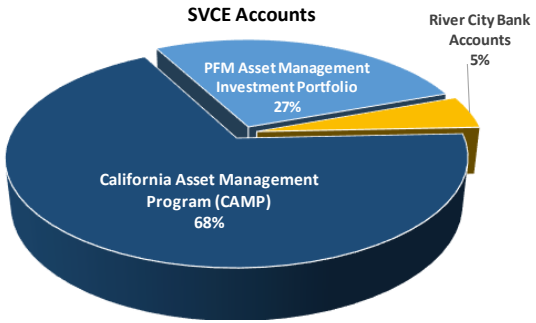
*Adjusted to reflect the Mid-Year Budget (approved in March 2024) revisions

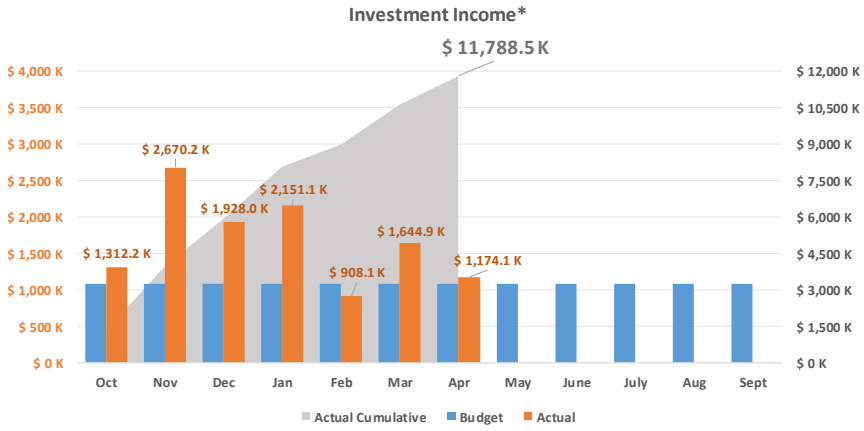
SVCE Yield-bearing Accounts:

Combined Ending Balance*	401.5 M
Total Interest/Div. Earned FYTD	11.8 M
Average Return On Investments	5.3%

* Includes River Bank accounts - Money Market, Collateral and ICS; CAMP; PFM Portfolio

** Average annualized Yield for the current month





*Includes investment income from SVCE Yield-bearing accounts plus interest on cash collateral

SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights** ($ in millions)
April 30, 2024

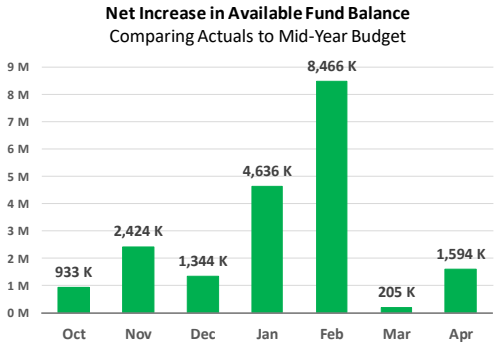
Summary of Actual Results vs. Adjusted Budget (includes allocated but unspent program dollars):

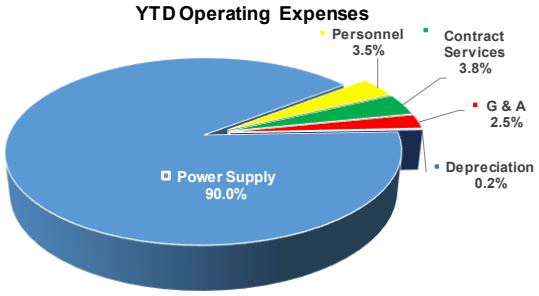
- **FYTD operating margin of $107.3 million or 37.3% is above the Mid-Year budget expectations of 33.6% operating margin for the fiscal year to date.**
- **FYTD Power Supply costs are -4.6% below Mid-Year budget.**
- **Retail GWh sales for the month of April and FYTD landed 3% and 0.8 % above Mid-Year budget respectively.**

Variance Explanation:

October - December *- mainly reflects lower operating expenses and higher investment income as revenue and power supply cost were actualized during the Mid-Year budgeting.*

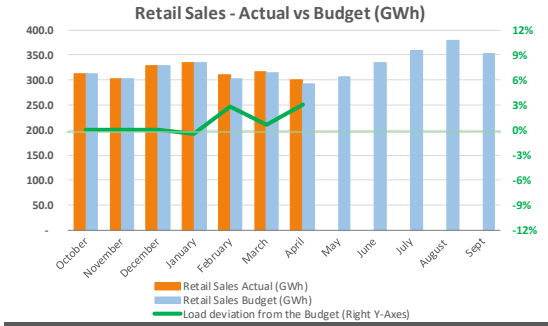
January - April *- customer demand/revenues slightly above SVCEs mid-year forecast, while lower power supply cost and other operating expenses combined with higher interest income elevated the net position.*

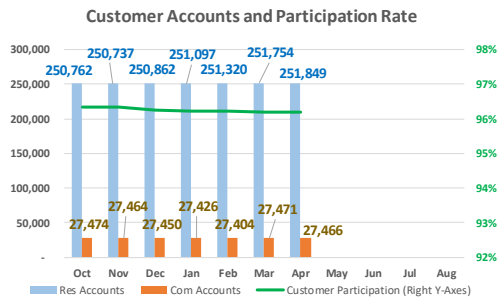




$ in millions	April			Fiscal YTD			Main Drivers:
	Actual	MY Budget	% Dif	Actual	MY Budget	% Dif	
Revenue	36.9 M	37.4 M	-1.4%	287.7 M	285.1 M	0.9%	• Customer load Fiscal YTD was 0.8% above Mid-Year Budget.
Power Supply Cost	18.4 M	20.0 M	-7.9%	180.5 M	189.1 M	-4.6%	• *Lower YTD costs due to decline in energy prices.*
Operating Margin	18.5 M	17.4 M	6.0%	107.3 M	95.9 M	11.8%	
Operating Expenses (ex Power)	2.4 M	2.8 M	-15.2%	15.0 M	18.3 M	-17.8%	• *Staffing vacancies, underrunning professional services, and lower marketing expenses*
Other Non-Op. Expen. (Income)	-1.2 M	-1.1 M	11.7%	42.9 M	47.9 M	-10.5%	• *Reflects higher Interest Income*
Net Increase in Available Fund Balance	17.3 M	15.7 M	10.2%	49.4 M	29.8 M	65.8%	• *Reflects budgetary transfers to program and other funds*

Customer Load Statistics:





Total Accounts	**279,315**
Opt-Out Accounts (Month)	**73**
Opt-Out Accounts (FYTD)	**433**
Opt-Up Accounts (Month)	**(27)**
Opt-Up Accounts (FYTD)	**(100)**

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	$ 56,617,120	$ 83,916,938	$ 31,062,000	$ 3,762,182
CRCR Fund*	$ 5,483,032	$ 8,683,740	$ 4,300,000	$ 1,789,542
Electrification Discount Fund	$ 9,446,460	$ 9,279,282	$ -	$ 167,178
Building Fund	$ -	$ 20,000,000	$ 20,000,000	$ -

** Customer Relief and Community Resilience Fund*

*** The financial results in this report are preliminary and subject to change pending closing of the books for the fiscal year. Any potential changes are not expected to be significant.*

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of April 30, 2024

ASSETS	
Current Assets	
Cash & Cash Equivalents	$ 302,806,608
Accounts Receivable, net of allowance	35,600,368
Investments	31,510,426
Accrued Revenue	24,916,973
Other Receivables	2,986,362
Prepaid Expenses	1,333,533
Deposits	3,008,971
Restricted cash	166,023
Total Current Assets	**402,329,264**
Noncurrent assets	
Capital assets, net of depreciation	433,476
Investments	81,297,442
Lease asset, net of amortization	561,750
Deposits	45,130
Total Noncurrent Assets	**82,337,798**
Total Assets	**484,667,062**
LIABILITIES	
Current Liabilities	
Accounts Payable	1,519,123
Accrued Cost of Electricity	30,128,097
Other accrued liabilities	2,187,472
User Taxes and Energy Surcharges due to other gov'ts	1,206,615
Supplier securit deposits	375,000
Lease liability	523,827
Total Current Liabilities	**35,940,134**
Noncurrent Liabilities	
Supplier security deposits	25,053,125
Lease liability	94,331
Total noncurrent liabilities	**25,147,456**
Total Liabilities	**61,087,590**
NET POSITION	
Net investment in capital assets	377,068
Restricted for security collateral	166,023
Unrestricted (deficit)	423,036,381
Total Net Position	**$ 423,579,472**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2023 through April 30, 2024

OPERATING REVENUES	
Electricity Sales, Net	$286,389,535
GreenPrime electricity premium	1,258,629
Liquidated damages	75,000
Other income	23,665
TOTAL OPERATING REVENUES	**287,746,829**
OPERATING EXPENSES	
Cost of Electricity	180,486,957
Contract services	7,558,201
Staff compensation and benefits	7,091,720
Other operating expenses	4,921,786
Depreciation	371,543
TOTAL OPERATING EXPENSES	**200,430,207**
OPERATING INCOME(LOSS)	**87,316,622**
NONOPERATING REVENUES (EXPENSES)	
Interest Income	11,788,527
Financing costs	(61,492)
TOTAL NONOPERATING REVENUES (EXPENSES)	**11,727,035**
CHANGE IN NET POSITION	99,043,657
Net Position at beginning of period	324,535,815
Net Position at end of period	**$423,579,472**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2023 through April 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 312,371,034
Receipts of security deposits	32,260,840
Other operating receipts	12,665
Payments to suppliers for electricity	(234,412,686)
Payments of security deposits	(720,000)
Payments for other goods and services	(13,779,317)
Payments for staff compensation and benefits	(6,959,375)
Tax and surcharge payments to other governments	(5,438,880)
Net cash provided (used) by operating activities	**83,334,281**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Finance costs paid	(61,492)
Net cash provided (used) by financing activities	**(61,492)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(302,645)
Acquisition of capital assets	(92,492)
Net cash provided (used) by capital and related financing activities	**(395,137)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(61,276,024)
Proceeds from investment sales	39,532,700
Investment income received	11,143,798
Net cash provided (used) by investing activities	**(10,599,526)**
Net change in cash and cash equivalents	72,278,126
Cash and cash equivalents at beginning of year	230,694,505
Cash and cash equivalents at end of period	**$ 302,972,631**
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 302,806,608
Restricted cash	166,023
Cash and cash equivalents	**$ 302,972,631**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2023 through April 30, 2024

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (loss)	$	87,316,622
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense		371,543
(Increase) decrease in accounts receivable		14,289,025
(Increase) decrease in other receivables		2,141,118
(Increase) decrease in accrued revenue		5,515,149
(Increase) decrease in prepaid expenses		19,644
(Increase) decrease in current deposits		22,593,508
Increase (decrease) in accounts payable		(1,353,533)
Increase (decrease) in accrued cost of electricity		(48,681,441)
Increase (decrease) in accrued liabilities		910,950
Increase (decrease) in energy settlements payable		205,006
Increase (decrease) in taxes and surcharges due to other governments		(520,185)
Increase (decrease) in supplier security deposits		526,875
Net cash provided (used) by operating activities	**$**	**83,334,281**

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through April 30, 2024

	FYTD	FYTD	Variance		FY 2023-24	FY 2023-24
OPERATING REVENUES	**Actual**	**Mid-Year Budget**	**$**	**%**	**Mid-Year Budget**	**Remaining Budget**
Energy Sales	$286,389,535	$284,032,308	$2,357,227	0.8%	$550,852,000	$264,462,465
Green Prime Premium	1,258,629	997,093	$261,536	26.2%	1,962,000	703,371
Other Income	98,665	29,167	69,498	238.3%	50,000	(48,665)
TOTAL OPERATING REVENUES	**287,746,829**	**285,058,568**	**2,688,261**	**0.9%**	**552,864,000**	**265,117,171**
ENERGY EXPENSES						
Power Supply	180,486,957	189,140,241	(8,653,284)	-5%	365,617,000	185,130,043
Operating Margin	**107,259,872**	**95,918,327**	**11,341,545**	**12%**	**187,247,000**	**79,987,128**
OPERATING EXPENSES						
Data Management	1,828,455	1,990,625	(162,170)	-8%	3,413,000	1,584,545
PG&E Fees	695,487	857,500	(162,013)	-19%	1,470,000	774,513
Salaries & Benefits	7,091,720	8,170,035	(1,078,315)	-13%	14,818,000	7,726,280
Professional Services	2,909,879	4,789,444	(1,879,565)	-39%	8,210,000	5,300,121
Marketing & Promotions	555,697	728,875	(173,178)	-24%	1,250,000	694,303
Notifications	122,521	183,750	(61,229)	-33%	315,000	192,479
Lease	310,017	321,563	(11,546)	-4%	551,000	240,983
General & Administrative	1,499,102	1,219,916	279,186	23%	2,091,000	591,898
TOTAL OPERATING EXPENSES	**15,012,878**	**18,261,708**	**(3,248,830)**	**-18%**	**32,118,000**	**17,105,122**
OPERATING INCOME/(LOSS)	**92,246,994**	**77,656,619**	**14,590,375**	**19%**	**155,129,000**	**62,882,006**
NON-OPERATING REVENUES						
Investment Income	11,788,527	7,505,905	4,282,622	57%	12,867,000	1,078,473
TOTAL NON-OPERATING REVENUES	**11,788,527**	**7,505,905**	**4,282,622**	**57%**	**12,867,000**	**1,078,473**
NON-OPERATING EXPENSES						
Financing	51,910	1,750	50,160	2866%	3,000	(48,910)
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	107,404	29,167	78,237	268%	50,000	(57,404)
Transfer to Programs Fund	28,874,000	28,874,000	-	0%	28,874,000	-
Nuclear Allocation	2,188,000	2,188,000	-	0%	2,188,000	-
Transfer to Building Fund	20,000,000	20,000,000	-		20,000,000	-
Transfer to CRCR Fund	4,300,000	4,300,000	-	0%	4,300,000	-
Transfer from Electrification Discount Fund	(167,178)	-	(167,178)	n/a	-	167,178
Transfer from CRCR Fund - customer bill relief	(690,250)	-	(690,250)	n/a	-	690,250
TOTAL OTHER USES	**54,611,976**	**55,391,167**	**(779,191)**	**-1%**	**55,412,000**	**800,024**
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	**$49,371,635**	**$29,769,607**	**$19,602,028**	**66%**	**$112,581,000**	

SILICON VALLEY CLEAN ENERGY AUTHORITY
GENERAL PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through April 30, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR BUDGET
Transfers in - General Programs	$ 28,874,000	$ 28,874,000	$ -	100.0%
Transfers in - Nuclear Allocation	$ 2,188,000	$ 2,188,000	$ -	100.0%
Total	$ 31,062,000	$ 31,062,000	$ -	
EXPENDITURES & OTHER USES:				
Program expenditures*	27,099,994	3,762,182	23,337,812	13.9%
Net increase (decrease) in fund balance	**$ 3,962,006**	**$27,299,818**		
Fund balance at beginning of period		56,617,120		
Fund balance at end of period		$83,916,938		

CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE*
October 1, 2023 through April 30, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR BUDGET
Transfer from Operating Fund	$ 4,300,000	$ 4,300,000	$ -	100.0%
EXPENDITURES & OTHER USES:				
Customer bill relief credit	4,300,000	690,250	3,609,750	16.1%
Other program expenditures	3,535,082	1,099,292	2,435,790	31.1%
Total Program expenditures	7,835,082	1,789,542	6,045,540	
Net increase (decrease) in fund balance	**$ (3,535,082)**	**3,200,708**		
Fund balance at beginning of period		5,483,032		
Fund balance at end of period		$8,683,740		

ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through April 30, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR BUDGET
Transfer from Operating Fund *	$ -	$ -	$ -	n/a
EXPENDITURES & OTHER USES:				
Program expenditures *	600,000	167,178	432,822	27.9%
Net increase (decrease) in fund balance	**$ (600,000)**	**(167,178)**		
Fund balance at beginning of period		9,446,460		
Fund balance at end of period		$9,279,282		

BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through April 30, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR BUDGET
Transfer from Operating Fund *	$ 20,000,000.00	$ 20,000,000.00	$ -	100.0%
EXPENDITURES & OTHER USES:				
Program expenditures *	-	-	-	
Net increase (decrease) in fund balance	**$ 20,000,000**	**20,000,000**		
Fund balance at beginning of period		-		
Fund balance at end of period		$20,000,000		

SILICON VALLEY CLEAN ENERGY AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2023 through April 30, 2024

Net Increase (decrease) in available fund balance per budgetary comparison schedule	$	49,371,635
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position		
Subtract depreciation expense		(371,543)
Subract program expense not in operating budget		(4,861,474)
Add back GASB 87 expenses not in operating budget		293,063
Add back transfer to Program fund		54,504,572
Add back capital asset acquisition		107,404
Change in Net Position		**99,043,657**

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2023 through April 30, 2024

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	$ 37,692,603	$ 39,705,552	$ 41,967,181	$ 47,091,508	$ 43,545,848	$ 39,786,031	$ 36,600,812						$286,389,535
Green electricity premium	136,391	$ 117,438	$ 130,927	$ 144,552	$ 123,168	$ 345,167	$ 260,986						1,258,629
Liquidated damages	-	$ 75,000	$ -	$ -	$ -	$ -	$ -						75,000
Other Income	2,500	$ 4,974	$ 5,850	$ 5,050	$ 2,316	$ 2,500	$ 475						23,665
Total operating revenues	37,831,494	39,902,964	42,103,958	47,241,110	43,671,332	40,133,698	36,862,273	-	-	-	-	-	287,746,829
OPERATING EXPENSES													
Cost of electricity	31,160,273	$ 27,896,672	$ 20,303,980	$ 32,910,813	$ 24,261,713	$ 25,544,019	$ 18,409,487						180,486,957
Staff compensation and benefits	910,013	$ 913,400	$ 1,028,282	$ 1,060,468	$ 1,036,242	$ 1,062,728	$ 1,080,587						7,091,720
Data manager	253,895	$ 253,378	$ 253,607	$ 266,090	$ 266,560	$ 267,462	$ 267,463						1,828,455
Service fees - PG&E	98,425	$ 98,101	$ 104,757	$ 98,337	$ 98,296	$ 98,780	$ 98,791						695,487
Consultants and other professional fees	541,215	$ 504,693	$ 660,992	$ 742,608	$ 791,882	$ 871,701	$ 921,168						5,034,259
Other operating expenses	420,848	$ 324,106	$ 862,366	$ 1,239,599	$ 611,097	$ 817,661	$ 646,109						4,921,786
Depreciation	49,996	$ 56,455	$ 54,023	$ 52,427	$ 52,426	$ 52,839	$ 53,377						371,543
Total operating expenses	33,434,665	30,046,805	23,268,007	36,370,342	27,118,216	28,715,190	21,476,982	-	-	-	-	-	200,430,207
Operating income (loss)	4,396,829	9,856,159	18,835,951	10,870,768	16,553,116	11,418,508	15,385,291	-	-	-	-	-	87,316,622
NONOPERATING REVENUES (EXPENSES)													
Grant income	-	$ -	$ -	$ -	$ -	$ -	$ -						-
Interest income	1,312,249	$ 2,670,244	$ 1,927,958	$ 2,151,056	$ 908,057	$ 1,644,880	$ 1,174,083						11,788,527
Financing costs	(6,183)	$ (10,369)	$ (8,950)	$ (9,232)	$ (9,082)	$ (8,625)	$ (9,051)						(61,492)
Total nonoperating revenues (expenses)	1,306,066	2,659,875	1,919,008	2,141,824	898,975	1,636,255	1,165,032	-	-	-	-	-	11,727,035
CHANGE IN NET POSITION	**$ 5,702,895**	**$ 12,516,034**	**$ 20,754,959**	**$ 13,012,592**	**$ 17,452,091**	**$ 13,054,763**	**$ 16,550,323**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 99,043,657**

SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2023 through April 30, 2024

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 22,348,341	$ 32,458,101	$ 46,012,498	$ 22,314,142	$ 21,721,762	$ 26,843,555	$ 20,470,195	$ -	$ -	$ -	$ -	$ -
California Asset Management Program (CAMP)	$ 196,558,074	$ 184,428,757	$ 199,405,498	$ 232,403,050	$ 244,368,016	$ 261,500,705	$ 283,674,580	$ -	$ -	$ -	$ -	$ -
PFM Asset Management Investment Portfolio	$ 111,782,205	$ 112,312,183	$ 113,008,833	$ 113,738,828	$ 114,457,217	$ 114,334,972	$ 113,948,378	$ -	$ -	$ -	$ -	$ -
Total Ending Balance	**$ 330,688,620**	**$ 329,199,041**	**$ 358,426,829**	**$ 368,456,021**	**$ 380,546,996**	**$ 402,679,232**	**$ 418,093,153**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Return On Investments:

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	3.47%	3.58%	3.73%	3.90%	3.91%	4.05%	4.18%					
California Asset Management Program (CAMP)	5.56%	5.58%	5.55%	5.54%	5.50%	5.48%	5.44%					
PFM Asset Management Investment Portfolio	5.41%	5.42%	5.40%	5.31%	5.28%	5.24%	5.23%					
Average Return On Investments:	**5.37%**	**5.33%**	**5.27%**	**5.37%**	**5.34%**	**5.32%**	**5.32%**					

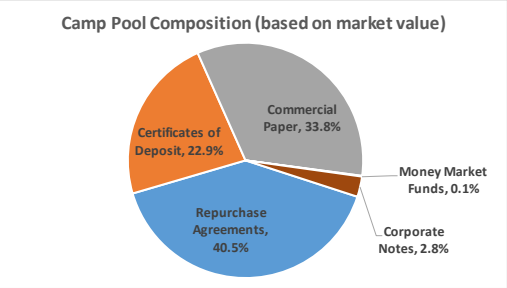
Interest Earned	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 9,534	$ 9,534	$ 11,867	$ 17,766	$ 6,667	$ 11,034	$ 12,990	$ -	$ -	$ -	$ -	$ -
California Asset Management Program (CAMP)	$ 830,321	$ 870,683	$ 976,741	$ 997,552	$ 964,966	$ 1,132,689	$ 1,173,875	$ -	$ -	$ -	$ -	$ -
PFM Asset Management Investment Portfolio *	$ 1,112,927	$ 529,978	$ 696,650	$ 729,995	$ 718,389	$ (122,245)	$ (386,594)	$ -	$ -	$ -	$ -	$ -
Total Interest and Investment Gains	**$ 1,952,782**	**$ 1,410,195**	**$ 1,685,258**	**$ 1,745,313**	**$ 1,690,022**	**$ 1,021,478**	**$ 800,270**					

* Includes change in current market value, unsettled trades and accrued interest

CAMP Portfolio Statistics

As of April 30, 2024

Beginning of the Month Market Value	$ 261,500,705
Ending of The Month Market Value	$ 283,674,580
Yield at Market	5.44%
Weighted Average Maturity (days)	35

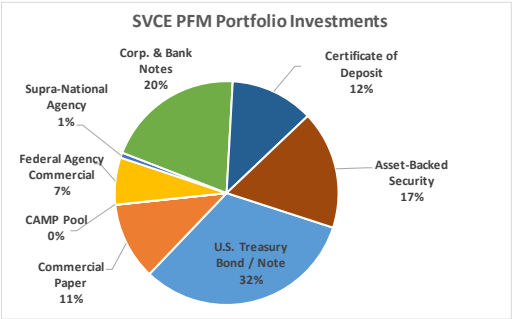


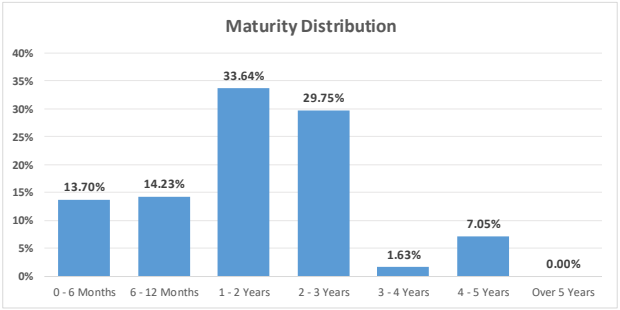
PFM Portfolio Statistics

As of April 30, 2024

Portfolio Par Value	$ 114,186,075
Portfolio Market Value (incl. Accrued Interest)	$ 113,948,378
Yield at Cost	5.23%
Yield at Market	5.31%
Benchmark Yield*	5.09%
Portfolio Effective Duration (years)	1.32
Weighted Average Maturity (days)	639

*ICE BofA 0-3 Year U.S. Treasury Index





SVCE Investment Policy:
https://svcleanenergy.org/wp-content/uploads/2018/10/FP-08_Investments-Policy-F.pdf

SILICON VALLEY CLEAN ENERGY AUTHORITY
RETAIL SALES, CUSTOMER ACCOUNTS AND AGING REPORT

	October	November	December	January	February	March	April	May	June	July	August	Sept	YTD
Retail Sales Actual (GWh)	**312.6**	**302.5**	**327.8**	**334.1**	**310.1**	**317.0**	**300.6**						**2,205**
Retail Sales Budget (GWh)	**312.6**	**302.5**	**327.8**	**335.5**	**301.7**	**315.1**	**291.9**	**307.2**	**334.6**	**359.8**	**378.7**	**353.2**	**2,187**
Load deviation from the Budget	*0.0%*	*0.0%*	*0.0%*	*-0.4%*	*2.8%*	*0.6%*	*3.0%*						***0.8%***
Customer Participation Rate Res	96.3%	96.3%	96.2%	96.2%	96.2%	96.2%	96.1%						
Customer Participation Rate Com	96.8%	96.7%	96.6%	96.6%	96.6%	96.6%	96.6%						
Total Accounts	278,236	278,201	278,312	278,523	278,724	279,225	279,315						**279,315**
Opt-Out Accounts	56	29	51	73	102	49	73						**433**
Opt-Up Accounts	-18	-6	-5	-25	-11	-8	-27						**-100**

Age Summary (as of 5/1/2024)

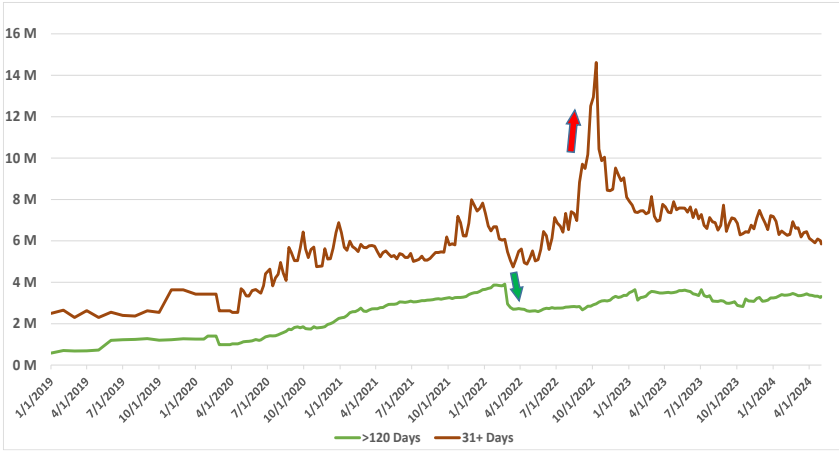
<30 days	$32,388,182
<60 days	$1,229,327
<90 days	$745,282
<120 days	$560,273
Older	$3,315,930

Accounts Receivable Days
25 Days
$38,238,993
TOTAL DUE

Bad Debt % (*Budget*)
0.75%

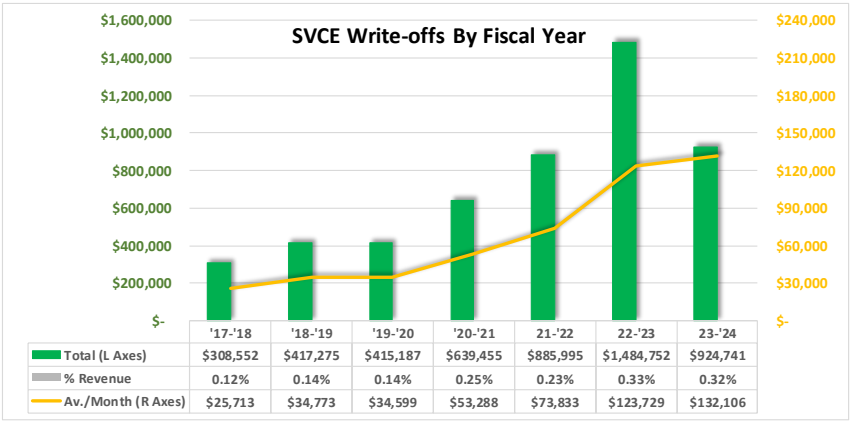
Bad Debt % (Actual)
April 2024 FYTD
0.32%

SVCE Arrearager Total for customers 31+ days late and 120+ days late



	Date	Amount
High	11/29/2021	$7.99M
Low	4/17/2020	$2.54M
Current	7/31/2023	$5.9 M

- Green arrow indicates receipt of $1.3M in Federal CAPP funds.
- An additional $717K in CAPP funding provided in Winter 2023.
- Growth at red arrow indicates short-term PG&E billing-hold issue in Fall 2022 that was quickly resolved.



Certificate of Compliance

During the reporting period for the month ended April 30, 2024 the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2024**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type										
Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
03/25/24	04/02/24	BMW US CAPITAL LLC CORPORATE NOTES DTD 04/02/2024 5.050% 04/02/2026	05565ECG8	350,000.00	(349,849.50)	0.00	(349,849.50)			
04/01/24	04/04/24	ADOBE INC CORPORATE NOTES DTD 04/04/2024 4.850% 04/04/2027	00724PAE9	350,000.00	(349,825.00)	0.00	(349,825.00)			
04/03/24	04/04/24	BNP PARIBAS NY BRANCH CERT DEPOS DTD 04/04/2024 5.380% 04/03/2025	05593D5R0	2,250,000.00	(2,250,000.00)	0.00	(2,250,000.00)			
04/03/24	04/04/24	US TREASURY NOTES DTD 03/15/2023 4.625% 03/15/2026	91282CGR6	1,500,000.00	(1,497,187.50)	(3,770.38)	(1,500,957.88)			
04/03/24	04/04/24	US TREASURY NOTES DTD 07/15/2023 4.500% 07/15/2026	91282CHM6	1,000,000.00	(996,914.06)	(9,890.11)	(1,006,804.17)			
04/04/24	04/10/24	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4	265,000.00	(264,982.48)	0.00	(264,982.48)			
04/16/24	04/23/24	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2	715,000.00	(714,853.43)	0.00	(714,853.43)			
04/18/24	04/22/24	CANADIAN IMP BK COMM NY CERT DEPOS DTD 04/22/2024 5.550% 04/17/2025	13606K2K1	1,500,000.00	(1,500,000.00)	0.00	(1,500,000.00)			
04/18/24	04/25/24	CHAOT 2024-2A A2 DTD 04/25/2024 5.660% 05/26/2027	16144CAB2	740,000.00	(739,973.29)	0.00	(739,973.29)			
04/23/24	04/30/24	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3	615,000.00	(614,955.78)	0.00	(614,955.78)			
04/23/24	04/30/24	CITIBANK NA CORP NOTES (CALLABLE) DTD 04/30/2024 5.438% 04/30/2026	17325FBF4	290,000.00	(290,000.00)	0.00	(290,000.00)			
04/24/24	04/25/24	CITIGROUP GLOBAL MARKETS COMM PAPER DTD 04/24/2024 0.000% 01/17/2025	17327ANH6	1,700,000.00	(1,632,797.58)	0.00	(1,632,797.58)			
Transaction Type Sub-Total				**11,275,000.00**	**(11,201,338.62)**	**(13,660.49)**	**(11,214,999.11)**			
INTEREST										
04/01/24	04/25/24	FHMS K039 A2 DTD 09/01/2014 3.303% 07/01/2024	3137BDCW4	971,548.16	0.00	2,674.19	2,674.19			
04/01/24	04/25/24	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	750,000.00	0.00	1,426.25	1,426.25			

Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2024**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type										
Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
04/01/24	04/25/24	FNA 2015-M11 A2 DTD 07/30/2015 2.943% 04/01/2025	3136APSZ6	651,036.34	0.00	1,596.93	1,596.93			
04/01/24	04/25/24	FHMS K733 A2 DTD 11/09/2018 3.750% 08/01/2025	3137FJXQ7	539,055.85	0.00	1,684.55	1,684.55			
04/01/24	04/25/24	FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	1,100,000.00	0.00	2,516.25	2,516.25			
04/01/24	04/25/24	FHMS K058 A1 DTD 11/09/2016 2.340% 07/01/2026	3137BSP64	455,416.56	0.00	888.06	888.06			
04/01/24	04/25/24	FHMS K059 A2 DTD 11/29/2016 3.120% 09/01/2026	3137BSRE5	700,000.00	0.00	1,820.00	1,820.00			
04/01/24	04/25/24	FHMS K065 A1 DTD 07/24/2017 2.864% 10/01/2026	3137F1G36	719,487.55	0.00	1,717.18	1,717.18			
04/01/24	04/25/24	FHMS K729 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7	1,050,000.00	0.00	2,209.37	2,209.37			
04/01/24	04/25/24	FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	1,175,000.00	0.00	2,516.46	2,516.46			
04/03/24	04/03/24	AMERICAN HONDA FINANCE CORPORATE NOTES DTD 10/04/2023 5.800% 10/03/2025	02665WEQ0	450,000.00	0.00	12,977.50	12,977.50			
04/15/24	04/15/24	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3	340,000.00	0.00	1,566.83	1,566.83			
04/15/24	04/15/24	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	500,000.00	0.00	2,275.00	2,275.00			
04/15/24	04/15/24	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	935,000.00	0.00	4,433.46	4,433.46			
04/15/24	04/15/24	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1	315,000.00	0.00	1,554.00	1,554.00			
04/15/24	04/15/24	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9	925,000.00	0.00	4,586.46	4,586.46			
04/15/24	04/15/24	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	695,000.00	0.00	2,664.17	2,664.17			
04/15/24	04/15/24	COMCAST CORP CORP NOTES (CALLABLE) DTD 10/05/2018 3.950% 10/15/2025	20030NCS8	400,000.00	0.00	7,900.00	7,900.00			

Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2024**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
04/15/24	04/15/24	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	240,000.00	0.00	1,108.00	1,108.00			
04/15/24	04/15/24	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1	1,100,000.00	0.00	4,913.33	4,913.33			
04/15/24	04/15/24	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6	830,000.00	0.00	3,728.08	3,728.08			
04/15/24	04/15/24	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8	645,000.00	0.00	3,117.50	3,117.50			
04/15/24	04/15/24	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3	350,000.00	0.00	1,723.75	1,723.75			
04/15/24	04/15/24	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	550,000.00	0.00	2,470.42	2,470.42			
04/15/24	04/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	602,475.13	0.00	1,752.20	1,752.20			
04/15/24	04/15/24	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3	925,000.00	0.00	5,584.94	5,584.94			
04/15/24	04/15/24	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2	365,000.00	0.00	1,536.04	1,536.04			
04/15/24	04/15/24	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	355,000.00	0.00	1,473.25	1,473.25			
04/15/24	04/15/24	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	805,000.00	0.00	3,461.50	3,461.50			
04/15/24	04/15/24	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8	385,000.00	0.00	1,738.49	1,738.49			
04/15/24	04/15/24	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8	410,000.00	0.00	1,575.31	1,575.31			
04/15/24	04/15/24	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	1,100,000.00	0.00	5,417.50	5,417.50			
04/15/24	04/15/24	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0	335,000.00	0.00	1,348.38	1,348.38			
04/15/24	04/15/24	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	825,000.00	0.00	3,595.62	3,595.62			
04/15/24	04/15/24	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	840,000.00	0.00	4,018.00	4,018.00			

Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2024**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
04/16/24	04/16/24	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	470,000.00	0.00	2,263.83	2,263.83			
04/16/24	04/16/24	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	110,000.00	0.00	444.58	444.58			
04/20/24	04/20/24	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0	515,000.00	0.00	2,454.83	2,454.83			
04/21/24	04/21/24	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	195,000.00	0.00	921.38	921.38			
04/22/24	04/22/24	JPMORGAN CHASE & CO CORP NOTE (CALLABLE) DTD 10/23/2023 6.070% 10/22/2027	46647PDW3	300,000.00	0.00	9,054.42	9,054.42			
04/22/24	04/22/24	PFAST 2023-2A A2A DTD 11/10/2023 5.880% 11/23/2026	732916AB7	1,086,903.72	0.00	5,325.83	5,325.83			
04/22/24	04/22/24	WELLS FARGO & CO CORP NOTES DTD 04/22/2016 3.000% 04/22/2026	949746RW3	400,000.00	0.00	6,000.00	6,000.00			
04/24/24	04/24/24	BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	850,000.00	0.00	6,800.00	6,800.00			
04/25/24	04/25/24	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4	210,000.00	0.00	895.07	895.07			
Transaction Type Sub-Total				**27,470,923.31**	**0.00**	**139,728.91**	**139,728.91**			
PAYDOWNS										
04/01/24	04/25/24	FHMS K039 A2 DTD 09/01/2014 3.303% 07/01/2024	3137BDCW4	78,014.98	78,014.98	0.00	78,014.98	1,258.60	0.00	
04/01/24	04/25/24	FHMS K058 A1 DTD 11/09/2016 2.340% 07/01/2026	3137BSP64	13,159.15	13,159.15	0.00	13,159.15	674.41	0.00	
04/01/24	04/25/24	FHMS K733 A2 DTD 11/09/2018 3.750% 08/01/2025	3137FJXQ7	246.23	246.23	0.00	246.23	8.10	0.00	
04/01/24	04/25/24	FNA 2015-M11 A2 DTD 07/30/2015 2.943% 04/01/2025	3136APSZ6	1,032.46	1,032.46	0.00	1,032.46	40.37	0.00	
04/01/24	04/25/24	FHMS K065 A1 DTD 07/24/2017 2.864% 10/01/2026	3137F1G36	21,129.99	21,129.99	0.00	21,129.99	912.06	0.00	

Managed Account Security Transactions & Interest

For the Month Ending **April 30, 2024**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type	Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
PAYDOWNS											
	04/15/24	04/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	37,319.47	37,319.47	0.00	37,319.47	969.43	0.00	
	04/15/24	04/15/24	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	57,684.89	57,684.89	0.00	57,684.89	5.09	0.00	
	04/22/24	04/22/24	PFAST 2023-2A A2A DTD 11/10/2023 5.880% 11/23/2026	732916AB7	109,049.49	109,049.49	0.00	109,049.49	3.35	0.00	
Transaction Type Sub-Total					**317,636.66**	**317,636.66**	**0.00**	**317,636.66**	**3,871.41**	**0.00**	
SELL											
	04/03/24	04/04/24	BNP PARIBAS NY BRANCH COMM PAPER DTD 08/03/2023 0.000% 04/29/2024	09659BDV9	2,250,000.00	2,241,640.63	0.00	2,241,640.63	75,237.50	312.50	FIFO
	04/18/24	04/22/24	US TREASURY NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	875,000.00	870,659.18	15,491.80	886,150.98	5,024.41	416.80	FIFO
	04/18/24	04/22/24	US TREASURY NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	475,000.00	472,643.55	8,409.84	481,053.39	2,449.21	(37.20)	FIFO
	04/19/24	04/22/24	US TREASURY NOTES DTD 02/15/2023 4.000% 02/15/2026	91282CGL9	725,000.00	712,482.42	5,337.91	717,820.33	1,840.82	(1,829.26)	FIFO
	04/25/24	04/25/24	US TREASURY NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	1,375,000.00	1,368,125.00	24,851.43	1,392,976.43	7,841.80	500.24	FIFO
	04/26/24	04/29/24	US TREASURY NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	850,000.00	845,783.20	15,780.74	861,563.94	4,880.86	259.17	FIFO
	04/30/24	04/30/24	US TREASURY NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	35,000.00	34,830.47	654.10	35,484.57	205.08	13.92	FIFO
Transaction Type Sub-Total					**6,585,000.00**	**6,546,164.45**	**70,525.82**	**6,616,690.27**	**97,479.68**	**(363.83)**	
Managed Account Sub-Total						**(4,337,537.51)**	**196,594.24**	**(4,140,943.27)**	**101,351.09**	**(363.83)**	
Total Security Transactions						**($4,337,537.51)**	**$196,594.24**	**($4,140,943.27)**	**$101,351.09**	**($363.83)**	

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1c

Item 1c:	**Authorize Payments Totaling $3,054,971 for the California Community Choice Association and $1,270,327 for California Community Power Membership Costs**
From:	Monica Padilla, CEO
Prepared by:	Zak Liske, Deputy Director of Power Resources Michael Callahan, General Counsel
Date:	6/12/2024

RECOMMENDATION

Staff recommends the Board of Directors authorize payments in the amount of:

(1) $460,000 to the California Community Choice Association ("CalCCA") for fiscal year (FY) ending 2025 and approve and ratify all such payments made for previous fiscal years, totaling $3,044,971, inclusive of the $460,000 for FY 2025;
(2) $712,149 to California Community Power ("CC Power") for FY ending 2025 and approve and ratify all such payments made for previous fiscal years, totaling $1,270,327, inclusive of the $712,149 for FY 2025; and
(3) $10,000 to CalCCA for a special assessment for shared legal services; totalling $3,054,971, inclusive of the CalCCA payments in item #1 above.

EXECUTIVE COMMITTEE RECOMMENDATION

This item was discussed at the Executive Committee on May 24, 2024 and the committee recommended the Board adopt staff recommendation parts 1 and 2.

After the Executive Committee meeting, staff added recommendation part 3 to secure an evolving opportunity for shared legal services with the CCAs related to the legal framework for CCA ratemaking.

BACKGROUND

To advance its mission to reduce dependence on fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs for the community, SVCE has joined two membership organizations: (1) CalCCA in January 2017; and (2) CC Power in January 2021. CalCCA is the Community Choice Aggregator ("CCA") trade association in California. It facilitates cooperation among CCAs and advocates on behalf of CCAs before legislatures and regulatory bodies. CC Power is a Joint Powers Authority established for joint procurement of electricity resources by CCAs. SVCE has four active projects that were jointly procured through CC Power, primarily to meet requirements with the California Public Utilities Commission's Mid-Term Reliability Procurement Order.

The SVCE Board of Directors authorized SVCE's membership in both organizations.[1] The memberships the Board approved require members to pay their share of costs.[2] CalCCA generally has fixed membership costs that apply

[1] *See i.e.* SVCE Board of Directors, Agenda Item 6 (Authorize CEO to Approve Membership of CalCCA), October 12, 2016; SVCE Board of Directors, Agenda Item 5 (Approve Participation in California Community Joint Powers Authority), December 9, 2020.
[2] *See i.e.* Article VI (Membership Dues), CalCCA Bylaws; Section 3.03 (Cost Allocations), CC Power Joint Powers Authority Agreement.

equally to all members. CC Power membership costs include a general and administrative component that applies equally to all members and a project-specific component for members participating in various projects.

When SVCE first joined the two agencies, staff received authorization from the SVCE Board of Directors for sufficient budgets to cover SVCE's portion of the operating and membership costs for CalCCA and CC Power. When the Board approved participation in CC Power projects, staff also received funding authorization specific to the projects. While Board-adopted operating budgets have accounted for the agencies' membership costs, staff have not sought specific Board authority to make payments for on-going annual membership costs. Such expenses have been in excess of the CEO's purchasing authority of $100,000 per fiscal year. Staff will seek specific authority for those membership costs on a going-forward basis.

ANALYSIS & DISCUSSION

The staff recommendation includes approving payments for CalCCA and CC Power for membership costs. These costs are described below for each organization.

CalCCA Budget

CalCCA's membership costs consist primarily of staff, consultant fees, and administrative costs. CalCCA's operates on a July through June fiscal year basis. The FY 2025 budget is largely consistent with the FY 2024 budget. The FY 2024 budget increased relative to previous years with the addition of staff to engage on distribution grid and distributed energy resource issues. The budget payments for each fiscal year dating to SVCE's first year as a member are provided below. CalCCA requires equal quarterly payments with the next one at $115,000 due in July 2024 for FY 2025.

Table 1: CalCCA Budget Payments by FY Ending

Fiscal Year*	Budget Payments
2025	$460,000
2024	$436,841
2023	$415,177
2022	$401,492
2021	$348,961
2020	$330,000
2019	$327,500
2018	$325,000

*Based on CalCCA's fiscal year, which is July 1 – June 30

Going forward, CalCCA's budget is expected to increase as the agency continues to add staff to support added complexity around regulatory and legislative efforts.

CC Power Budget

CC Power's membership costs consist primarily of staff, consultant fees, and administrative costs. These costs fall into two broad categories: (1) general and administrative costs; and (2) project participation costs. Support of these projects requires costs associated with general administration, legal and technical support.

To date, the SVCE Board has authorized participation in CC Power projects, including:

(1) Tumbleweed Long Duration Energy Storage Project approved by the Board at the February 9, 2022 meeting;
(2) Goal Line Long Duration Storage Project approved by the Board at the March 9, 2022 meeting;
(3) Ormat Nevada Inc. Portfolio of Geothermal Projects approved by the Board at the June 8, 2022 meeting; and
(4) Open Mountain Energy LLC., Fish Lake Geothermal Project approved by the Board at the June 8, 2022 meeting.

The FY 2025 budget is proposed to increase significantly by $413,695 associated with expanding CC Power's analytical capabilities to evaluate new opportunities that may be of interest to members as well as funding for various strategic initiatives at different project stages. SVCE will have an opportunity to receive a significant portion of this increase as a refund if SVCE subsequently chooses not to participate in the new opportunities.

The projected budget payments for each fiscal year dating to SVCE's first year as a member are provided below.

Table 2: CC Power Budget Payments by FY Ending

Fiscal Year*	Budget Payments	General and Administrative	Project Participation
2025	$712,149	$136,464	$575,685
2024	$298,454	$84,338	$210,053
2023	$107,048	$51,026	$56,022
2022	$96,578	$25,338	$71,241
2021	$56,098	$47,173	$8,925

*Based on CC Power's fiscal years, which is July 1 – June 30

Going forward, CC Power's budget is expected to remain consistent with FY 2025 which assumes CC Power is able to implement its strategic directives.

CalCCA Special Assessment

Staff recommendation part 3 was identified after the Executive Committee meeting. This recommendation for authorization to pay CalCCA $10,000 in a special assessment would be incremental to the budget amounts in recommendation parts 1 and 2 above.

CCAs have a common legal framework that governs their ratemaking. CCAs individually are planning to undertake legal services related to this legal framework. Staff has identified that centralizing these services under CalCCA creates an opportunity to significantly reduce the costs of the legal services by avoiding redundant parallel services offered to each CCA individually.

CalCCA is planning to bring this proposal to their Board of Directors on June 13, 2024 as a special assessment, which is in excess of the annual CalCCA budget. CalCCA special assessments are brought from time to time when unanticipated opportunities to collaborate arise.

ALTERNATIVES

The Board may elect not to approve the FY 2025 budget for one or both agencies. However, the full extent of the impact from the Board electing to not ratify past budget payments for one or both agencies is unclear. To preserve SVCE's membership in both organizations and the benefits conferred thereunder, staff recommends against this alternative.

Not funding CalCCA membership may require that SVCE withdraw from CalCCA and SVCE would have to add additional staff and/or consultants to provide the legislative and regulatory work currently performed by CalCCA staff. This alternative is not recommended due to impacts on current operations.

Not funding CC Power membership may require SVCE to withdraw from CC Power. SVCE needs to approve funding for CC Power to remain in the four projects noted above. These resources are needed for compliance under the California Public Utilities Commission's procurement orders. SVCE could also seek to fund only that portion of the CC Power budget which corresponds to general administration and direct costs associated with

the four projects the Board has approved. However, this would require the CC Power board to allow elective funding level as an option, which it has not thus far.

Not funding the CalCCA special assessment will require SVCE to secure legal services independently and directly incur all the costs. As a result, SVCE will expend more resources and receive potentially inconsistent guidance from the other CCAs.

STRATEGIC IMPACT

Participation at CalCCA supports the FY 2024 Strategic Plan, Goal 9: Advocate for policies that protect CCA customer investments and further decarbonization, grid reliability, affordability, and social equity with federal and state elected officials and regulators.

Participation at CC Power supports the FY 2024 Strategic Plan, Goal 7**:** Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner.

FISCAL IMPACT

The sum of all payments recommended for approval is $4,325,298, including $3,054,971 for CalCCA and $1,270,327 for CC Power. The fiscal impact of approving the FY 2025 budget payments for CalCCA and CC Power will be $1,172,149. These payments will happen between July 1, 2024 and June 30, 2025. SVCE's FY 2024 Board approved operating budget is sufficient to cover the payments through September 30, 2024. SVCE's proposed operating budget for FY 2025, will include sufficient funds to cover remaining expenses for both agencies. The payments for prior fiscal years total $3,143,149. However, authorizing and ratifying the prior budget payments will have no fiscal impact because those payments have been made and were within SVCE's overall approved budgets in prior fiscal years.

The fiscal impact of the CalCCA special assessment will impose, at most, an additional $10,000 in fiscal impacts. However, the actual impact may be lower or potentially negated based on the final scope of work and whether CalCCA can fund it through their regular budget. CalCCA is still making this determination.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1d

Item 1d:	**Authorize the Chief Executive Officer to Execute a Third Amendment to the Peninsula Clean Energy Cost Share Agreement to Extend the Term Through December 31, 2026 and Increase SVCE's Amount to $1,090,000 for Technical Support for the Reach Code Program**
From:	Monica Padilla, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy
Date:	6/12/2024

RECOMMENDATION

Staff recommends the SVCE Board of Directors approve the amended reimbursement agreement between Peninsula Clean Energy (PCE) and Silicon Valley Clean Energy (SVCE) to extend the term through December 31, 2026 and increase SVCE's not to exceed amount by $350,000 to $1,090,000.

BACKGROUND

On December 12, 2018, the SVCE Board approved an agreement entitled "Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement," ("Reimbursement Agreement"), whereby SVCE and PCE agreed to issue a Request for Proposals and to jointly select and share the costs of a Building and EV Reach Code Consultant. These services were sought to support the adoption of local reach codes by SVCE's member agencies through the development of model code language and analysis, tailored technical assistance to member agencies, and support for code implementation. TRC Engineers Inc was selected to conduct the work. SVCE's budget for the 2019 cycle of reach code work was set to not exceed $400k, including this cost share agreement.

On March 11, 2020, the SVCE Board approved an increase in budget to $600k for the 2022 cycle of reach code work and an amendment to the reimbursement agreement with PCE to extend the availability of technical support from TRC Engineers Inc. A second amendment was approved on September 13, 2023, increasing the amount to $740,000 and extending the term to July 31, 2024, to reflect expenses associated with the widespread adoption of reach codes by SVCE's member agencies and ongoing questions around the City of Berkeley's court case.

PCE and SVCE seek to extend this cost share agreement a third time, through December 31, 2026, to continue providing ongoing support for the most recent electrification reach codes, to expand model code support responding to the City of Berkeley court decision, and to provide support during the 2025 Triennial Building Code cycle. PCE considered the related amendment to their agreement with TRC on May 23rd, which was approved.

ANALYSIS & DISCUSSION

Recognizing the significant emissions that emanate from buildings, SVCE has invested significantly in plans and programs to address building decarbonization. While incentivizing existing building equipment retrofits and conversions is a vital strategy, ensuring that the codes and rules imposed by member agencies in the development process are optimized for eliminating emissions is a practical and sensible approach.

Agenda Item: 1d **Agenda Date: 6/12/2024**

Thirteen of SVCE's member agencies adopted an electrification reach code in 2022. With the passage of BAAQMD's zero-NOx appliance standards, the Ninth Circuit's ruling against Berkeley's municipal gas ban, and another triennial building code cycle starting next year, staff feels it is prudent to continue to provide these resources and services to member agencies.

PCE has decided to extend the agreement with TRC because: 1) TRC has performed very well for us and others statewide and has established relationships with agency staff; 2) TRC is far and away the most experienced firm working in this space and we are unaware of a higher quality provider in the state; 3) Switching mid-year while dealing with the fallout of the Berkeley decision will create a risk for our constituents; and 4) TRC's hourly rates are low relative to some other competitors. We do not believe other consultants will offer lower prices.

STRATEGIC PLAN

The proposal supports SVCE's Strategic Plan Goal 14, coordinate development of decarbonization and resilience strategy, lead design of local policy, and design and deploy programs.

ALTERNATIVE

If the Board does not approve this amendment, then the services from TRC Engineers Inc would no longer be available to member agencies. There would be a loss in continuity given that TRC Engineers Inc has been providing support across two reach code cycles and working with member agencies for years, in addition to a loss of alignment with agencies in San Mateo County. Staff would need to consider securing a new technical services provider or ceasing to provide the same level of technical support.

FISCAL IMPACT

Approval of the amended agreement with PCE will have a minor fiscal impact. The first year of the Third Amendment will be funded through the remaining budget that has already been approved by the Board for reach code work. Funding for the second year will be recommended for incorporation in the Programs Budget for Fiscal Year 24/25.

ATTACHMENTS

1. Third Amendment to Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement
2. Second Amendment to Reimbursement Agreement
3. First Amendment to Reimbursement Agreement
4. Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Cost Reimbursement

THIRD AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND THE PENINSULA CLEAN ENERGY AUTHORITY FOR PROFESSIONAL SERVICES COST REIMBURSEMENT

THIS THIRD AMENDMENT TO REIMBURSEMENT AGREEMENT ("Third Amendment") is made and entered into as of _____ ("Effective Date") by and between the Silicon Valley Clean Energy Authority ("SVCE") and the Peninsula Clean Energy Authority ("PCE") for the reimbursement of costs incurred by PCE in connection with the performance of professional services for the development, review, adoption, and implementation of reach ordinances as more fully described below. SVCE and PCE are individually referred to herein as "Party" and collectively referred to as "the Parties."

RECITALS

A. SVCE and PCE are joint powers authorities organized for the purpose of conducting community choice aggregation programs and other energy-related climate change programs.

B. Staff at SVCE and PCE worked together to develop a scope of work for consultant services to research and prepare model reach codes related to building electrification and electric vehicle ("EV") infrastructure, and to work with SVCE and PCE and their member agencies in the adoption of such codes by member agencies.

C. SVCE and PCE entered into an agreement entitled "Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement," dated December 15, 2018 ("Reimbursement Agreement"), whereby SVCE and PCE agreed to issue a Request for Proposals and to jointly select and share the costs of a Building and EV Reach Code Consultant to undertake the scope of services described in the Request for Proposals,.

D. PCE entered into an agreement with the consultant selected to be the Building and EV Reach Code Consultant, TRC Engineers Inc., on January 25, 2019 ("Original TRC Contract").

E. SVCE and PCE both desire to continue using TRC Engineers, Inc. to provide reach code assistance to member agencies through the end of December 2026; to continue offering technical support to stakeholders such as developers, designers, agencies, and contractors; and to engage in Regional, State, and Federal Building Code development.

F. The PCE Board of Directors authorized the PCE Chief Executive Officer to extend and amend the Original TRC Agreement in March, 2020, March, 2021, and March, 2022 to reflect the supporting consulting services needed as identified by PCE and SVCE staff. The PCE Board and TRC further amended the agreement in May, 2024. The TRC Contract Amendment describes the expanded scope of services and revised budget in Exhibit B thereto.

G. SVCE and PCE have twice previously amended the original "Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement" to account for and accommodate changes in the services provided by TRC. The First Amendment was effective April 7, 2020, and the Second Amendment was effective on September 13, 2023. The First and Second Amendments are Attached as "Exhibit A" hereto.

H. SVCE and PCE desire to further amend the Reimbursement Agreement to increase the cost by $350,000 to a Not to Exceed amount of $1,090,000 to account for the extension of TRC's services to December 31, 2026.

NOW, THEREFORE, SVCE and PCE mutually agree to the following:

1. Recitals. The Recitals stated above are true and correct and are incorporated by this reference into this First Amendment.

2. Increase Costs Subject to Reimbursement. The Parties hereby agree that the terms of this Reimbursement Agreement shall increase to a Not to Exceed amount of $1,090,000.

3. Reimbursement Agreement in Effect. All terms and conditions of the Reimbursement Agreement not specifically modified by this Third Amendment shall remain in full force and effect.

4. Counterparts. This Third Amendment may be executed in counterpart originals, each of which is deemed to be an original for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Third Amendment on the date first written above.

Silicon Valley Clean Energy Authority	**Peninsula Clean Energy Authority**
By: _____	By: _____
Date _____	Date _____

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SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND THE PENINSULA CLEAN ENERGY AUTHORITY FOR PROFESSIONAL SERVICES COST REIMBURSEMENT

THIS SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT ("Second Amendment") is made and entered into as of September 13, 2023 ("Effective Date") by and between the Silicon Valley Clean Energy Authority ("SVCE") and the Peninsula Clean Energy Authority ("PCE") for the reimbursement of costs incurred by PCE in connection with the performance of professional services for the development, review, adoption and implementation of reach ordinances as more fully described below. SVCE and PCE are individually referred to herein as "Party" and collectively referred to as "the Parties."

RECITALS

A. SVCE and PCE are joint powers authorities organized for the purpose of conducting community choice aggregation programs and other energy-related climate change programs.

B. Staff at SVCE and PCE worked together to develop a scope of work for consultant services to research and prepare model reach codes related to building electrification and electric vehicle ("EV") infrastructure, and to work with SVCE and PCE and their member agencies in the adoption of such codes by member agencies.

C. SVCE and PCE entered into an agreement entitled "Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement," dated December 15, 2018 ("Reimbursement Agreement"), whereby SVCE and PCE agreed to issue a Request for Proposals and to jointly select and share the costs of a Building and EV Reach Code Consultant to undertake the scope of services described in the Request for Proposals, attached as Exhibit A thereto.

D. PCE entered into an agreement with the consultant selected to be the Building and EV Reach Code Consultant, TRC Engineers Inc., on January 25, 2019 ("Original TRC Contract").

E. SVCE and PCE both desire to continue using TRC Engineers, Inc. to provide reach code assistance to member agencies through the end of December 2021, and to expand the scope of services to offer additional technical support to stakeholders such as developers, designers, and contractors.

F. On January 23, 2020, the PCE Board of Directors authorized the PCE Chief Executive Officer to extend the Original TRC Agreement, and PCE and TRC Engineers, Inc. executed an amendment to the agreement on April 7, 2020 ("Amended TRC Contract"). The First Amended TRC Contract describes the expanded scope of services and revised budget in Exhibits A and B thereto.

G. On March 11, 2020, the SVCE Board of Directors approved the allocation of an additional $200,000 to SVCE's Reach Code Initiative.

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H. On April 8, 2020, SVCE and PCE amended the Reimbursement Agreement to include an expanded scope of services to provide technical assistance for developers and contractor training.

I. SVCE and PCE desire to further amend the Reimbursement Agreement to add the not to exceed (NTE) amount of $740,000. Expenses through June 30, 2023 for SVCE have been $519,867.50.

NOW, THEREFORE, SVCE and PCE mutually agree to the following:

1. Recitals. The Recitals stated above are true and correct and are incorporated by this reference into this First Amendment.

2. Increase Costs Subject to Reimbursement. The Parties hereby agree that the terms of the Reimbursement Agreement shall increase the Costs to a NTE $740,000.

3. Reimbursement Agreement in Effect. All terms and conditions of the Reimbursement Agreement not specifically modified by this Second Amendment shall remain in full force and effect.

4. Counterparts. This Second Amendment may be executed in counterpart originals, each of which is deemed to be an original for all purposes.

IN WHITNES WHEREOF, the Parties have executed this First Amendment on the date first written above.

Silicon Valley Clean Energy Authority

DocuSigned by:
By: Monica Padilla
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Title: COO & Director of Power Resources

Date: 10/10/2023

Peninsula Clean Energy Authority

DocuSigned by:
By: Shawn Marshall
F332A52474ED4AB...

Title: Chief Executive Officer

Date: 10/10/2023

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FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND THE PENINSULA CLEAN ENERGY AUTHORITY FOR PROFESSIONAL SERVICES COST REIMBURSEMENT

THIS FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT ("First Amendment") is made and entered into as of April 7, 2020 ("Effective Date") by and between the Silicon Valley Clean Energy Authority ("SVCE") and the Peninsula Clean Energy Authority ("PCE") for the reimbursement of costs incurred by PCE in connection with the performance of professional services for the development, review, adoption and implementation of reach ordinances as more fully described below. SVCE and PCE are individually referred to herein as "Party" and collectively referred to as "the Parties."

RECITALS

A. SVCE and PCE are joint powers authorities organized for the purpose of conducting community choice aggregation programs and other energy-related climate change programs.

B. Staff at SVCE and PCE worked together to develop a scope of work for consultant services to research and prepare model reach codes related to building electrification and electric vehicle ("EV") infrastructure, and to work with SVCE and PCE and their member agencies in the adoption of such codes by member agencies.

C. SVCE and PCE entered into an agreement entitled "Reimbursement Agreement Between the Silicon Valley Clean Energy Authority and the Peninsula Clean Energy Authority for Professional Services Cost Reimbursement," dated December 15, 2018 ("Reimbursement Agreement"), whereby SVCE and PCE agreed to issue a Request for Proposals and to jointly select and share the costs of a Building and EV Reach Code Consultant to undertake the scope of services described in the Request for Proposals, attached as Exhibit A thereto.

D. PCE entered into an agreement with the consultant selected to be the Building and EV Reach Code Consultant, TRC Engineers Inc., on January 25, 2019 ("Original TRC Contract").

E. SVCE and PCE both desire to continue using TRC Engineers, Inc. to provide reach code assistance to member agencies through the end of December 2021, and to expand the scope of services to offer additional technical support to stakeholders such as developers, designers and contractors.

F. On January 23, 2020, the PCE Board of Directors authorized the PCE Chief Executive Officer to extend the Original TRC Agreement, and PCE and TRC Engineers, Inc. executed an amendment to the agreement on April 7, 2020 ("Amended TRC Contract"). The First Amended TRC Contract describes the expanded scope of services and revised budget in Exhibits A and B thereto.

G. On March 11, 2020, the SVCE Board of Directors approved the allocation of an additional $200,000 to SVCE's Reach Code Initiative.

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H. SVCE and PCE desire to amend the Reimbursement Agreement to include the expanded scope of services for TRC Engineers, Inc.

NOW, THEREFORE, SVCE and PCE mutually agree to the following:

1. Recitals. The Recitals stated above are true and correct and are incorporated by this reference into this First Amendment.

2. Scope of Services Subject to Reimbursement. The Parties hereby agree that the terms of the Reimbursement Agreement, including but not limited to Section C(2) "Responsibilities of PCE" and Section C(3) "Responsibilities of SVC", shall apply to and govern payments and reimbursements required pursuant to the expanded scope of services set forth in Exhibit A of the First Amended TRC Contract. Wherever the term "Contract" is used in the Reimbursement Agreement, it shall be deemed to include both the Original TRC Contract and the First Amended TRC Contract, including all revised attachments.

3. Reimbursement Agreement in Effect. All terms and conditions of the Reimbursement Agreement not specifically modified by this First Amendment shall remain in full force and effect.

4. Counterparts. This First Amendment may be executed in counterpart originals, each of which is deemed to be an original for all purposes.

IN WHITNES WHEREOF, the Parties have executed this First Amendment on the date first written above.

Silicon Valley Clean Energy Authority

By: DocuSigned by: Girish Balachandran
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Peninsula Clean Energy Authority

By: Janis C. Pepper

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REIMBURSEMENT AGREEMENT BETWEEN

THE SILICON VALLEY CLEAN ENERGY AUTHORITY

AND THE PENINSULA CLEAN ENERGY AUTHORITY

FOR PROFESSIONAL SERVICES COST REIMBURSEMENT

This REIMBURSEMENT AGREEMENT ("Agreement") is made and entered into on December 15, 2018, by and between the Silicon Valley Clean Energy Authority ("SVCE") and the Peninsula Clean Energy Authority ("PCE") for the reimbursement of costs incurred by PCE in connection with the performance of professional services for the development, review, adoption and implementation of reach ordinances as more fully described below. SVCE and PCE are individually referred to herein as "Party" and collectively referred to as "the Parties."

RECITALS

A. SVCE and PCE are joint powers authorities organized for the purpose of conducting community choice aggregation programs and other energy-related climate change programs.

B. Staff at SVCE and PCE have worked together to develop a scope of work for consultant services to be obtained from a Request for Proposals process that will be administered by PCE. The scope of services provides for the selected qualified consultant to research and prepare model reach codes related to building electrification and electric vehicle ("EV") infrastructure and to work with SVCE and PCE and their member agencies in the adoption of such codes by the member agencies. A more detailed description of the consultant's scope of services is set forth in the "2018 Request for Proposals for Building and EV Reach Code Consultant" attached hereto as Exhibit A and hereinafter referred to as the "Reach Codes RFP."

C. SVCE and PCE have agreed to share the costs of the selected Building and EV Reach Code consultant whose services will benefit both Parties as provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, SVCE and PCE mutually agree to the following:

1. Recitals. The Recitals stated above are true and correct and are incorporated by this reference into this Agreement.

2. Responsibilities of PCE. PCE shall be responsible for the following:

   a. PCE shall issue and administer the Reach Codes RFP.

   b. PCE shall jointly select with SVCE the consultant to perform the scope of services described in the Reach Codes RFP.

   c. PCE shall enter into a written professional services contract ("Contract") with the consultant jointly selected by SVCE and PCE upon the completion of the Reach

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Codes RFP process. The terms of the Contract shall be mutually agreed upon by SVCE and PCE.

d. PCE shall make timely payments to the selected consultant under the terms of the Contract and administer and manage the Contract.

e. PCE shall directly supervise the professional services provided by the selected consultant for the EV reach code work and for any services provided by the consultant that exclusively benefit PCE or its member agencies.

f. PCE shall work cooperatively with SVCE in the development, review, adoption, and implementation of the model reach codes provided by the selected consultant pursuant to the Contract.

3. Responsibilities of SVCE. SVCE shall be responsible for the following:

a. SVCE shall assist PCE in reviewing and evaluating the proposals received by PCE in response to the Reach Code RFP.

b. SVCE shall jointly select with PCE the consultant to perform the scope of services described in the Reach Codes RFP.

c. SVCE shall reimburse PCE for 50% of the payments made by PCE to the selected consultant pursuant to the Contract for services benefiting both Parties. SVCE shall reimburse PCE for 100% of the payments made by PCE to the selected consultant pursuant to the Contract for services exclusively benefiting SVCE or its member agencies. SVCE will not reimburse PCE for any payments made by PCE for services exclusively benefiting PCE or its member agencies. Prior to the execution of the Contract, SVCE and PCE shall prepare a written list of the selected consultant's services that benefit both Parties and the services that exclusively benefit one Party or the other. All amounts owed by SVCE to PCE shall be paid within 30 days after SVCE receives the selected consultant's detailed invoice paid by PCE.

d. SVCE shall directly supervise the professional services provided by the selected consultant for the building electrification reach code work and for any services provided by the consultant that exclusively benefit SVCE or its member agencies.

e. SVCE shall work cooperatively with PCE in the development, review, adoption and implementation of the model reach codes provided by the selected consultant pursuant to the Contract.

4. Term and Termination. The term of this Agreement shall commence on the date first written above and terminate on the date that SVCE makes its final payment under the provisions of this Agreement. Either party may terminate this Agreement without cause upon 30 days written notice. Either Party also may terminate this Agreement by written notice of a default by the other Party ("Defaulting Party") of a material term of this Agreement, provided that the terminating Party has given written notice of default to the Defaulting Party and has given the Defaulting Party a

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reasonable period of time to cure the default, which in no case shall be less than 15 days. Upon termination of this Agreement, SVCE shall reimburse PCE for any unpaid consultant fees incurred prior to the date of termination that PCE is obligated to pay under the Contract.

5. Hold Harmless and Indemnification. The indemnification obligations of the Parties shall be as follows:

a. PCE shall defend, hold harmless and indemnify SVCE, and its directors, officers, agents and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of PCE, its directors, officers, agents and/or employees.

b. SVCE shall defend, save harmless, and indemnify the PCE, and its directors, officers, agents and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of SVCE, its directors, officers, agents and/or employees.

c. In the event of concurrent negligence of PCE, its directors, officers, agents and/or employees, and SVCE, its directors, officers, agents and/or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

d. This provision shall survive expiration or termination of this Agreement.

6. Amendment and Waiver. No change or modification of this Agreement shall be valid unless the same is in writing and signed by both Parties, and no verbal understanding or agreement not incorporated herein shall be binding on either Party hereto.

7. Governing Law. This Agreement shall be construed and governed by the laws of the State of California, and any suit or action initiated by either Party shall be brought in the Superior Court for the County of San Mateo, California, or the United States District Court for the Northern District of California.

8. Time of Essence. Time is of the essence for every provision hereof in which time is a factor.

9. Benefit of Parties. The terms of this Agreement shall be binding and inure to the benefit of the Parties hereto and their successors and assigns. Neither Party shall assign this Agreement or any portion thereof to a third party without the prior written consent of the other Party. Any such assignment without prior written consent by one Party shall give the other Party the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. Entire Agreement of the Parties. This Agreement supersedes any and all agreements, either oral or written, between the Parties with respect to the subject matter of this Agreement and contains all of the representations, covenants, and agreements between the Parties with respect to

the subject matter of this Agreement. Each Party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which are not contained in this Agreement.

11. Independent Counsel. Each Party has had the opportunity to consult with its own attorney with respect to this Agreement, and in the event that any language contained herein is construed to be vague or ambiguous, this Agreement shall not be strictly construed against any Party.

12. Notice. Notice given under or regarding this Agreement shall be deemed given upon delivery into the United States Mail if delivery is by postage paid certified mail (return receipt requested), or reputable overnight commercial delivery service. Notice shall be sent to the respective Party at the address indicated below or to any other address as a Party may designate from time to time by a notice given in accordance with this paragraph.

If to SVCE:

Aimee Bailey, PhD
Director of Decarbonization & Grid Innovation
Silicon Valley Clean Energy
333 W. El Camino Road #290
Sunnyvale, California 94087

If to PCE:

Rafael Reyes
Director of Energy Programs
Peninsula Clean Energy
2075 Woodside Road
Redwood City, California 94061

13. Invalid Provision. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

14. Headings and Captions. The headings and captions used in this Agreement are for convenience only and shall in no way define, limit, or describe the scope or intent of the Agreement or any part thereof.

15. Counterparts. This Agreement may be executed in counterpart originals, each of which is deemed to be an original for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement below on the date first written above.

Silicon Valley Clean Energy Authority

By: DocuSigned by: Girish Balachandran 5CA64B9AC4C24C3...

Peninsula Clean Energy Authority

By: _____

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EXHIBIT A

2018 Request for Proposals for Building and EV Reach Code Consultant

2018 Request for Proposals for Building and EV Reach Code Consultant

Peninsula Clean Energy is San Mateo County's locally-controlled electricity provider. We are reducing greenhouse gas emissions and offering customer choice at competitive rates.

Offers due Thursday, January 3rd at 5:00 pm Pacific Time

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2 RFP Overview

Peninsula Clean Energy (PCE) programs include advancing the adoption of electric vehicles and transitioning building fossil fuel uses to low-carbon electricity. With this request for proposals (RFP), PCE requests information about the experience and qualifications your company may have relating to the development of model building "reach" codes to address electric vehicle infrastructure and building electrification needs as described in this RFP scope of work.

This RFP is being executed in collaboration with Silicon Valley Clean Energy (SVCE) as a prospective joint project. SVCE's participation is subject to SVCE Board of Directors' review and approval[1].

This RFP

- Provides general background on PCE
- Describes the service sought by PCE (scope of work)
- Provides an opportunity for Proposers to describe their qualifications and assets, and to explain how they could contribute to the program

By participating in PCE's RFP process, a Proposer acknowledges that it has read, understands, and agrees to the terms and conditions set forth in these RFP Instructions. PCE reserves the right to reject any offer that does not comply with the requirements identified herein. Furthermore, PCE may, in its sole discretion and without notice, modify, suspend, or terminate the RFP without liability to any organization or individual. The RFP does not constitute an offer to buy or create an obligation for PCE to enter into an agreement with any party, and PCE shall not be bound by the terms of any offer until PCE has entered into a fully executed agreement.

3 Peninsula Clean Energy Overview

Peninsula Clean Energy (PCE), a community choice energy (CCE) program, is San Mateo County's official electricity provider. PCE is a joint powers agency, formed in February, 2016, consisting of the County of San Mateo and all twenty of its cities. PCE provides cleaner and greener electricity, and at lower rates, than the incumbent investor-owned utility (IOU), Pacific Gas & Electric Company (PG&E). PCE plans for and secures commitments from a diverse portfolio of energy-generating resources to reliably serve the electric energy requirements of its customers over the near-, mid-, and long-term planning horizons. For more information on PCE, please go to www.peninsulacleanenergy.com.

PCE's Strategic Goals:

[1] SVCE staff anticipates taking the request to their Board at the meeting on December 12, 2018.

1. Design a diverse power portfolio that is greenhouse gas free.
    a. 100% GHG free by 2021
    b. sourced by 100% CA RPS eligible renewable energy by 2025
    c. create a minimum of 20 MWs of new local power by 2025
2. Continually strive to offer ECOPlus at rates that are at parity or lower than PG&E rates.
3. Stimulate development of new renewable energy projects and clean-tech innovation in San Mateo County and California through PCE's procurement activities.
4. Demonstrate quantifiable economic benefits to the County/region and place a priority on local hiring and workforce development practices and environmental justice.
5. Implement programs to further reduce greenhouse gas emissions by investing in programs such as local clean power production, electric vehicles, energy efficiency, and demand response, and partnering effectively with local business, schools, and nonprofit organizations.
6. Maximize and maintain customer participation in PCE.
7. Provide a superior customer experience
8. Build a financially sustainable organization.
9. Foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves.

4 RFP Schedule

Date	***Event***
Monday, November 26, 2018	PCE launches RFP: publishes RFP Instructions.
Friday, December 7, 2018	Deadline for Proposers to submit questions (see below)
Friday, December 14, 2018	PCE provides responses to questions on PCE's website.
Thursday, January 3, 2019, 5:00 pm PT	Deadline for Proposers to submit proposals
Thursday, January 10, 2019 and Friday, January 11, 2019	Possible in-person interviews of top proposers
Wednesday, January 16, 2019, 5:00 pm PT	Anticipated date PCE will notify awardee
Thursday, January 24, 2019	Anticipated date for Board execution of contract

Questions:

- **Question & Answer:** Proposers may submit questions concerning the RFP at programs@peninsulacleanenergy.com. All questions and answers will be shared with all Proposers and will be posted on PCE's website.

- **Proposal Review:** PCE may request clarifications by email or phone January 3, 2019, through January 7, 2019. Prompt responses will be requested.

- **Proposer Interviews:** PCE may conduct in-person interviews of the top proposers on January 10 and January 11, 2019.

5 Proposal Submittal

Proposals must be received on or before the above deadline and submittal must be by email to programs@peninsulacleanenergy.com with the subject "Proposal - <Organization> - Reach Codes Consultant".

Only electronic submittals will be accepted.

Proposals must include:

1. Organization qualifications (4 pg. max)
2. Considerations and approach for development of model codes (4 pg. max)
3. Stakeholder engagement process (3 pg. max)
4. Schedule (table or chart, 1 pg. max)
5. Cost proposal (2 pg. max, include rate schedule)
6. Confirmation of acceptance of contract terms or explanation of proposed contract modifications (see Agreement Terms)
7. Project staff credentials (no limit)

6 Review and Selection Process

PCE staff will evaluate the proposals provided based on the following criteria:

1. Completeness of Proposal
2. Qualifications of the firm and staff
3. Proposed approach to implement project
4. Past experience
5. Cost structure
6. Exceptions to PCE's contract template

7 Agreement Terms

Awardees will be required to enter into a contract using PCE's standard contract terms. Modification of the contract terms may be proposed by the Proposer for consideration by PCE but are not guaranteed to be accepted. Rejection of the final terms from PCE is grounds for disqualification.

PCE's standard contract terms are available for review here:

https://tinyurl.com/pcecontractemplate

8 Inclusion of Non-Participating Agencies

PCE is asking all responding vendors to indicate their willingness to extend the terms of resulting contracts, inclusive of price, to other interested California-based municipalities, municipally-owned utilities and community choice energy programs. While this clause in no way commits these agencies to contract with PCE's awarded consultant, nor does it guarantee any additional orders will result, it does allow other agencies, at their discretion, to make use of PCE's competitive process (provided said process satisfies their own procurement guidelines) and purchase directly from the awarded contractor. All purchases made by other agencies shall be understood to be transactions between that agency and the awarded vendor; PCE shall not be responsible for any such purchases.

9 PCE Legal Obligations

PCE is not obligated to respond to any offer submitted as part of the RFP. All parties acknowledge that PCE is a public agency subject to the requirements of the California Public Records Act, Cal. Gov. Code section 6250 et seq. PCE acknowledges that another party may submit information to PCE that the other party considers confidential, proprietary, or trade secret information pursuant the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code sections 6254 and 6255) ("Confidential Information"). Any such other party acknowledges that PCE may submit to the other party Confidential Information. Upon request or demand of any third person or entity not a party to this RFP ("Requestor") for production, inspection and/or copying of information designated as Confidential Information by a party disclosing such information ("Disclosing Party"), the party receiving such information ("Receiving Party"), as soon as practical but within three (3) business days of receipt of the request, shall notify the Disclosing Party that such request has been made, by telephone call, letter sent via email and/or by US Mail to the address or email address listed on the cover page of the RFP. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action, after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it.

10 Scope of Work

See following page.

Scope of Work

1 Program Overview

Peninsula Clean Energy's and Silicon Valley Clean Energy's (SVCE) missions are to reduce greenhouse gas (GHG) emissions in San Mateo County and Santa Clara County (in the cities that SVCE covers), respectively. Emissions from transportation and building natural gas use comprise the largest sources of GHGs within the territories. This program aims to develop and advance Building Electrification and Electric Vehicle (EV) Infrastructure "reach" codes with member municipalities to update local building codes for new residential and commercial construction and major remodels. These codes are to be developed in alignment with and build on the 2019 California statewide building code updates. Codes for new buildings and major modifications are the most cost-effective points at which to install Electric Vehicle charging infrastructure and electric appliances (such as heat pump water heaters) compared to retrofitting existing buildings.

2 Consultant Responsibilities

2.1 Research Existing State and Local Codes

Consultant will research relevant state and local building codes to be developed related to building electrification and EV infrastructure. These codes may serve as models or foundations for the local model reach codes. This research must include both mandate- and incentive-based codes. The key features will be summarized in format easy to review for stakeholders.

2.2 Lead Development of Model Reach Codes

Consultant will work with PCE, the San Mateo County Office of Sustainability (OOS), and SVCE to provide key education to, and take input from, municipalities and other identified stakeholders to draft model reach codes to achieve program objectives. OOS and SVCE will provide facilitation support for their respective territories. The model reach code options must extend and be compliant with California's 2019 Building Code and are expected to leverage the cost-effectiveness analysis results from the 2019 Statewide Codes & Standards Program, as needed.

Stakeholders to include in the reach code development process will be jointly determined but are anticipated to include elected officials, municipal staff, developers, electric vehicle experts, building electrification experts, Pacific Gas & Electric, building trades, and other members of the community. The facilitated processes for EV infrastructure and for building electrification may be handled separately as deemed appropriate.

The process will include a minimum of one revision and one charette per reach code focus area (i.e. EV and building electrification) and per service territory (PCE and SVCE). It is also anticipated that the final product may include two to four versions of each model reach code with varying levels of stringency. For example, this may include prescriptive or performance-based options for building electrification. The process and schedule will be refined in consultation with the Consultant.

2.3 Identify Tools and Processes for Adoption and Implementation

This task includes identifying tools and process improvements to consider for 2.5 and 2.6. This may include but is not limited to:

a. Adoption tools: This includes template staff reports, findings for local governments to use when submitting Building codes to the California Building Standards Commission for acceptance, and/or other tools needed to move forward with the code adoption process at the local government and State level.
b. Implementation tools: This includes building department training, permit and inspection processes streamlining (including documenting all process efficiencies and benefits enabled by a suite of proposed streamlined permitting processes), educating builder community, and/or other tools needed to move forward with the code implementation process.

Any recommendations and deliverables will be developed with and vetted by the interested municipalities, development community, and other key stakeholders.

2.4 Develop EV Cost-Benefit Analysis

For the EV model codes, Consultant will also carry out an analysis including all costs and benefits – monetary and non-monetary (e.g. emissions impacts) – of the measures included. This will include the incremental construction costs resulting from the reach code ("first costs"). The EV cost-benefit analysis will be developed in a manner consistent with State and industry standards.

Municipalities will be encouraged to utilize the Statewide Codes & Standards program cost-benefit analysis for evaluating the efficacy of the Building Electrification model codes. The Consultant may be requested to provide additional enhanced analysis to supplement the Statewide cost-benefit analysis. If so, this will be treated as technical assistance under item 2.5.

2.5 Provide Technical Assistance to Municipalities for Adoption

For each territory (PCE and SVCE), the Consultant will provide technical assistance to interested municipalities for the adoption process, including developing the tools mutually agreed to in 2.3, and which may include presentations or answering technical questions at Commissions and Councils. PCE and SVCE have a total of thirty-four jurisdictions (21 and 13, respectively). The Consultant should assume that all municipalities will participate, however, only a subset of municipalities may participate in the reach code development and adoption process.

2.6 Provide Technical Assistance to Municipalities for Code Implementation

For each territory (PCE and SVCE), the Consultant will provide technical assistance to municipalities for the implementation process, including developing the tools mutually agreed to in 2.3, and which may include staff training sessions as requested.

3 Timing

All work must be completed with sufficient time for municipalities to execute ordinances in 2019 that will go into effect on January 1st, 2020.

4 Budgeting

The budget should include fixed costs for tasks 2.1 through 2.4. Tasks 2.5 and 2.6 should be provided as a variable cost (e.g. on a costs per-municipality basis).

AMENDMENT NO. 4 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY AND TRC Engineers, Inc._____

THIS AMENDMENT TO THE AGREEMENT, entered into this March 16, 2022, by and between PENINUSLA CLEAN ENERGY AUTHORITY, a California joint powers authority, hereinafter called "PCE," and TRC Engineers, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, the parties entered into an Agreement on January 25, 2019, for the purpose of Contractor's delivery of Reach Code adoption assistance to San Mateo County and its municipalities ("Agreement"); and

WHEREAS, PCE has determined that additional technical assistance for local governments, developers, and contractors is required for successful adoption and implementation of Reach Codes in new construction; and

WHEREAS, PCE has determined that development of local policies to advance building electrification and electric vehicle readiness is instrumental to achieving its decarbonization goals;

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by $750,000 to an amount not to exceed $2,350,000 for the purpose of providing additional policy development support and replicable tools for existing building decarbonization as described in the amended scope of work.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES AS FOLLOWS:

1. The contract schedule is extended, and paragraph 3 "Term" shall be amended as follows: The Agreement shall begin on January 25, 2019 and terminate on December 31, 2026. The parties understand that all contract tasks shall be completed by that date.
2. The text of "Exhibit A" shall be revised to replace Section 5 and add Sections 2.5.4, 9, 10, and 11 as described in this amendment Attachment A
3. The text of "Exhibit B" shall be deleted and replaced in their entirety with the updated Attachment B as attached to this amendment.
4. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.
5. This Amendment No. 4 shall take effect upon the date of execution by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as set forth below.

Peninsula Clean Energy Authority

By: _____
Shawn Marshall, CEO

Dated: _____

By: _____

Name: _____

Title:_____

Dated: _____

Attachment A

Ongoing tasks specified in tasks 1 through 4 and 6 through 8 of the contract remain required unless completed or otherwise directed by PCE.

2.5.4 Community Outreach

Consultant will coordinate with countywide initiatives and cohorts of jurisdictions to provide informational meetings and technical assistance, including the San Mateo County Regionally Integrated Climate Action Planning Suite (RICAPS) group.

Deliverables:

1. Presentation delivered to municipalities
2. CEC submission cover letter template
3. CEC submission packets
4. List of cities and assistance provided

5. Model Code Updates

5.1 Updates to 2022 & 2025 Model Codes

Consultant will work with PCE and Silicon Valley Clean Energy (SVCE) to refine Model Reach Codes as needed. Model Reach Codes for the 2022 & 2025 cycle have already been developed and should be substantially final before the initiation of the contract.

Model code options will include:

1. New Construction Energy Performance Approach
2. New Construction Air Quality Approach
3. New Construction CalGreen EV Infrastructure Reach Code
4. Existing Building Electrification and EV Infrastructure Reach Code

Deliverables:

1. Refine and maintain up to date the model codes as needed based on stakeholder input with approval from PCE.

9. Coordination on Regional, Statewide, and National Building Codes

9.1 Review and summarize applicable agencies and legislative bodies

Review applicable agencies relevant to statewide and national decarbonization code development, including, but not limited to efforts by Bay Area Air Quality Management District, California Energy Commission, California Air Resources Board, California Building Standards Commission, Housing and Community Development, International Code Council, ASHRAE, National Fire Protection Agency, and the National Electrical Code.

Summarize approach to meetings and decision-making, upcoming code cycles, relevant committees, and most time-efficient way to engage

9.2 Engage with agencies to help inform upcoming decision-making

Attend meetings and workshops, review reports, serve on national advisory committees, and summarize the state of code development. Work with PCE/SVCE to determine best course of action related to coordination with and guidance for specific agencies.

Based on determinations of the team, provide feedback and guidance to agencies on behalf of PCE/SVCE in order to inform policy in alignment with methods established within our local government reach code efforts.

Deliverables

1. Application to specific boards and/or stakeholder working groups
2. Quarterly summary of policy updates and meetings
3. Guidance to agencies as directed by PCE/SVCE in the form of letters, public comment, or direct coordination with agency staff.

10. Building electrification modeling to inform policymaking

Develop a workplan for 2025 Single Family New Construction and Existing Buildings simulation and utility rate modeling in coordination with Peninsula Clean Energy and SVCE. The workplan will outline simulation software (CBECC, EnergyPlus, or other), prototype characteristics, electrification measure packages, calibration needs, and sensitivity analyses. Consultant will perform utility rate modeling in MS Excel including forecasts and future escalation.

Deliverables

1. A brief workplan outlining simulation setup and objectives.
2. Slide deck summarizing methodology and findings for use in public meetings.
3. Building energy files and associated (e.g., hourly) data.

11. Schedule

	Task	Due Date(s)
1	Administration	Ongoing
2.5	Provide Technical Assistance to Municipalities for Adoption	Ongoing, completed by July 2026
2.6	Provide Technical Assistance to Municipalities for Code Implementation	Ongoing, completed by July 2026
3	Additional Program Tasks	Ongoing
5	Model Code updates	Ongoing, completed by July 2026
6	Update Tools and Processes for Adoption and Implementation	Ongoing, completed by July 2026
9.1	Review and summarize applicable agencies and legislative bodies	August 2024
9.2	Application to specific boards and/or stakeholder working groups	December 2024
9.2	Quarterly summary of policy updates and meetings	Ongoing
9.2	Guidance to agencies as directed by PCE/SVCE in the form of letters, public comment, or direct coordination with agency staff.	Ongoing
10	Building electrification modeling	December 2024

The schedule is subject to revision as mutually determined by PCE and TRC.

Attachment B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCE shall pay Contractor based on the following fee schedule and terms:

1. Time and materials up to $126,000 cost for administration, model code development and cost-effectiveness analysis (Task 1, Task 2.1 through 2.4, inclusive).

2. Time and materials up to $174,000 adoption and implementation support (Task 2.5 and 2.6). These costs are not to exceed $10,000 per municipality unless approved by PCE.

3. The contract fee amount added by the March 20, 2020 amendment shall not exceed $450,000 for all the tasks as described below:

Task 2.5 and 2.6	$60,000
Task 3.1	$343,500
Task 3.2	$46,500
Total	$450,000

The individual task amount as described above may be reassigned with prior PCE approval.

4. The contract fee amount added by the March 16, 2021 amendment No. 2 shall not exceed $100,000 for all the tasks as described in Attachment A Section 4.

5. The contract fee amount added by the March 2022 amendment shall not exceed $750,000 for all the tasks as described below:

Task #	**Task**	**Budget**
1	Administration	$100,000
2.5 & 2.6	Technical Assistance for Municipalities for Reach Code Adoption and for Code Implementation	$175,000
3.1.2	Developer Technical Assistance	$240,000
5.1	Model Code Updates	$20,000
6	Implementation Tools	$30,000
7	Characterization & Costs Study	$150,000
8	Permitting Support	$35,000
	Total	**$750,000**

The individual task amount as described above may be reassigned with prior PCE approval.

6. The contract fee amount added by the May 2024 amendment shall not exceed $750,000 for all the tasks as described below:

Task #	Task	2024 added budget
1	Administration	$120,000
2.5 & 2.6	Technical Assistance for Municipalities for Reach Code Adoption and for Code Implementation	$250,000
3.1.2	Developer Technical Assistance	$140,000
5.1	Model Code Updates	$75,000
6	Implementation Tools	$30,000
9	Coordination on Regional, Statewide, and National Building Codes	$85,000
10	Building electrification modeling	$50,000
	Total	**$750,000**

The individual task amount as described above may be reassigned with prior PCE approval.

7. Billings will utilize the rate schedules below as fully loaded rates. Non-labor expenses are not to exceed $13,500.

8. Invoices may be submitted no more than monthly, with hours identified by staff, rate and sub-task (ex: 2.1, 2.2, etc.). Invoices for tasks 2.5 and 2.6 must also be sub-totaled by municipality served.

TRC Rate Schedule

Title	Hourly Rate	Staff
Vice President	$300	Cathy Chappell, Abhijeet Pande
Senior Director	$264	Lisa Perry, Gwelen Paliaga
Engineering Director	$242	Colman Snaith
Associate Director	$220	Michael Mutmansky, Nicholas Dunfee, Michael Maroney, Farhad Farahmand, Dove Feng
Senior Project Manager	$209	Rupam Singla, Ritesh Nayyar, Calder Silcox, Justin DeBlois
Project Manager	$193	Pratap Jadhav, Mayra Vega
Associate Project Manager II	$176	Avani Goyal, Taylor Taylor
Associate Project Manager	$143	Tim Mensalvas, Yi Yi Chu
Research Associate	$132	Yolanda Beesemyer, Rohan Gupta, Cory Griffin, Antonea Frasier, Kelsey Pruyne

Sub-Contractor Rate Schedule

TRC has assembled a list of potential sub-contractors to engage. TRC will engage with subcontractors for the top four areas of expertise and contract, with at least one per area of

expertise, within 15 days of PCE contract execution. TRC will provide resumes/CVs of each experts to PCE and SVCE for review prior to executing subcontracts, and execute subcontracts within 60 days of PCE contract execution. Additional sub-contractors may be enrolled with PCE approval. Rates are not to exceed: $300 per hour without express written approval by the client.

#	Expertise	Organization	Staff	Status	Hourly Rate	Resumes
1	Affordable Housing Expert(s)	Redwood Energy	Sean Armstrong Dylan Anderson Jessica Lee Romel Robinson	Confirmed	$225 $139 $120 $93	Yes
		Association for Energy Affordability	Nick Young, Andy Brooks, Nick Dirr, John Neal, Sheetal Chitnis, Jack Aitchison	Confirmed	$274.56, $202.81, $202.81 $170.71, $159.27	Yes
2	Central Water Heating Expert(s)	Ecotope	Shawn Oram, Colin Grist, Kristine Adamich, Katie Glore	TBD	$220, $180, $170, $165	Yes
3	Food Service Equipment/ Commercial Kitchens	Frontier Energy	David Zabrowski, Richard Young, Todd Bell, Denis Livchck	Confirmed	$300, $300, $189, $189	Yes
4	Commercial All-electric Design Expert	Western Allied Mechanical	Todd Gottshall, Laurens Vaneveld	Confirmed	$150	Yes
		Smith Group	Stet Sanborn	Confirmed	$300	Yes
		Meyer+	Paul McGrath, Susie See, Adam Kyle	TBD	$280, $250	Yes
		CRB	Jeff Wegner Jasmine Leja Kiko Rejuso	Confirmed	$300 $150 $150	Yes
5	Single family Design Expert	IDeAs Consulting	David Kaneda	Confirmed	$300	Yes
6	Project Capital	ARUP	Orion Fulton	TBD	TBD	TBD

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1e

Item 1e:	**Authorize the Chief Executive Officer to Negotiate and Execute a Memorandum of Agreement for an EPA Climate Pollution Reduction Grant**
From:	Monica Padilla, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy
Date:	6/12/2024

RECOMMENDATION

Staff recommends the SVCE Board of Directors (Board) authorize the Chief Executive Officer to negotiate and execute a Memorandum of Agreement (MOA) as the lead agency for the purposes of securing grant funds from the United States Environmental Protection Agency (EPA) Climate Pollution Reduction Grants (CPRG) program and to incorporate any revisions to the MOA required by the EPA as part of their grant review and award process.

BACKGROUND

As reported to the Board in May 2024, SVCE submitted a $50M grant to the EPA in April to serve as the lead agency at the request of five local cities (Cupertino, Morgan Hill, Mountain View, San Jose, and Sunnyvale) pursuing municipal building resiliency and decarbonization. These agencies developed a joint proposal for this grant and requested SVCE serve as the lead agency.

As lead agency, SVCE will administer the financial oversight of the grant, ensure reporting, and other grant obligations are being met by the other grant coalition partners. The other members of the grant team have their own obligations as outlined in the MOA and grant application narrative. These include doing all necessary things to complete the projects each participating city identified for the grant. It also includes vendors that are handling various aspects of analysis, reporting, and outreach.

The EPA requires that all of the grant coalition partners, including SVCE, execute an MOA for this grant. The purpose of this Board item is to request the Board's approval to execute the MOA.

SVCE will need to formally accept the grant if it is awarded and will return to the Board at that time with a request to receive the grant and enter into an agreement with the EPA to administer it.

ANALYSIS & DISCUSSION

While SVCE did not seek out this opportunity, it has been pursued because the goal of the grant, creating more resilient and decarbonized municipal buildings, would enhance SVCE's service and aligns with SVCE's mission. This grant supports SVCE's mission by improving the reliability of the electrical service provided to SVCE customers and offsetting fossil gas use with electricity which presents the opportunity to benefit from greater economies of scale afforded by larger demand for electricity in SVCE's service area. These benefits will be accomplished through supporting the installation of clean energy resources and devices for SVCE municipal customers.

In addition, the grant provides SVCE with an opportunity to collaborate and further serve its member agencies and partner with our neighbors in San Jose. SVCE acknowledges the primary role and tremendous contributions of the coalition partners, particularly the City of San Jose, in developing the grant application,

The MOA, as presented, is based on other MOAs that numerous agencies in Santa Clara County have negotiated and executed in the past. SVCE's focus has been on documenting the role that SVCE and the other coalition partners will all play during grant implementation. The document is subject to minor further alterations until executed as every agency's attorney has to approve the exact same document.

If awarded, the grant itself will fund:

- Electric upgrades to the Quinlan Community Center in Cupertino
- Electric upgrades and microgrid expansion at the Centennial Recreation Center in Morgan Hill
- Microgrid and decarbonization infrastructure improvements at two school sites in Mountain View
- Microgrid installation at six facilities in San Jose plus the retrofitting of 100 water heaters and the installation of 60 EV chargers at City facilities
- All-electric rebuild of two Sunnyvale facilities (fire station and wastewater treatment facility

Regardless of this particular grant's success, the work associated with participating in the grant application preparations, meeting with the staff involved, and negotiating this MOA has laid a foundation for future collaborative efforts.

STRATEGIC PLAN

The proposal supports SVCE's Strategic Plan Goal 14, coordinate development of decarbonization and resilience strategy, lead design of local policy, and design and deploy programs.

ALTERNATIVE

If the Board does not authorize the CEO to negotiate further and execute the MOA, then the five municipal agencies participating in the grant application would lose the opportunity to benefit from the CPRG program. This would be both a direct financial loss to the agencies and would have a detrimental impact to SVCE's relationship with the agencies.

FISCAL IMPACT

There are no direct fiscal impacts at this time associated with approving the MOA. If the EPA awards the grant, SVCE will subsequently bring an SVCE-EPA agreement to the Board and outline the fiscal impacts of accepting the grant. However, staff anticipates the impacts will be limited as the grant is intended to cover SVCE's costs as lead agency.

ATTACHMENT

1. Draft Memorandum of Agreement for EPA Climate Pollution Reduction Grant

MEMORANDUM OF AGREEMENT AMONG COALITION PARTNERS FOR PUBLIC FACILITY RESILIENCY IMPLEMENTATION PROJECT ADMINISTRATION AND IMPLEMENTATION

This Memorandum of Agreement ("MOA") is entered into by and between Silicon Valley Clean Energy, a joint powers authority registered in the state of California; City of Cupertino, a municipal corporation of the state of California; City of Morgan Hill, a municipal corporation of the state of California; City of Mountain View, a municipal corporation of the state of California; City of San José, a municipal corporation of the state of California; City of Sunnyvale, a municipal corporation of the state of California; Prospect Silicon Valley, a nonprofit corporation registered in the state of California; and SPUR – San Francisco Bay Area Planning & Urban Research Association, a nonprofit corporation registered in the state of California; collectively "Parties" or "Coalition Partners" or individually as a "Party" or "Coalition Partner."

RECITALS

A. The impacts of climate change have contributed to a warming climate and power outages, which call for improvements at public facilities to make them more resilient and energy-independent;

B. Silicon Valley Clean Energy ("SVCE") provides clean electricity service, and has an interest in supporting reliable and resilient electricity service and reducing the costs to provide this service through achieving greater economies of scale by displacing fossil gas consumption with greater use of clean electricity and through the efficient use of energy among public facilities in its service area;

C. The Parties have worked collaboratively to identify and plan for the installation of improvements in public buildings in the jurisdictions of Cupertino, Morgan Hill, Mountain View, San José, and Sunnyvale to enhance resiliency and reduce greenhouse gas ("GHG") emissions;

D. The 2022 Inflation Reduction Act ("IRA") established the Climate Pollution Reduction Grants ("CPRG") program which provides funds for implementation grants administered by the United States Environmental Protection Agency ("EPA");

E. The Parties jointly prepared a CPRG application ("Grant Application") for submission to the EPA entitled the *Public Facility Resiliency Implementation Project* ("PFRIP") to obtain implementation grant funding ("Grant") to design, construct, and evaluate the identified public building improvements;

F. SVCE submitted said Grant Application on behalf of the Parties to the EPA on April 1, 2024, with SVCE acting as "Lead Coalition Partner";

G. On March 26, 2024, the City of San José adopted Resolution No. RES2024-83 to become a Coalition Partner.

H. On March 26, 2024, the City of Mountain View adopted Resolution No. 18878 authorizing the City Manager or their designee to execute a Memorandum of Agreement with partnering agencies.

I. On June 4, 2024, the City of Cupertino adopted Resolution No. XXX to become a Coalition Partner.

J. On June 18, 2024, the City Council of the City of Sunnyvale approved Sunnyvale's participation as a Coalition Partner by approving this Memorandum of Agreement.

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K. On June 19, 2024, the City of Morgan Hill adopted Resolution No. XXX to become a Coalition Partner.
L. The Parties desire to execute this MOA to govern the use of Grant funds to implement the PFRIP and to set out the obligations of the Parties for the life of the Grant term; and
M. This MOA establishes policies, responsibilities, and obligations of the Parties.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. PURPOSE OF THE MOA

The purpose of this MOA is to establish:

- The obligations and responsibilities of each Party for the management and operation of the PFRIP.
- Agreed upon roles, responsibilities, and commitments made by each Party to ensure PFRIP success is aligned with overall PFRIP goals, objectives, and target outputs.
- An operating model for the Parties.
- How the collaboration and partnerships associated with the Parties will benefit the PFRIP.
- The resources each Party will contribute to the PFRIP.

SECTION 2. EFFECTIVE DATE AND TERM

This MOA shall be effective on June 30, 2024, and shall remain effective until all obligations associated with the awarded Grant have been fulfilled, subject to the termination provisions below. For information purposes only, the anticipated performance period for the Grant is expected to begin October 1, 2024 and end December 31, 2029; however, the exact period may vary. This MOA shall terminate early in the event that Grant funds are not awarded or in the event that Grant funds are rescinded and all of the Parties' obligations associated with the rescinded Grant funds have been fulfilled. In the event that the Grant is funded in an amount less than the requested $49,999,997, the Parties shall immediately meet and confer regarding the feasibility of the PFRIP and possible modifications to the project list for the PFRIP. The Parties shall document any proposed changes to the PFRIP in writing. If the Parties do not agree to accept the Grant funds and perform the PFRIP with a reduced award, SVCE shall not execute the Grant agreement associated with the Grant award and this MOA will terminate upon the expiration of the period during which the Grant agreement must be signed to accept awarded funds.

SECTION 3. RESPONSIBILITIES OF THE PARTIES

For purposes of the Grant, SVCE, as the lead applicant and Lead Coalition Partner, shall report to the EPA, oversee the full scope of work, and oversee the proper financial management of the Grant. All Parties commit to perform the obligations as described in the PFRIP workplan, attached as Exhibit A of this MOA and incorporated herein by this reference ("PFRIP Workplan"), and to expend Grant funds as described in the PFRIP budget, attached as Exhibit B of this MOA and incorporated herein by this reference ("PFRIP Budget"). The Grant narrative submitted to the EPA is included as Exhibit C, and is included to provide further context for the obligations agreed to in Exhibit A. All Parties other than SVCE are Grant subrecipients and shall be accountable to and support SVCE, lead applicant, for proper

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use of Grant funding and successful PFRIP implementation. Parties shall not terminate or reduce their obligations under this MOA unless all Parties agree in writing and, to the extent it is required, the EPA supports the modification. No Party shall unreasonably withhold agreement to termination or reduction of obligations, and all parties shall reasonably cooperate in seeking EPA approval for such modifications.

SECTION 4. COSTS

The Parties anticipate that the Grant funds will be sufficient to complete the PFRIP completely and in conformance with the PFRIP Workplan and agree to take all reasonable and necessary steps to complete the PFRIP within the PFRIP Budget. However, in the event that Grant funds are not adequate to complete PFRIP, the Parties will immediately meet and confer to discuss how to address budget shortfalls. Each Party agrees to work in good faith to resolve budget shortfalls with the goal of completing the proposed or modified projects identified in the Work Plan through methods that may include seeking additional funding from their respective agencies, reducing project scopes, or similar modifications to bring a project within budget. However, the Parties acknowledge that the resolution of budget shortfalls may require additional commitments that are unknown and may require additional approval from their Boards or City Councils and that the outcome of such approvals cannot be guaranteed. The Parties agree that any resolution to such budget shortfalls shall not be contrary to, nor cause a breach or violation of the obligations and responsibilities contained in the Grant agreement executed between the EPA and SVCE, nor be contrary to any EPA requirements associated with the Grant. The Parties agree to cooperate in good faith as provided in Sections 3 and 4 of this MOA to seek EPA approval to modify or remove projects if Grant funds are inadequate to complete a PFRIP project.

SECTION 5. RECORDS AND ACCOUNTS AND THEIR RETENTION

SVCE, as well as all other Parties, will keep complete and accurate financial, payroll, and procurement records related to the PFRIP. Upon reasonable notice to another Party, any Party to this MOA may inspect the financial records of another Party related to the PFRIP. Financial records, supporting documents, statistical records, and all other records pertinent to the PFRIP must be retained by all Parties for a period of seven years from the date of termination or expiration of this MOA. If there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the retention period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the retention, whichever occurs later. The Parties to this MOA are subject to the California Public Records Act and shall cooperate with each other in regard to any request for records.

SECTION 6. FURTHER ASSURANCES

6.1 Additional Documents: Each Party will adopt, execute, and make any and all further assurances, documents, instruments, and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the Party's performance of their obligations under this MOA.

6.2: Compliance with Law. Each Party shall keep itself informed of all local, state and federal ordinances, laws and regulations which in any manner affect those employed by it or in any way

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affect the performance under this MOA. Each Party shall at all times observe and comply with all such ordinances, laws and regulations. Each Party shall be fully responsible for complying with all California public works and public bidding requirements including but not limited to payment of prevailing wage. To the extent required by California law, each Party shall ensure that prevailing wages are paid, that the project budget for labor reflects these prevailing wage requirements, and that the project complies with all other requirements of prevailing wage law. Each Party is responsible for any environmental review necessitated by its project. The other Parties shall not be liable at law or in equity occasioned by failure of another Party to comply with this section.

6.3: Compliance with Terms of EPA Grant Agreement: If Grant is awarded, SVCE shall provide each Party with a copy of the final EPA Grant Agreement. Each Party affirms that it will review the EPA Grant Agreement and agrees to comply with all applicable terms therein and to cooperate and assist SVCE with compliance.

SECTION 7. REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to all other Parties as follows:

7.1 Authority: Each Party has the full legal right, power, and authority under the laws of the State of California to enter into this MOA and to carry out all of its obligations herein.

7.2 Due Execution: Each Party's representatives who sign this MOA are duly authorized to sign and bind their respective agency.

7.3 Valid, Binding, and Enforceable Obligations: This MOA has been authorized and executed by each Party and constitutes the legal, valid, and binding agreement of the Parties, and is enforceable according to its terms.

SECTION 8. REMEDIES NOT EXCLUSIVE

Any failure by any Party to perform the responsibilities outlined herein, including all Exhibits attached hereto, shall be deemed a breach of this MOA. In the event of any dispute regarding the proper interpretation of this MOA, the Parties shall first immediately meet and confer to attempt to resolve the dispute. If the dispute remains unresolved, the Parties may agree to mediation or other non-binding resolution processes or may pursue any other remedies available in law or equity. Notwithstanding any other available remedies, Parties must return any Grant disbursements to SVCE that were not utilized consistent with the terms of this MOA or the EPA Grant Agreement. SVCE retains the right to withhold Grant disbursements from any Party whose performance is inconsistent with the terms of this MOA or the EPA Grant Agreement.

SECTION 9. INDEMNIFICATION

In lieu of and notwithstanding the pro rata risk allocation, which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a Party shall not be shared pro rata but, instead, the Parties agree that, pursuant to Government Code Section 895.4, each of the Parties hereto shall fully indemnify and hold each of the

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other Parties, their officers, board members, employees, and agents, harmless from any claim, expense or cost, damage, penalty, or liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of breach of this MOA or the negligent acts or omissions or willful misconduct of the indemnifying Party, its officers, employees, or agents, under or in connection with or arising out of any work, authority, or jurisdiction delegated to such Party under this MOA. No Party, nor any officer, board member, or agent thereof shall be responsible for any damage or liability occurring by reason of the breach of this MOA, negligent acts or omissions or willful misconduct or intentional acts of any other Party hereto, its officers, board members, employees, or agents, under or in connection with or arising out of any work authority or jurisdiction delegated to such other Party under this MOA. The obligations set forth in this paragraph will survive the termination and expiration of this MOA.

SECTION 10. SEVERABILITY

The provisions of this MOA shall be severable, and if any clause, sentence, paragraph, provision, or other part shall be adjudged by any court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOA will be valid and binding on the Parties.

SECTION 11. AMENDMENTS

This MOA may only be amended by a written agreement signed by all of the Parties.

SECTION 12. COUNTERPARTS

This MOA may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SECTION 13. USE OF ELECTRONIC SIGNATURES

Unless otherwise prohibited by law, the Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The term “electronic copy of a signed contract” refers to a transmission by facsimile, electronic mail, or other electronic means of a copy of an original signed contract in a portable document format. The term “electronically signed contract” means a contract that is executed by applying an electronic signature using technology approved by SVCE. For the purposes of this MOA, the approved methods of signing shall be via DocuSign or original ink signature signed in counterpart and scanned over to SVCE via electronic mail.

SECTION 14. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.

This MOA, including all Exhibits attached hereto, represents the entire understanding of the Parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this MOA, the terms specified in the body of this MOA shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This MOA may be modified only by a written amendment duly executed by the Parties to this MOA.

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SECTION 15. NO LEGAL RELATIONSHIP

By entering into this MOA, the Parties are neither forming, nor do they intend to form a partnership, agency, or any other legal entity relationship. No Party is authorized to bind or to act as the agent or legal representative of the other Party for any purpose, and neither Party is granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of any other Party.

SECTION 16. GOVERNING LAW AND VENUE

This MOA has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California. In the event that a suit shall be brought by any Party to this MOA, the Parties agree that the venue shall be exclusively vested in the state courts of the County of Santa Clara or, where otherwise appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

SECTION 17. NOTICES

Any notices provided under this MOA must be in writing and may be given either by mail or e-mail to the following addresses:

SVCE
Monica Padilla: monica.padilla@svcleanenergy.org
Anthony Eulo: anthony.eulo@svcleanenergy.org
and
SVCE
333 W. El Camino Real, Suite 330
Sunnyvale CA 94087
Attention: Chief Executive Officer

City of Cupertino
XXX

City of Morgan Hill
Chris Ghione: Chris.Ghione@morganhill.ca.gov
Tanya Carothers: tanya.carothers@morganhill.ca.gov
Barbara Voss: Barbara.Voss@morganhill.ca.gov

City of Mountain View
XXX

City of San Jose
Carol Boland Whattam
City of San Jose
200 E Santa Clara St., 5th Floor,

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San Jose, CA 95113

City of Sunnyvale
XXX

Prospect Silicon Valley
XXX

SPUR
XXX

IN WITNESS OF, the Parties have executed the MOA as of the last date set forth below:

_____
Silicon Valley Clean Energy
Date:

_____
Approval as to form, Silicon Valley Clean Energy Counsel
Date:

_____
City of Cupertino
Date:

_____
Approval as to form, Cupertino City Attorney
Date:

_____
City of Morgan Hill
Date:

_____
Approval as to form, Morgan Hill City Attorney
Date:

_____
City of Mountain View
Date:

_____
Approval as to form, Mountain View City Attorney
Date:

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_____
City of San José, Director of the Office of the City Manager, Sarah Zarate
Date:

_____
Approval as to form, San José City Attorney, Arlene Silva
Date:

_____
City of Sunnyvale
Date:

_____
Approval as to form, Sunnyvale City Attorney
Date:

_____
Prospect Silicon Valley Chief Executive Officer
Date:

_____
SPUR Executive Director
Date:

_____
Chief Financial Officer
Date:

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EXHIBIT A
PFRIP WORKPLAN

SECTION 1: OVERALL PROJECT SUMMARY AND APPROACH

The Public Facility Resiliency Implementation Project ('PFRIP') will be a regional funding source and implementation project for design and construction of publicly owned and operated fuel-switching, electric vehicle ('EV') charging, and solar/battery storage projects in Santa Clara County, California. As a Coalition led by Silicon Valley Clean Energy ('SVCE'), the Cities of San José, Sunnyvale, Morgan Hill, Mountain View, and Cupertino, in collaboration with SPUR and Prospect Silicon Valley ('ProspectSV'), will implement greenhouse gas (GHG) reduction measures at 62 critical and community-serving facilities all meeting EPA-defined disadvantaged criteria and $49,999,997 worth of electrification projects and supporting performance assessments and community engagement activities.

SECTION 2: RESPONSIBILITIES OF SILICON VALLEY CLEAN ENERGY ("SVCE")

- Act as the Lead Coalition Partner
- Submit a Memorandum of Agreement ("MOA") signed by all Coalition Partners by July 1, 2024, to EPA
- Establish the Public Facility Resiliency Fund (Fund)
- Ensure timely distribution of the Fund (see Section 3) to the Coalition Partners for use in PFRIP Semi-annual reports including submitting reimbursement receipts to the EPA every six months following award acceptance, on March 31 and September 30, or the closest prior business day, annually. The Project Plans for GHG Performance and Building Design Performance and each's respective Quality Assurance Performance Plan (QAPP), and the Low Income Benefit Report and Community Engagement Plan, will be submitted by September 30, 2025. The Final Project Report and reimbursement receipts will be submitted by September 30, 2029.

SECTION 3: RESPONSIBILITIES OF ALL COALITION PARTNERS

- City Coalition Partners are responsible for leading the design, construction, inspection, and maintenance of their GHG reduction measures; take an active role in planning and implementing the project equity analysis, performance evaluation, community engagement, and workforce development activities; and fulfilling all reporting requirements, for activities that take place in its jurisdiction.
- City Coalition Partners shall contract for design and construction as needed, within its jurisdiction
- Cooperate and submit all necessary and requested information to SVCE in a complete and timely manner, for SVCE to submit any reports or documentation required by the Grant Agreement.
- Coalition will meet monthly to plan upcoming activities, review recent progress, share news, challenges, lessons learned, and best practices, and coordinate activities. All final report information and receipts will be provided to SVCE by Coalition Partners no later than two weeks prior to a relevant reporting deadline to ensure timely report submittal to the EPA. Semi-annual reports will be provided on March 31 and September 30, or the closest prior business day, throughout the Grant term until the Final Report due date of September 30, 2029.

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- Funding shall be disbursed by SVCE to Coalition Partners as follows:
  - SVCE shall develop and distribute a reporting and reimbursement schedule within three months of executing the Grant Agreement that will establish deadlines for the receipt of reports and reimbursement requests and describe the reporting format and contents for the reports. These requirements will be established to comply with the Grant Agreement;
  - Coalition partners submit progress reports and reimbursement requests that comply with the Grant Agreement executed with the EPA on or prior to the submittal deadline established by SVCE for the reporting period;
  - SVCE shall submit all qualifying and complete reimbursement requests received to the EPA for the reporting period;
  - SVCE shall distribute funding to Coalition Partners within 30 days of receiving funding from the EPA.

SECTION 4: RESPONSIBILITIES OF CITY OF CUPERTINO ("CUPERTINO")

- Do all things necessary to implement the following project ("Cupertino Project"): upgrades to the cooling, heating, and water heating components at Quinlan Community Center. The Cupertino Project will install Heat Pump HVAC and Heat Pump Water Heating. The Cupertino Project will include HPWH and HVAC retrofit requiring full construction planning, design, and bid package and is expected to include an 18-month performance period.

SECTION 5: RESPONSIBILITIES OF CITY OF MORGAN HILL ("MORGAN HILL")

- Do all things necessary to implement the following project ("Morgan Hill Project"): Centennial Recreation Center ("CRC") Electrification Project, which includes the following components:
  - Replacement of 4 gas boilers with electric boilers
  - Replacement of the pool heater with an electric heat pump
  - Replacement of Kitchen appliances with electric appliances
  - Increase in microgrid battery storage
  - Required electrical upgrades to support these enhancements
  - Installation of an electric vehicle charging unit

Morgan Hill will seek meaningful engagement with low-income and disadvantaged communities continuously for the life of the Grant by providing outreach, engagement, input opportunities, and information about the project in both English and Spanish languages. Morgan Hill will partner with local groups including the public library, AAUW, and climate action groups to reach a wide range of residents. Additionally, Morgan Hill is proposing to install a mural completed by a local artist that will incorporate a clean energy theme. The artwork will be designed to inspire and intrigue across Morgan Hill's diverse cultural and socioeconomic backgrounds.

SECTION 6: RESPONSIBILITIES OF CITY OF MOUNTAIN VIEW ("MOUNTAIN VIEW")

- Do all things necessary to implement the following projects ("Mountain View Project(s)"): Resiliency and decarbonization infrastructure improvements in the form of Solar and battery installation, and heat pump HVAC installation at two sites: Mountain View Sports Pavilion at

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Graham Middle School - 191.5 kW Solar & 2.5 MWh BESS & Heat Pump HVAC and Whisman Sports Center at Crittenden Middle School - - 66.7 kW Solar & 250 kWh BESS

Mountain View will engage with low-income and disadvantaged communities throughout the development and implementation of the grant. Mountain View's Sustainability and Resiliency Division and Multicultural Engagement Program ("MEP") would partner to provide linguistically and culturally appropriate outreach to incorporate community input and provide updates throughout the grant process. Mountain View is also undergoing other planning processes that will involve community engagement around resiliency infrastructure and programming that can be leveraged for PFRIP. Over the coming year, Mountain View will develop a Community Resiliency Strategy as well as the Parks and Recreation Strategic Plan. Outreach for these projects will include surveys, partnerships with community groups, one-on-one meetings or interviews, and community meetings, many of which will offer translation or interpretation options and childcare. Mountain View will consider community feedback from these processes to inform the CPRG projects.

SECTION 7: RESPONSIBILITIES OF CITY OF SAN JOSE (SAN JOSE)

- Do all things necessary to implement the following projects ("San José Project(s)"):

Microgrid construction at six critical facilities:

- Roosevelt Community Center - 200 kW Solar System & 800 kWh BESS[1] & Controller
- Happy Hollow– Kelley Park Campus - 200 kW Solar System, 1200 kWh BESS & Controller
- Fire Stations 23, 32, and 36 – each 75 kW Solar System, 176 kWh BESS & Controller
- Fire Training & Emergency Operations Center - 880kWh and 660kWh BESS & Controller

The San José Project will also:

- Retrofit 100 gas water heaters at 50 facilities citywide with heat pumps,
- Install 60 Level 2 EV chargers at the EOC that will be available for public use,
- Develop a Project Website and social media to display PFRIP GHG emissions reductions and milestones in real-time, and
- Hold translated meetings and a celebratory Climate Art Fair to engage community members in climate action and inform them about the facility improvements.

San José's 100 Heat Pump Water Heater Retrofits at 50 facilities: San José will contract with one its existing vendors for purchase of heat pump water heating ("HPWH") equipment and conduct installations using existing Citywide Facilities Maintenance Staff or contractors. HPWH will be installed at a rate of 2 per month following an initial training period, sponsored through the Project Work Force Development plan (see Section 9). All projects are expected to be installed and inspected by June 30, 2029.

San José's Roosevelt Community Center, Happy Hollow-Kelley Park Campus and Fire Station 32 has already been designed and the other two will move immediately to construction bid package procurement. The three projects are expected to have two (2) year performance periods and serve as baseline comparison models for the Design Parameters Analysis.

- Four (4) events total will be planned to showcase completed projects and encourage climate action countywide, two by the San José Office of Economic and Cultural Affairs as a Climate Art Fair, and two by SPUR (see Section 10).
- San José will host a Project Website including GHG Dashboard for displaying reduced emissions as projects are completed, and 5 community presentations translated into the

[1] Battery Energy Storage System (BESS)

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County's three (3) widely spoken non-English languages of Spanish, Vietnamese, and Mandarin Chinese including live translation for community meetings.

- The project includes a focused community engagement plan that will build upon San José's Climate action plans and City Infrastructure Strategy that are informed by prior extensive community, technical, and stakeholder processes.
- San José partners with the Santa Clara County Office of Labor Standard Enforcement on prevailing wage and wage theft policies to ensure countywide wage equity and prevent wage theft. San José's Office of Equality Assurance will oversee prevailing wages for the project and help monitor companies who would be contracted for project implementation to ensure that their workers are properly paid for the work they do.

SECTION 8: RESPONSIBILITIES OF CITY OF SUNNYVALE ("SUNNYVALE")

- Do all things necessary to implement the following projects ("Sunnyvale Project(s)")

All-electric rebuild of two critical facilities:

Sunnyvale Project- Fire Station 2 will install (based on initial design estimations):

- 12 electric rooftop packaged heat pump HVAC with optimizers
- Up to two 80-gallon electric heat pump water heaters
- 2 built-in induction cooktops
- 4 EV chargers for all-electric fire trucks at the station
- 75 kWh Solar + 176 kWh BESS

Sunnyvale Project- Water Pollution Control Plant will install:

- 114 kW Solar System
- 1 Heat Pump Water Heater
- 3 Electric Heat Pump HVAC units and 1 large HVAC heat pump
- Electrical Design and Construction

Fire Station 2 project have already been designed and will be ready to move immediately to Permitting, The project is expected to have two year performance periods and serve as baseline comparison models for the Design Parameters Analysis.

- Sunnyvale plans to bolster its engagement with low-income and disadvantaged communities throughout the development and implementation period of the Grant term

- Sunnyvale Sustainability team plans to partner with the EAI team to develop outreach materials in Spanish, Mandarin and Tagolog to design linguistically and culturally appropriate outreach materials for engagement throughout the Grant term.

SECTION 9: RESPONSIBILITIES OF PROSPECT SILICON VALLEY ("PROSPECTSV")

- Lead Design Parameters Performance and Workforce Development
- Lead the design parameters performance evaluation and workforce development activities
- Contract with an experienced engineering team from Point Energy Innovations and IDeAs Consulting to lead the Coalition in establishing a basis of design for each project to be performed under PFRIP. The approach will be as follows and include a QAPP:
    - Develop a *Roadmap for Community Resilience Center Features (Roadmap)*. These will be Design Guidelines for essential features of the community resiliency centers included in

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the project, providing a consistent benchmark for building construction performance, capacity for services, and energy efficiency.

- Develop a *PFRIP Standard RFP/RFQ* and *Mechanical Engineering and Plumbing (MEP) Bid Package:* These will be guidelines, scope elements, and team qualifications provided to each City's project team for securing standardized qualified design and construction services.
- Develop and Implement *Decarbonization Retrofit and Resilience Upgrades Assessments*: Review each facility's pre and post construction conditions, required upgrades, and available funds against the *Roadmap, RFP, and Bid Package Guidance* to provide project-specific performance metrics assessing build quality and final facility features and service capacity to local community members (e.g. air quality protection, water supply, power resiliency, or shelter). Results of this review would be provided in a project metrics and performance report.

- Lead Workforce Development Activities. Training Modules and Apprenticeship Program will be developed in Year 1. Trainings will be provided to city staff and 50 low income individuals, sponsored by the grant, in years 4-5, with final program evaluation submitted by September 30, 2029. All projects, performance assessments, community engagement, and reports will be completed by September 30, 2029.
- Coordinate a training series for building industry practitioners on building decarbonization and zero-carbon building systems. ProspectSV has partnered with DMG North, a representative of leading HVAC (Heating, Ventilation, and Air Conditioning) equipment manufacturers in Northern California, to establish a Northern California Training Center in the Bay Area. This center will be available for industry training and education over the duration of the Grant period and beyond. DMG North regularly hosts training sessions with Trade Professionals, Professional organizations, Unions, Vocational Schools, Colleges, and Universities. They have committed to being a resource for the industry and to help educate and train others, which will have a far-reaching impact on commercializing this in the marketplace. The training series, to be developed under PFRIP funding in Year 1, would be based on the experience of veteran workforce development professionals with a history of supporting clean technology workforce efforts across the Bay Area. The program will include classroom and webinar training and speaking engagements, but also will leverage the partnerships of professional organizations like Sustainable Purchasing Leadership Council, North American Sustainable Refrigerants Council, International Facilities Management Association, and others to reach the broadest and most relevant stakeholders across the buildings industry value chain. Special attention will be paid to the buildings design and modeling industry through a network of design leaders engaged in as program advisors. The program will be available to the Coalition Partners' staff as in service training, and up to 50 low income residents seeking journeyman plumbing or electrician credentials, during years 2-5 of the Grant period.

SECTION 10: RESPONSIBILITIES OF SAN FRANCISCO BAY AREA PLANNING & URBAN RESEARCH ASSOCIATION ("SPUR")

- Lead the Equity Analysis, Community Engagement and GHG Performance
- Lead the Coalition Partners and contract with a consultant to conduct the GHG performance analysis. A Quality Assurance Project Plan ("QAPP") will be developed and submitted by the end of Year 1. Electricity and utility data will be analyzed at each site for a period of at least 2 years preceding the kickoff of construction to provide site specific EUI, Natural Gas Usage, and a calculated GHG Emissions factor baseline comparison. Temporary metering will be

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used to determine peak loads and energy generation or usage profiles for each installed measure following construction completion. Sites will be monitored for a period of 2 months – 2 years depending on timeline for construction completion (see 3.c below). For sites with longer performance periods, both summer and winter peak monitoring will be assessed in real time. For entirely new facilities such as San José Fire Stations 23 and 36 and Sunnyvale San José Fire Station 2, the avoided GHGs and summer/winter peaks will be modelled based on minimum two month temporary metering and profiles of like counterparts within the project's portfolio or other similar existing facilities. As projects are assessed for real-time or modelled GHG emissions benefits, the results will be displayed using on online dashboard included in the project website

- SPUR will lead Equity Performance and Community Engagement and submit the Project Plan and Low Income Benefit Report by September 30, 2025, and the Final Evaluation by September 30, 2029. Four events total will be planned to showcase completed projects and encourage climate action countywide, two managed by SPUR.
- To determine the *Public Facility Resiliency Implementation Project*'s GHG-emission reduction impact and community benefits, including the direct and indirect benefits to low-income and disadvantaged communities, SPUR will conduct an assessment to share outcomes and best practices associated with the Project. By the end of Year 1, SPUR will submit a Low Income Benefit Assessment and Equity Analysis Project Plan. Final assessment findings will be shared as a report and will be ready in advance of the five-year grant deadline.

The assessment will generally include:

- An overview of the participating municipalities' public facility building portfolio and why this subset of buildings was chosen for funding.
- A review of the approach of the Project's "by-equipment" versus "by-building" approach with an explanation of the resiliency upgrades and the decarbonization retrofits and how this approach reduced the impact on operations and other conditions.
- GHG reduction and cost savings calculations
- A review of the Project's design standards
- Workforce development impacts from the partnership with ProspectSV
- Three case studies of representative buildings that underwent resiliency upgrades or decarbonization retrofits: What was the process of retrofit, what was learned, who are communities served by buildings, and what were the community benefits or disbenefits? What specific planning, zoning and permitting issues or experiences that arose during project implementation?
- Equity Analysis (see below for more details)
- Challenges and Best Practices: What can be learned from these projects to support other jurisdictions in making their public facilities more resilient through electrification transitions and other upgrades?

- To operationalize equity in its policy work, SPUR developed the *Equity Framework of Analysis - Guiding Questions for Policy Projects*. This equity framework was adopted to ensure SPUR's research methodology and practices are inclusive, collaborative, and responsive to the needs of impacted people. This Framework will guide the assessment of this Project. Guiding questions include: How does this project address the pressing needs of marginalized groups? Are there data gaps? What additional data would help analyze the project to better understand its equity impacts? If so, how can SPUR obtain better data? What past investments/budget allocations

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have there been to this group/geography? These are the types of questions that SPUR's assessment of the project will consider in its equity analysis.

- As leader of the PFRIP's Community Engagement and Equity assessment, SPUR will engage the community through surveys and interviews of residents who are served by these facilities, in addition to facility staff members, heat pump and microgrid installers, and other key people engaged in the resilience upgrades and decarbonization retrofits. The findings from this assessment will be shared through a free SPUR public event and regional outreach. SPUR will also support the municipalities in implementing community engagement and public education plans, including co-hosting two public events at municipal facilities that have undergone a resiliency upgrade or decarbonization retrofit. These events are meant to highlight the upgrades made at each facility through a festive community gathering and report back on assessment findings, particularly community benefits achieved through the specific facility's upgrade or retrofit in addition to benefits achieved across the entire project.

SECTION 11: SCHEDULE OF ACTIVITIES AND DELIVERABLES

Refer to Exhibit C for the full grant application, including a proposed schedule of activities, deliverables, and budget estimates.

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Exhibit B

Consolidated Budget Table

Public Facilities Resiliency Implementation Project

BUDGET BY YEAR							
COST-TYPE	**CATEGORY**	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**TOTAL**
Direct Costs	TOTAL PERSONNEL	$1,154,236	$981,111	$1,109,626	$1,067,385	$873,498	$5,185,857
	TOTAL FRINGE BENEFITS	$638,092	$507,853	$583,354	$571,556	$403,076	$2,703,931
	TOTAL TRAVEL	$200	$200	$350	$3,850	$3,900	$8,500
	TOTAL EQUIPMENT	$4,234,377	$7,898,698	$2,603,764	$939,304	$4,914,244	$20,590,387
	TOTAL SUPPLIES	$0	$500	$5,000	$0	$11,100	$16,600
	TOTAL CONTRACTUAL	$7,220,066	$5,195,311	$2,369,705	$2,440,199	$1,660,932	$18,886,212
	TOTAL OTHER	$30,000	$343,500	$14,333	$13,633	$16,284	$417,750
	TOTAL DIRECT	$13,276,971	$14,927,172	$6,686,133	$5,035,927	$7,883,034	$47,809,237
	TOTAL INDIRECT	$555,640	$431,915	$466,222	$442,749	$294,234	$ 2,190,759.80
TOTAL FUNDING		**$13,832,611**	**$15,359,087**	**$7,152,355**	**$5,478,675**	**$8,177,268**	**$49,999,997**

BUDGET BY PROJECT			
Project Number	**Project Name**	**Total Cost**	**% of Total**
1	Silicon Valley Clean Energy (Grant Administration)	$1,415,775	3%
2	San Jose Portfolio Project (6 microgrids, EVSE, 100 HPHWs, 1 Website, 5 Translated Community Meetings & Social Media Postings, & Climate Art Fair)	$22,365,541	45%
3	Sunnyvale Portfolio Project (2 microgrids, HVAC Heat Pumps, HPWH, EVSE, Induction Cook Tops)	$3,606,777	7%
4	Morgan Hill Portfolio Project (Electric Boilers & Pool Heater, Heat Pump HVAC, Electric Kitchen, and EVSE)	$3,599,871	7%
5	Mountain View Portfolio Project (2 microgrids)	$13,713,123	27%
6	Cupertino Portfolio Project (Heat Pump HVAC & HPHW)	$1,951,321	4%
7	SPUR (Community Engagement, Equity, & GHG Performance Assessments)	$1,556,411	3%
8	Prospect Silicon Valley (Building Design Performance & Workforce Development)	$1,791,177	4%
Total	PFRIP Total	$49,999,997	100%

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Exhibit C: Grant Application Narrative

SECTION 1: OVERALL PROJECT SUMMARY AND APPROACH

The *Public Facility Resiliency Implementation Project* (PFRIP) will be a regional funding source and implementation project for design and construction of publicly owned and operated fuel-switching, electric vehicle (EV) charging, and solar/battery storage projects in Santa Clara County, CA. As a Coalition led by Silicon Valley Clean Energy (SVCE), the Cities of San José, Sunnyvale, Morgan Hill, Mountain View, and Cupertino, in collaboration with SPUR and Prospect Silicon Valley, will implement greenhouse gas (GHG) reduction measures at 62 critical and community-serving facilities all meeting EPA-defined disadvantaged criteria and $49,999,997 worth of electrification projects and supporting performance assessments and community engagement activities. SVCE will be the coalition lead and submit a Memorandum of Agreement (MOA) signed by all coalition members by July 1, 2024. The MOA will describe the roles and responsibilities of each coalition member in implementing the proposed greenhouse gas reduction measures, including related equity analysis, performance evaluation, community engagement and workforce development activities, and fulfilling all reporting requirements for the grant performance period. SVCE will establish the *Public Facility Resiliency Fund* (Fund) and ensure timely distribution of the Fund to the coalition's members for use in PFRIP. Each coalition member City will be responsible for leading the design, construction, and maintenance of its GHG reduction measures; take an active role in planning and implementing the project equity analysis, performance evaluation, community engagement and workforce development activities; and fulfilling all reporting requirements, for activities that take place in its jurisdiction. SPUR will lead the equity, community engagement and GHG reduction performance analyses. Prospect Silicon Valley will lead the design parameters performance evaluation and workforce development activities.

PFRIP will benefit low income and disadvantaged communities throughout the Bay Area by electrifying and fortifying 62 critical facilities countywide such as community shelters and fire stations that serve the communities' most urgent needs during emergencies as first responders or cooling and heating centers, gathering/family reunification spaces and shelters for those without traditional homes or access to personal emergency equipment like generators. Publicly owned and operated facilities such as libraries, cultural facilities, and community or recreational centers are also equitable meeting spaces, providing daily childcare and eldercare programs or access to exercise and computer equipment to low-income individuals. When enhanced with decarbonized assets such as EV charging infrastructure and all-electric equipment and backup power, these spaces will become powerful community resiliency centers providing public charging access, and will move Bay Area cities towards national, state and local decarbonization goals[1].

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a. Description of GHG Reduction Measures

The *Public Facility Resiliency Implementation Project* (PFRIP) will implement "Decarbonization Retrofits" that change natural gas powered equipment for electric counterparts in major building systems including Heating, Ventilation, and Air Conditioning (HVAC) replacements, water heating and pumping, and kitchen appliances; and install "Resiliency Upgrades" for green backup power in the form of solar and battery, or microgrids, that may be integrated with public Electric Vehicle Supply Equipment (EVSE). These same measures are listed in the San Benito County and Santa Clara County Priority Climate Action Plan (PCAP), under Measure BE-2 on page 19, (see file

[1] such as the Department of Energy's *Decarbonizing the U.S. Economy by 2050* plan, California Air Resources Control Board's *Advanced Clean Fleets Regulation* and California's *Clean Energy Transition Plan*, Santa Clara County's *Silicon Valley 2.0*, and local climate action plans, such as *Climate Smart San José*, Sunnyvale's *Climate Action Playbook*, Morgan Hill's *Climate Action Plan*, Mountain View's *Sustainability Action Plan* and Cupertino's *CAP 2.0.*

CA_SanBenito&SantaClaraCountiesMSAPCAP_SVCE_PFRIP) and were chosen for their transformative impact at achieving net-zero buildings, and wide recognition as the measures that lead to major greenhouse gas reductions in the multiple climate adaptation plans listed above, and many others. Each measure is listed in the Climate Pollution Reduction Implementation Grants (CPRG) Notice of Funding Opportunity, under the Electric Power, Transportation, and Building Sectors, as a recognized greenhouse gas reduction measure. Table 1 shows the locations and planned retrofits.

The GHG reduction measures will be implemented according to the project workplan, and scheduled milestones as described in Section 3 and completed before the end of the grant performance period. Completion dates are planned to provide a final performance evaluation period for assessing the actual GHG reduction benefit of each constructed measure in each facility. Underlying assumptions associated with this work plan are that projects will be contracted and initiated in a timely fashion as described by the workplan, all equipment will be available for purchase without major assembly line delays, and all additional power supplies needed for electrical system upgrades can be provided by the relevant utility companies within 1-2 years of design completion. Indeed, these same assumptions present project risks to impacting the project timeline, so early coordination with utility and equipment companies will be employed and construction milestones have intentionally been given contingency time and budget inflation to ensure timely deliverables are met. A thorough list of project risks and assumptions will be included in the Quality Assurance Project Plan (QAPP) upon award.

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Number	Location Name	City	Decarbonization Retrofits			Resiliency Upgrades		
			Water Heating	HVAC	Kitchen	Solar System	Battery System	EVSE
1	50 Sites Total* - 100 Retrofits	San Jose	X					
2	Roosevelt Community Center	San Jose				X	X	
3	Happy Hollow Park & Zoo-Kelley Park	San Jose				X	X	
4	Fire Station #32	San Jose				X	X	
5	Fire Station #23	San Jose				X	X	
6	Fire Station #36	San Jose				X	X	
7	Fire Department Training & Emergency Operations Center	San Jose					X	X
8	Fire Station #2 & Joint Fire Academy Training Center	Sunnyvale	X	X	X	X	X	X
9	Water Pollution Control Plant Cleanwater Center	Sunnyvale		X		X		
10	Centennial Recreation Center	Morgan Hill	X	X	X		X	X
11	Mountain View Sports Pavilion	Mountain View		X		X	X	
12	Whisman Sports Center	Mountain View				X	X	
13	Cupertino Quinlan Community Center	Cupertino	X	X				

Table 1: List of the proposed GHG reduction measures to be implemented. *Full Site list available in Other Attachments file *Areas_SVCE_PFRIP*. All projects include the necessary electrical panel and distribution upgrades to support these enhancements.

i. Detailed Descriptions of City Coalition Members' Sub-Project GHG Reduction Measures:

San José Decarbonization and Resiliency Projects:

Through the regional grant application, the City of San José Public Works Department seeks $22,365,541 in funding for microgrid construction at six critical facilities:

- Roosevelt Community Center - 200 kW Solar System & 800 kWh BESS[2] & Controller
- Happy Hollow– Kelley Park Campus - 200 kW Solar System, 1200 kWh BESS & Controller

[2] Battery Energy Storage System (BESS)

- Fire Stations 23, 32, and 36 – each 75 kW Solar System, 176 kWh BESS & Controller
- Fire Training & Emergency Operations Center - 880kWh and 660kWh BESS & Controller

The project will also:

- Retrofit 100 gas water heaters at 50 facilities citywide with heat pumps,
- Install 60 Level 2 EV chargers at the EOC that will be available for public use,
- Develop a Project Website and social media to display PFRIP GHG emissions reductions and milestones in real-time, and
- Hold translated meetings and a celebratory Climate Art Fair to engage community members in climate action and inform them about the facility improvements.

All 56 San José facilities are located within Justice-40 recognized Low Income and Disadvantaged (LIDAC) census tracks.

Roosevelt Community Center and Happy Hollow Park and Zoo are active community emergency shelters used for disasters, heating, and cooling relief. The centers are part of a network of local emergency shelters that are typically activated between 1-2 times per month, operating year-round as needed. Roosevelt Community Center also provides daily childcare and elder care programs, and community access to meeting rooms, computers, exercise equipment, locker room, and a commercial kitchen. Happy Hollow Park and Zoo covers a large campus including the Association of Zoos and Aquariums-certified zoo caring for rare and endangered animals, the Leininger Community Center offering community meeting rooms and commercial kitchen, and Kelley Park which contains a sanitary pump station requiring constant electrical power to prevent sewage entering nearby Coyote Creek. Fortifying these critical facilities with solar and battery backup power will provide full electrification potential to convert them to resiliency centers, ensure their use as emergency shelters during wide scale power outages or disasters, and protect natural resources including local water quality.

Fire Stations 23, 32, and 36 will be newly built critical facilities with all-electric construction. Existing buildings of Fire Stations 23 will be demolished, and rebuilt, while Fire Station 32 is a newly built as-yet unoccupied facility and Fire Station 36 will be an entirely new facility adding emergency protection to previously unprotected disadvantaged communities in South-Central San José.

The Fire Training and Emergency Operations Center (EOC) is one of two regional fire training facilities that trains firefighters stationed throughout Santa Clara County, and the central Emergency Operations Center for the 10th largest City in the United States. The EOC will be used as the countywide central emergency center during Super Bowl 2026. The site currently has a 416.6 kW solar system in place but needs two batteries to complete its microgrid design. The microgrid to be installed through the project will ensure continuous operation of the EOC during disasters, including the 60 Level 2 EV chargers that will be directly linked to the microgrid system. The EV chargers installed through the project will ensure that public EV charging is available in San José both during times of emergencies and daily, serving the disadvantaged community in which they will be built.

The project will also retrofit 100 gas water heaters at 50 community-serving facilities with heat pump models, providing significant greenhouse gas reductions to the countywide building portfolio. These community-serving facilities span the City's disadvantaged neighborhoods and include 4 emergency shelters, 17 community and youth centers, 9 libraries, 8 fire stations, 5 cultural and recreational facilities, 6 municipal offices or corporation yards, and 1 police facility. Retrofitting water heaters in these facilities will ensure their beneficial services and improve air quality within their disadvantaged communities.

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Sunnyvale Decarbonization and Resiliency Projects:

The City of Sunnyvale seeks $3,459,281 in funding for an all-electric rebuild of two critical facilities: Fire Station 2 and the Sunnyvale Water Pollution Control Plant.

Fire Station 2 is one of two regional fire training facilities to offer numerous required training courses for firefighters throughout Santa Clara County and serves two LIDAC communities in Sunnyvale. The Fire Station is also one where the community and firefighters can engage in events like the annual pancake breakfast. With the number of visitors and trainees coming through the Station, electrification of this building will have far reaching impacts in the community. Fire Station 2 meets multiple 90 percentile thresholds including PM 2.5 in the air, lack of green space, proximity to hazardous waste facilities and superfund sites, and traffic proximity and volume.

The project will install (based on initial design estimations):

- 12 electric rooftop packaged heat pump HVAC with optimizers
- Up to two 80-gallon electric heat pump water heaters
- 2 built-in induction cooktops
- 4 EV chargers for all-electric fire trucks at the station
- 75 kWh Solar + 176 kWh BESS

The Sunnyvale Water Pollution Control Plant is one of the oldest treatment plants on the West Coast. It works around the clock to provide essential wastewater treatment for all Sunnyvale residents and businesses. The Cleanwater Center is one of the necessary upgrades planned for this aging facility. Designed to LEED Gold standards, it will be an operational hub for the 67-person team who operates, maintains, and manages the Plant. It will also serve as the welcome center for the public, both visitors and participants in tours of the Plant made available to the public. The Cleanwater Center meets multiple 90 percentile thresholds including PM 2.5 in the air, expected agriculture loss rate, and projected wildfire risk.

- The project will install:
- 114 kW Solar System
- 1 Heat Pump Water Heater
- 3 Electric Heat Pump HVAC units and 1 large HVAC heat pump
- Electrical Design and Construction

Electrifying public buildings comes with increased costs and Play 2.2 of the City's Climate Action Playbook aims to eliminate fossil-fuel powered appliances and/or sources in public buildings upon rebuild or significant remodel. While Sunnyvale has established this goal, increasing construction costs and additional costs of electrification can be a burden. To ensure the City can continue to meet its CAP goals, grants to offset costs are required. Therefore, offsetting these costs through CPRG dollars will support the City in meeting its ambitious building decarbonization target to electrify 44% of existing buildings by 2030. Modernizing and electrifying Fire Station 2 and the Cleanwater Center will allow the City to continue to prioritize future public building decarbonization projects and foster healthy and safe working and training conditions for local firefighters and essential staff that serve Sunnyvale's diverse population and underserved communities.

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Cupertino Decarbonization Project:

Through the regional grant application, the City of Cupertino Works Department seeks $1,951,321 in funding for upgrades to the cooling, heating, and water heating components at Quinlan Community Center.

- The project will install: Heat Pump HVAC and Heat Pump Water Heating

Quinlan is a multi-use building providing staff office space, classrooms for recreation classes, space for the Cupertino Historical Society, and rentals. Quinlan is also used when the City needs to activate a shelter for heating, cooling, air quality, or most recently as space for displaced residents after a fire at a multi-family complex. The HVAC system at Quinlan was described in a building condition assessment study as being "in poor condition and well past its useful service life… [and is] an outdated pneumatic system that does not allow for remote monitoring or modern energy efficiency strategies." Ventilation is not sufficient in the dance and fitness rooms, leading to doors being propped open. The 27,000 square foot facility was built in 1989 and the heating and cooling equipment is original to the building.

Morgan Hill Decarbonization and Resiliency Project:

Through the regional grant application, the City of Morgan Hill seeks $3,599,871 in funding to support the Centennial Recreation Center (CRC) Electrification Project, which includes the following components:

- Replacement of 4 gas boilers with electric boilers
- Replacement of the pool heater with an electric heat pump
- Replacement of Kitchen appliances with electric appliances
- Increase in microgrid battery storage
- Required electrical upgrades to support these enhancements
- Installation of an electric vehicle charging unit

The proposed project will serve the entire City population including the City's significant low-income population. The project will allow the CRC to act as a resilient heating, cooling, and gathering center for the community which will especially benefit residents who may not have heating or cooling at their own homes. Public facility electrification is a community-driven goal that was included by a community working-group in the City's adopted CAP.

Mountain View Decarbonization and Resiliency Projects:

The City of Mountain View seeks $13,860,618 in funds for resiliency and decarbonization infrastructure improvements in the form of Solar and battery installation, and heat pump HVAC installation at two sites:

- Mountain View Sports Pavilion at Graham Middle School - 191.5 kW Solar & 2.5 MWh BESS & Heat Pump HVAC
- Whisman Sports Center at Crittenden Middle School - - 66.7 kW Solar & 250 kWh BESS

These retrofits and installations will support the middle schools' operations, energy resiliency, and critical heating and cooling during extreme weather events. The middle schools serve 877 and 590 students respectively and allow public use of the facilities. Daily indoor air quality will be improved for students, staff, and the public. Both sites are designated community shelters used during climate-related

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and other emergencies, and the microgrids will ensure their intended emergency use. These projects support the City of Mountain View's goal to provide a livable community for all, supporting sustainability and resiliency.

b. Demonstration of Funding Need

Bay Area cities are struggling to meet decarbonization goals due to the high cost of electrification equipment paired with lack of capital dollars available in many cities' General Funds, and inability to generate revenue within capital budgets. Bay Area cities are therefore looking to the Federal Infrastructure Bill for desperately needed assistance in meeting these ambitious goals, of which the CPRG represent the most significant funding opportunity to date. Other funding opportunities were either not awarded, deemed ineligible or insufficient for meeting individual Bay Area cities' resiliency needs. The CPRG alone offers Santa Clara County Cities an opportunity to create zonal decarbonization, a wide variety of greenhouse gas reductions and conduct portfolio-wide building electrification and resiliency that will enhance the quality of their residents' lives without further burdening California taxpayers who already pay some of the highest taxes and energy rates in the nation.

While the Santa Clara County Cities are committed to electrifying public buildings, costs for electrification improvements are beyond what is available in General Funds, and Public Works Departments are unable to generate revenue through special fees. For this reason, the San José Budget Office, for example, discourages the use of loans and is generally unable to take advantage of tax incentives without upfront funding sources. As another example of funding challenges, in 2023 the City of Cupertino lost approximately 75% of its sales tax revenue because of a state audit of a local vendor. Resulting budget cuts have made advancing modernization projects exceedingly difficult, so outside funding must be sought. While there are tax incentives such as the Inflation Reduction Act (IRA) direct pay available for solar and battery projects, they do not cover full costs. The City of Mountain View conducted an analysis of available federal and state funding sources that revealed that there is not a comparable funding opportunity to the CPRG which would cover the funding gap needed for solar and battery on just its two locations.

Santa Clara County cities explored federal funding sources in 2023 to cover the costs of needed electrification improvements, particularly for microgrid systems, without successful project fit. The EPA's GHG Reduction Fund Solar for All program covers residential solar only, and therefore is not an eligible funding opportunity for public facilities. Sunnyvale explored the Energy Efficiency Block Grant program for funds to support public facility electrification, however Sunnyvale's share at under $200,000 was insufficient to offset construction and equipment costs. San José staff prepared sub-applications for both the Federal Emergency Management Agency (FEMA)'s Building Resilient Infrastructure and Communities and Hazard Mitigation Grant Program grants, which are widely considered to be the two most notable federal grants offering microgrid eligibility but were advised by California representative staff to withdraw due to inability to create a positive Benefit-Cost Analysis (BCA) analysis, and conflicting project needs. FEMA-funded equipment may be used as emergency measures only, which precludes use of microgrids for daily energy shaving and thus significantly reduces their GHG reduction benefit. FEMA's BCA metrics consider microgrid systems to be a type of generator, thus are not optimized for microgrid applications. Finally, FEMA standards do not consider power outages due to rolling blackouts, brownouts, Planned Power Safety Shutoff (PSPS), or other non-federally declared disasters eligible events for BCA analysis or use of FEMA- funded equipment. Bay Area municipalities need to install microgrid systems as emergency power backup for a myriad of non-federally recognized emergencies

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such as storm-driven outages, locally centered fires, and minor earthquakes, and mitigating effects of planned outages or rolling blackouts that have become more common in Northern California as the electric grid is strained during summer and fall heat waves. While FEMA does not recognize these events as emergencies, Bay Area residents still experience them as such and require refuge during them.

Staff explored recent California state funding options and incentives for covering costs of microgrid equipment implementation or planning. The recently announced GFO-23-403 - Local Government Building Decarbonization Challenge and Integrated Climate Adaptation and Resiliency Program (ICARP)'s Extreme Heat Resiliency grants do not offer significant enough funding amounts for implementing regional GHG reductions. San José staff applied to the ICARP Regional Resiliency Planning Grants program in June 2023 for a Microgrids Roadmap Planning Grant but were not awarded. The San José City Manager's Office was awarded an Adaptation Planning Grant through ICARP that will be used to create a citywide climate adaption plan that will include the implementation elements listed in this application among a variety of climate priorities.

Staff chose to include EVSE in this proposal due to previous EVSE grant incompatibility or lack of success. Staff are exploring ICARP's GF-23-306 grant program but due to the 100-port minimum, the EVSE projects included in this proposal do not meet that program's minimum requirements. San José, Sunnyvale, and Morgan Hill explored the Department of Transportation (DOT) Charging and Fueling Infrastructure (CFI) Discretionary Grant Program. The City of Morgan Hill found that CFI did not allow for installation of chargers at key local locations, including the City's recreation center which is a local hub, due to corridor-proximity requirements; and Sunnyvale Fire Station 2 also had incompatible project fit. The City of San José submitted applications for both CFI's Community and Corridor implementation funding grants in June 2023 but were awarded neither.

Finally, the Cities of San José and Sunnyvale investigated both state and federal earmarks for assistance; Sunnyvale was unsuccessful, and San José's individual infrastructure needs far outweigh the funding cap of these programs, making the listed microgrid projects in particular ineligible for earmarks. Finally, the outlook is not good for California state sponsored earmarks, and possibly grants as well with the upcoming expected State budget deficit. Tax-based revenue is the only option, aside from grants, for generating new funding and seen as last resort that should only be leveed on citizens if grant sources do not produce results. As stated above, Santa Clara County Cities are looking to the Federal Infrastructure Bill for much needed assistance to meet resiliency goals without increasing financial burdens to our low income and disadvantaged citizens.

The CPRG grant will provide much-needed funding for a portfolio of decarbonization, microgrid, and EVSE projects throughout Santa Clara County that cannot be matched by any other funding source available within the last 18 months. The funding request in this proposal would cover the gap between existing IRA and other federal/state incentives, and the full cost of the projects, for a portfolio of GHG reduction measures at 62 large public facilities achieving zonal decarbonization in Santa Clara County.

c. Transformative Impact

Market transformation of emerging GHG emission reduction technology—While low-pollution equipment like heat pumps have matured technologically, they remain stuck in an "early adopter" stage in much of the US market, characterized by low market penetration compared with gas counterparts. There's reason to believe that, as the market matures, the cost of heat pumps will drop significantly, and market penetration of electric appliances will consequently accelerate as it becomes affordable relative

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compared to gas-fired appliances.[3] A National Renewable Energy Laboratory study projects that costs for HVAC heat pumps and heat pump water heaters will decrease by 30%–40% and 50%–55%, respectively, by 2050.[4] These cost reductions will be driven by innovation spurred by research and development funding, changes in consumer choice that increase demand, and consequent increases in heat pump production. The speed and success of this market transformation will have enormous implications for California's climate goals–gas heating equipment in homes and businesses is still responsible for roughly 10% of California's total greenhouse gas emissions.[5]

In addition, in 2023, the Bay Area Air Quality Management District (BAAQMD) passed a "first in the nation" rule phasing out the sale of gas heating in the Bay Area by 2031. As a result of this strong and unequivocal signal to the market, Bay Area communities are already well-positioned to accelerate the regional market development of heat pumps. However, further heat pump market maturation is needed before the phase-out to improve affordability relative to gas appliances and market integration. *PFRIP* will support the market transformation by:

1. **Increasing demand for heat pumps** through the replacement of 106 gas water heaters with heat pump water heaters at 54 facilities countywide. Heat pumps baseline costs remain higher than their gas counterparts. Additional investments from cities and municipalities are needed to sustain market momentum and bring heat pumps into price competitiveness with gas equipment. Investments in public facilities can accelerate the market and contribute to overall heat pump affordability relative to gas appliances in two key ways:
    a. *Demand signal:* PFRIP represents a sustained public investment in turnkey projects with predictable timelines and appliance investments. This can send a high profile and robust demand signal to manufacturers and distributors and boost the regional supply chain for zero-pollution equipment (See Technical Appendix, page 1 for Cost Projections Figure).
    b. *Workforce capacity:* PFRIP proposes investments in workforce training for contractors. Contractor training remains a critical bottleneck in the installation of electric equipment, and consequently the cost, complexity of retrofits, and overall market demand for heat pumps. Training contractors in building electrification will contribute to market penetration of heat pumps and represent a sustained benefit for Santa Clara County communities as these newly trained workers continue to install zero-pollution equipment well beyond the lifespan of the PFRIP.
2. **Contributing to regulatory and technical lessons:** Siting and installing electrical equipment in buildings often requires careful planning, navigation of incentives, and overcoming technical and regulatory hurdles. These challenges can increase the cost of zero-pollution equipment, slowing demand, and stalling market transformation. Federal investment in public facility electrification will provide city planners, elected officials, and energy providers with an up-close experience

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[3] Rosenow, Jan, Duncan Gibb, Thomas Nowak, and Richard Lowes. 2022. "Heating up the Global Heat Pump Market." *Nature Energy* 7 (10): 901–4. doi:10.1038/s41560-022-01104-8.

[4] Feinstein, Laura. 2024. "Closing the Electrification Affordability Gap." SPUR. https://www.spur.org/publications/spur-report/2024-02-26/closing-electrification-affordability-gap.page 15, see Technical Appendix for Figure T1, page 1

[5] "Zero-Emission Space and Water Heaters - Frequently Asked Questions (FAQs)." 2023. *California Air Resources Board (CARB)*. May. https://ww2.arb.ca.gov/our-work/programs/building-decarbonization/zero-emission-space-and-water-heater-standards/faq.

with electrification for diverse building types. This in turn will drive the development of smart policies to address regulatory and technical frictions. Some example lessons might include:

a. *Panel and service upgrades:* Installing new electrical equipment, like heat pumps, risks triggering electrical panel and service upgrades, which can increase upfront costs, and require utilities to invest in additional distribution infrastructure and increase electric rates for its customers. Piloting the electrification of public buildings will generate lessons in optimizing panel load for medium and large-scale buildings to avoid panel and service upgrades. These lessons can in turn inform how municipalities encourage and support building electrification across the South Bay.
b. *Learning to reduce regulatory and "red-tape" barriers:* Regulatory barriers exist to siting, installing, and permitting heat pumps. These barriers vary across jurisdictions. By engaging in turnkey programs, Santa Clara municipalities can identify changes to city ordinances and permitting processes that can smooth the siting and installation of electric equipment.
c. *Electrification planning for localities:* Building electrification planning resources, such as Switch is On, Quit Carbon, and regional and local "concierge" services, are making electrification planning easier. However, navigating local peculiarities in contractor matching, available incentives, building types, and permitting and building ordinances, remain a challenge at all scales of building electrification. PFRIP will spur the creation of new electrification planning resources that are tailored to local building stocks, legal realities, contractor services, and incentives.

3. **Education:** There is a need to educate distributors, contractors, cities, and residents about zero-pollution equipment, and pathways to electrification. Electrifying public buildings allows cities to lead by example and offer examples of building electrification that are highly visible for the wider community. Through contractor education, the PFRIP can prompt contractors to promote the installation of heat pumps over gas water heaters. Through public education, the PFRIP can prompt residents to switch out gas water heaters for heat pumps more quickly than the BAAQMD phase-out requires.

Santa Clara County is at the forefront of pioneering research and innovative practices aimed at significantly reducing greenhouse gas emissions. Microgrids and EVSE technology reflect similar trends for pricing, adoption and needs for market expansion as discussed above for heat pumps. For example, additional EVSE at public facilities will accommodate a rapidly transitioning personnel vehicle market.[6]– San José saw the fastest growth in EVs of any major US city. These Cities have embraced a dynamic business incubation approach that melds participatory design with a unified commitment to slashing GHG emissions, fostering a vibrant ecosystem of innovative solutions. This approach is poised to unlock novel pathways, policies, and programs with potential for replication beyond their borders.

SECTION 2: IMPACT OF GHG REDUCTION MEASURES

a. Magnitude of GHG Reductions from 2025 through 2030

[6] Source: Nadia Popovich, "The Bay Area Leads the National Shift to Electric Vehicles" New York Times. https://www.nytimes.com/2024/03/12/us/bay-area-electric-vehicles.html

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According to the San Benito County and Santa Clara County MSA Priority Climate Action Plan (PCAP), Santa Clara County has 630 municipally owned buildings with 53,200 square feet (sqft) of building space with a collective GHG reduction potential of at least 32,970 MT CO^2 for the 2025-2030 period. Collectively buildings account for 43% of greenhouse gas emissions in Santa Clara County, with 23% of that coming from natural gas appliances.

Pilot implementation will achieve widescale decarbonization of major appliances and additional decarbonization via microgrid resiliency technology and EV charger infrastructure at 62 very large facilities in Santa Clara County. Based on the PCAP, each building has an average 2025-2030 period reduction potential of 52.33 MT CO^2. However, based on a simple per square foot (sqft) estimate, PFRIP measures implemented can reduce greenhouse gas emissions by up to 0.62 MT CO^2 per sqft for the 2025-2030 period. Based on the San Jose HPWH cohort of known building gross floor area (GFA), the PFRIP Coalition has potential GHG reduction of over 2,100,860.18 MT CO^2. These GHG Reduction calculations are available in the GHGcalcs_Silicon Valley Clean Energy _PFRIP.xlsx, Tab entitled "PCAP Calcs".

Staff also conducted a benchmarking analysis on a subset of available buildings' energy data to scope the GHG reduction potential for the pilot portfolio utilizing the EPA's ENERGY STAR Portfolio Manager (ENERGY STAR). The data exported from ENERGY STAR supports the hypothesis that the annual emissions reduction potential from these measures will be much greater than indicated in the PCAP, as emissions reductions for the San José subset of heat pump water heater replacements alone showed potential direct GHG savings of at least 1239.5 MT CO^2 for 2025-2030[7], plus indirect GHG emissions savings of 1831.55 MT CO^2, or 3,245 MT CO^2.

b. Magnitude of GHG Reductions from 2025 through 2050

According to the PCAP, Santa Clara County's 630 municipally owned buildings have a collective GHG reduction potential of at least 655,774 MT CO^2 for the 2025-2050 period, providing an average per building reduction estimate of 1040.91 MT CO^2 for the period.

Pilot implementation will achieve widescale decarbonization of major HVAC and heating appliances and additional decarbonization via microgrid resiliency technology and EV charger infrastructure at 62 facilities in Santa Clara County. Based on the PCAP, measures implemented can reduce greenhouse gas emissions by up to 64,536 MT CO^2 for the 2025-2050 period.

According to San José ENERGY STAR analysis, the annual emissions reduction potential from these measures could be much greater than indicated in the PCAP, as emissions reductions for the San José subset of heat pump water heater replacements alone showed potential direct GHG savings of at least 30987.5 MTCO2 for 2025-2050, plus indirect GHG emissions savings of 45788.75 MTCO2 by 2050, or 76776.25 MT CO^2.

c. Cost Effectiveness of GHG Reductions

According to the PCAP, the total average cost effectiveness for the period of 2025 -2030 will be at least \$49,999,997/3,245 MT CO^2 = \$15,409.90 per MT CO^2 by 2030, on average. The total cost of San José's heat pump replacements will be \$1,684,035.38 including all equipment, labor, permitting, and staff

[7] Conservative assessment assumes all replacements will be completed by 2029, with only one year of operation. Per work plan, ~24 units per year will be installed, creating additional expected GHG savings for the 2025-2030 time period that will be assessed in the project performance evaluation.

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oversite, so the total cost effectiveness potential of these measures alone could be as efficient as $548.36 per MT CO^2 by 2030 per heat pump replacement.

d. Documentation of GHG Reduction Assumptions

The PCAP emission potential benefits were calculated using IPCC recommended methods and under an EPA-approved QAPP. However, this analysis used a very conservative estimate of countywide building counts only that did not include other types of non-building facilities, such as pools, bathrooms, and pump stations, that are included in the PFRIP portfolio, and estimated emissions based on an average per building energy usage and local utility provider fuel mix specifications rather than actual usage. Details about the accounting methods used in the PCAP can be found in the attached PCAP copy and relevant sections have been provided in the Technical Appendix, Techappx_Silicon Valley Clean Energy_PFRIP.

According to the Natural Resources Defense Council (NRDC)[8], heat pump water heater conversion can reduce onsite emissions by up to 50-70%. Microgrids can provide the potential for full electrification of a building combined with power savings during times of peak grid demand, such as summer and fall 5-9 pm hours, or during times when the grid is typically gas power plant fed, such as 12-4 am.

Staff also conducted a benchmarking analysis to scope the GHG reduction potential for the pilot portfolio utilizing the EPA's ENERGY STAR Portfolio Manager (ENERGY STAR) and real building energy usage values on a subset of available buildings' energy data. 12 months of Electricity and gas utility data from each of the City of San José's 50 planned heat pump retrofit sites were entered to ENERGY STAR for the calendar year of 2023[9] to provide a 2023 annual Direct GHG Emissions (Metric Tons CO2e) and Indirect (Location-Based) GHG Emissions (Metric Tons CO2e) value for each building. Data was exported from ENERGY STAR and applied to the heat pump water emissions reductions factor of 50% for each location to achieve an expected annual emissions reduction. The export table including relevant building ENERGY STAR IDs and spreadsheet calculations are available in the Technical Appendix spreadsheet, GHGcalcs_Silicon Valley Clean Energy_PFRIP.

Cost effectiveness values were calculated using the EPA's required cost effectiveness calculation equation applied to 1) whole cost of all PFRIP measures (including all budget categories) divided by the Sum of Quantified GHG reductions from 2025-2030 according to the PCAP and 2) whole cost of San José heat pump conversions (including all budget categories) alone divided by the Sum of Quantified GHG reductions from 2025-2030 according to the ENERGY STAR analysis. Additional details about the GHG Reduction Assumptions and methods used to calculated are available in the in the Technical Appendix.

SECTION 3: ENVIRONMENTAL RESULTS – OUTPUTS, OUTCOMES, AND PERFORMANCE MEASURES

a. Expected Outputs and Outcomes

The project will assess output and outcome metrics in alignment with the PCAP, and in pursuit of the actual GHG benefit, comparing energy and GHG values pre-installation to post-installation at all existing facilities.

The following output metrics are included in the PCAP and will be quantified:

[8] Electric Heat Pumps Can Slash Emissions in California Homes (nrdc.org)

[9] In a few instances 2023 data was not fully available, so 2022 values were used. The appendix provides details about the calculations and includes the ENERGY STAR data output.

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- Number of facilities retrofitted
- Number of carbon-free appliances purchased or installed

In addition, the project will assess the following outcomes:

- Average energy savings per building, both as electricity and natural gas usage
- Average energy cost savings per building, both as electricity and natural gas usage
- Average Energy Usage Intensity (EUI) reduction per building
- Total quantity of avoided GHG emissions as calculated from real time energy use, production, an/or storage in microgrids and EVSE
- Total quantity of GHGs reduced from natural gas appliances switched to electric
- Amount of reduced purchased fuel by fuel type
- Assess feasibility of quantifying CAP and HAP emissions reduction
- Actual Cost effectiveness of avoided GHGs
- Assess feasibility of avoided CAP and HAP emissions

b. Performance Measures and Plan

i. GHG Reduction Performance:

Immediately following award acceptance, SPUR will lead the Coalition to select a consultant to conduct the GHG performance analysis. A QAPP will be developed and submitted by the end of Year 1. Electricity and utility data will be analyzed at each site for a period of at least 2 years preceding the kickoff of construction to provide site specific EUI, Natural Gas Usage, and a calculated GHG Emissions factor baseline comparison. Temporary metering will be used to determine peak loads and energy generation or usage profiles for each installed measure following construction completion. Sites will be monitored for a period of 2 months – 2 years depending on timeline for construction completion (see 3.c below). For sites with longer performance periods, both summer and winter peak monitoring will be assessed in real time. For entirely new facilities such as San José Fire Stations 23 and 36 and Sunnyvale San José Fire Station 2, the avoided GHGs and summer/winter peaks will be modelled based on minimum two month temporary metering and profiles of like counterparts within the project's portfolio or other similar existing facilities. As projects are assessed for real-time or modelled GHG emissions benefits, the results will be displayed using on online dashboard included in the project website, described in Sections 3c and 4.

ii. Work Plan Performance: Design Guidelines and Evaluation

The *Public Facility Resiliency Fund* fuels an ambitious set of facility upgrades to establish a network of community resilience centers serving disadvantaged and vulnerable communities across Santa Clara County. It is critical each location will produce a consistent set of facility features and service capacity, based on local needs. To that end, Prospect Silicon Valley, (ProspectSV) with an experienced engineering team from Point Energy Innovations and IDeAs Consulting, will lead the Coalition to establish a basis of design for each project to be performed under PFRIP. The approach will be as follows and include a QAPP:

- Develop a *Roadmap for Community Resilience Center Features (Roadmap)*. These will be Design Guidelines for essential features of the community resiliency centers included in the project, providing a consistent benchmark for building construction performance, capacity for services, and energy efficiency.

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- Develop a *PFRIP Standard RFP/RFQ* and *Mechanical Engineering and Plumbing (MEP) Bid Package:* These will be guidelines, scope elements, and team qualifications provided to each City's project team for securing standardized qualified design and construction services.
- Develop and Implement *Decarbonization Retrofit and Resilience Upgrades Assessments*: Review each facility's pre and post construction conditions, required upgrades, and available funds against the *Roadmap, RFP, and Bid Package Guidance* to provide project-specific performance metrics assessing build quality and final facility features and service capacity to local community members (e.g. air quality protection, water supply, power resiliency, or shelter). Results of this review would be provided in a project metrics and performance report.

c. Authorities, Implementation Timeline, and Milestones

SVCE is a Joint Powers Authority eligible to lead this grant[10], and will establish the *Public Facility Resiliency Fund* (Fund) ensuring timely project reimbursement and distribution of the Fund to the Coalition's members for use in the PFRIP. Each coalition member City will be responsible to lead design, construction, and inspection of its GHG reduction measures; take an active role in planning and implementing the project equity analysis, performance evaluation, community engagement and workforce development activities; and fulfill all reporting requirements, for activities that take place in its jurisdiction. SPUR will lead the Equity Analysis, Community Engagement and GHG Performance. Prospect Silicon Valley will lead Design Parameters Performance and Workforce Development. Each Coalition member City has the authority to carry out its proposed measures, and will contract for design and construction as needed, within its jurisdiction. Assistance will be required from Pacific Gas and Electric (PG&E), the local utility provider, for installing electrical panel and transmission related upgrades to accommodate increased electrical capacity at each site.

Major Workplan Milestones:

a. Administration and Reporting: Prior to grant award and acceptance, SVCE will lead development and submittal of the Coalition's Memorandum of Agreement (MOA) by July 1, 2024. The Workplan is expected to initiate with grant award by October 1, 2024, and complete five years later by September 30, 2029. Semi-annual reports including reimbursement receipts will be submitted to the EPA every six months following award acceptance, on March 31 and September 30, or the closest prior business day, annually. The Project Plans for GHG Performance and Building Design Performance and each's respective Quality Assurance Performance Plan (QAPP), and the Low Income Benefit Report and Community Engagement Plan, will be submitted by September 30, 2025. The Final Project Report and reimbursement receipts will be submitted by September 30, 2029.

SVCE Project Management & Reporting	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Quality Assurance Performance Plan Submittal, inlcuding all Performance Project Plans	**Completed by Sep 30, 2025**				
Semi-Annual Reports Submittals	**1 each by Mar 31 & Sep 30**	**1 each by Mar 31 & Sep 30**	**1 each by Mar 31 & Sep 30**	**1 each by Mar 31 & Sep 30**	**1 each by Mar 31 & Sep 30**
Low Income Benefit Report & Community Engagement Plan	**Completed by Sep 30, 2024**				
Final GHG & Design Parameters Performance, Equity Analysis, & Workforce Development Reports					**Completed by Sep 30, 2029**
Final Report Submittal					**Completed by Sep 30, 2029**

[10] Silicon Valley Clean Energy's Joint Powers Authority Charter may be viewed in the file Attachment, *Executed JPA_SVCE_PFRIP.*

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b. Decarbonization Projects:

i. San José's 100 Heat Pump Water Heater Retrofits at 50 facilities: The City of San José will contract with one its existing vendors for purchase of heat pump water heating (HPWH) equipment and conduct installations using existing Citywide Facilities Maintenance Staff. HPWH will be installed at a rate of 2 per month following an initial training period, sponsored through the Project Work Force Development plan (see Section 5). All projects are expected to be installed and inspected by June 30, 2029.

San Jose 50 Sites Total - 100 HPHW Retrofits	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	22 total by Sep 30	46 total by Sep 30	70 total by Sep 30	94 total by Sep 30	100 Total by June 30
Installation - HPWH	22 total by Sep 30	46 total by Sep 30	70 total by Sep 30	94 total by Sep 30	100 Total by June 30
Inspection	22 total by Sep 30	46 total by Sep 30	70 total by Sep 30	94 total by Sep 30	100 Total by June 30
Performance Period		22 total by Sep 30	46 total by Sep 30	70 total by Sep 30	100 Total by Sep 30

ii. The City of Cupertino's project will include HPWH and HVAC retrofit requiring full construction planning, design, and bid package and is expected to include an 18-month performance period.

Cupertino Cupertino Quinlan Community Center	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X	X			
Bid Package Procurement & Construction - HPWH, HVAC			X		
Inspection				X	
Performance Period				X	X

c. Resiliency Upgrades at Pre-Designed Facilities: San José's Roosevelt Community Center, Happy Hollow-Kelley Park Campus and Fire Station 32, and Sunnyvale's Fire Station 2 projects have already been designed. Fire Station 32 will be ready to move immediately to construction, Fire Station 2 to Permitting, and the other two will move immediately to construction bid package procurement. The four projects are expected to have two year performance periods and serve as baseline comparison models for the Design Parameters Analysis.

San Jose Roosevelt Community Center	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Bid Package Procurement & Construction - Solar, BESS	X				
Inspection		X			
Performance Period			X	X	Project Complete

San Jose Happy Hollow Park & Zoo-Kelley Park	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Bid Package Procurement & Construction - Solar, BESS	X				
Inspection		X			
Performance Period			X	X	Project Complete

San Jose Fire Station #32	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Construction - Solar, BESS	X				
Inspection		X			
Performance Period			X	X	Project Complete

Sunnyvale Fire Station 2	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X				
Bid Package Procurement & Construction - HPWH, HVAC, Solar, BESS, EVSE, Kitchen	X	X	X		
Inspection			X		
Performance Period			X	X	X

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f. Resiliency Upgrades at Existing Facilities: Most projects will take place at existing facilities. Immediately following award acceptance, Cities will conduct procurement for design services as needed; this task is rolled into the Planning, Design, & Permitting task on each milestone table below. All projects are expected to be completed no later than June 30, 2029, to allow for a minimum two month performance period - projects inspected in Year 4 will have a minimum 18 month period.

San Jose Fire Department Training & Emergency Operations Center (EOC)	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X				
Bid Package Procurement & Construction - BESS, EVSE		X			
Inspection			X		
Performance Period				X	X

Sunnyvale Cleanwater Center	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X				
Bid Package Procurement & Construction - HVAC, Solar, HPWH		X	X		
Inspection				X	
Performance Period				X	X

Morgan Hill Centennial Recreation Center	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X	X			
Bid Package Procurement & Construction - HPWH, HVAC, BESS, EVSE, Kitchen		X	X		
Inspection			X		
Performance Period				X	X

Mountain View Mountain View Sports Pavilion	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X	X	X		
Bid Package Procurement & Construction - HVAC, Solar, BESS			X	X	X
Inspection					X
Performance Period					X

Mountain View Whisman Sports Center	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting	X	X	X		
Bid Package Procurement & Construction - Solar, BESS			X	X	X
Inspection					X
Performance Period					X

e. Resiliency Upgrades at New Facilities: San José is building new Fire Stations 23 and 36 that will be all-electric construction including microgrids. Both projects will conduct land acquisition in years 1-2 that will not be grant covered and are expected to have six month performance periods including modeling analyses informed by on-site metering of at least a two month period.

San Jose Fire Station #23	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting			X		
Bid Package Procurement & Construction - Solar, BESS				X	
Inspection					X
Performance Period					X

San Jose Fire Station #36	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Planning, Design, & Permitting			X		
Bid Package Procurement & Construction - Solar, BESS				X	
Inspection					X
Performance Period					X

f. Performance Evaluations: SPUR will lead evaluation for GHG Performance and ProspectSV will lead Building Design Performance. All Project Plans with QAPPs will be submitted September 30, 2024. Final Performance Reports will be submitted by the end of the grant term, by September 30, 2029.

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SPUR - GHG Performance Assessment	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Consultant Procurement	Completed by Mar 31, 2025				
Develop & Submit Project Plan & Quality Assurance Performance Plan	Completed by Sep 30, 2025				
Develop & Conduct Baseline Facilities' Benchmarking &		X			
Individual Technology Performance Assessments (e.g. HPHW)		X	X	X	X
Microgrid Performance Assessments		X	X	X	X
Final Performance Data Analysis & Report Submittal					Completed by Sep 30, 2029

Prospect Silicon Valley - Design Parameters Performance	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Develop & Submit Roadmap for Resilience Centers Features, including Quality Assurance Project Plan	Completed by Sep 30, 2025				
Develop Specific Project Assessments	X	X			
Develop Mechnical Electrical Plumbing (MEP) Design Conceptual Bid Package	X	X	X		
Develop Standard RFP for Design & Construction Services	X				
Review and Design of Construction Documents, Assist Construction Bid Process & Implementation	X	X	X	X	X
Final Performance Evaluation & Report Submittal				X	Completed by Sep 30, 2029

g. Community Engagement and Online Reporting: SPUR will lead Equity Performance and Community Engagement and submit the Project Plan and Low Income Benefit Report by September 30, 2024, and the Final Evaluation by September 30, 2029. Four events total will be planned to showcase completed projects and encourage climate action countywide, two managed by SPUR and two by the City of San José Office of Economic and Cultural Affairs as a Climate Art Fair. San José will host a Project Website including GHG Dashboard for displaying reduced emissions as projects are completed, and 5 community presentations translated into the County's three widely spoken non-English languages of Spanish, Vietnamese, and Mandarin Chinese including live translation for community meetings.

SPUR - Community Engagement	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Project Plan Development & Submittal	Completed by Sep 30, 2025				
Interview Planning & Partnership Development	X	X			
Initial Low Income Benefit Report Development & Submittal	X				
Interviews & Surveys with Residents, Staff, & Others involved			X	X	
Community Engagement Events (3 total)				X	X
Post-Project Evaluation & Report Submittal					Completed by Sep 30, 2029

San Jose - Community Engagement & Website	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Website Initial Development & Annual Updates	X	X	X	X	X
Annual Translated Presentations	X	X	X	X	X
Community Engagement Events Planning (3 total)				X	X
Community Engagement Events Implementation (3 total)					X

h. Workforce Development: ProspectSV will lead Workforce Development Activities. Training Modules and Apprenticeship Program will be developed in Year 1. Trainings will be provided to city staff and 50 low income individuals, sponsored by the grant, in years 4-5, with final program evaluation submitted by September 30, 2029.

Prospect Silicon Valley	Year 1	Year 2	Year 3	Year 4	Year 5
	10/1/2024 - 9/30/2025	10/1/2025 - 9/30/2026	10/1/2026 - 9/30/2027	10/1/2027 - 9/30/2028	10/1/2028 - 9/30/2029
Develop Training & Apprenticeship Program; Submit Project Plan	Completed by Sep 30, 2025				
Implement Municipal training		X	X	X	X
Implement Apprenticeship Program		X	X	X	X
Annual Assessment		X	X	X	X
Final Assessment					Completed by Sep 30, 2029

All projects, performance assessments, community engagement, and reports will be completed by September 30, 2029.

SECTION 4: LOW-INCOME AND DISADVANTAGED COMMUNITIES

a. Community Benefits

All locations proposed for the PFRIP's GHG reduction measures meet EPA-defined criteria as disadvantaged census tracks, either by directly meeting the Disadvantaged criteria, or by meeting 2 or more 90th percentile for recognized environmental or socioeconomic stressors according to the Climate and Economic Justice Screening Tool (), such as PM 2.5, traffic volume and proximity, and linguistic

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isolation. The relevant CEJST census tracks are listed under Attachment, *Areas_SVCE_PFRIP*. On The Cover Page displays a map of the full project service area, planned measures by category, the corresponding disadvantaged census tracks per CEJST layers, and the number of CEJST 90th percentile stressors met at each site.

Lower income individuals use Santa Clara County community centers, recreation centers, and libraries daily for child and elder care programs and to access books, computers, workout equipment, and meeting rooms. These facilities are established and trusted neighborhood focal points used year-round for community-building activities, providing resources to residents, and supporting and strengthening community relationships. In addition, fire department facilities exist primarily to assist the most vulnerable communities, either those experiencing physical threats or health issues. The facilities featured in PFRIP are activated during disasters like major storms, fires, flood events, and heat waves and are used as emergency shelters and cooling/heating centers to provide residents respite from the elements. Low-income and vulnerable communities are most likely to be impacted by hazards and disaster events like flooding, heat waves, and power outages.[11] For example, in the event of a heat wave, lower-income residents most often live in older apartment buildings without air conditioning or are unable to afford AC utility costs. Lower-income residents are also more likely to live in neighborhoods with less tree cover, making their homes and neighborhoods hotter on average.[12] For example, South Central San José has less tree cover and is hotter than other neighborhoods of the city.[13] During heat waves, low-income residents benefit greatly from public cooling centers. By advancing resiliency retrofits at these facilities, many of these public facilities will soon be able to maintain critical community services using microgrid systems. PFRIP will improve community services at the facilities with a mix of decarbonization retrofits and resiliency upgrades. Community benefits may differ depending on the measure implemented, see detailed community benefits below.

Resiliency upgrades will include photo voltaic (PV), battery energy storage systems (BESS) installations, and microgrids installations, that may be integrated with public EV charging infrastructure. PFRIP's resiliency upgrades will realize several direct benefits to the community:

- *Improved access to services and increased resilience to climate hazards*: Many of the facilities undergoing PV, BESS, and microgrid upgrades are activated during hazards like major storms, fires, flood events, and heat waves and are used as emergency shelters and cooling/heating centers to provide residents respite from the elements. These distributed energy resources will enhance the energy security and stability of these facilities, making them less vulnerable to power shutoffs and outages during hazards. Upgrading community centers and recreation centers will increase the capacity of facilities to serve residents continuously during times of intermittent power shutoffs and outages, offering a space for community members to access

[11] US EPA, OA. 2021. "EPA Report Shows Disproportionate Impacts of Climate Change on Socially Vulnerable Populations in the United States." News Release. September 2. https://www.epa.gov/newsreleases/epa-report-shows-disproportionate-impacts-climate-change-socially-vulnerable.

[12] Zhou, Weiqi, Ganlin Huang, Steward T.A. Pickett, Jing Wang, M.L. Cadenasso, Timon McPhearson, J. Morgan Grove, and Jia Wang. 2021. "Urban Tree Canopy Has Greater Cooling Effects in Socially Vulnerable Communities in the US." *One Earth* 4 (12): 1764–75. doi:10.1016/j.oneear.2021.11.010.

[13] "SJSU News | Learn By Doing/ Excite Your Mind." 2024. Accessed March 28. https://sjsunews.com/article/lack-of-trees-proves-harmful-to-sj-san-José-state-and-city-experts-say-deficit-in-canopy-coverage-causes-inequality-and-climate-issues.

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shelter, information, and electrical power (e.g. for charging phones) when nearby homes and businesses may lack power or have experienced other hazard-related damages. Low-income residents are disproportionately vulnerable to climate hazards due to several factors, including limited resources, socioeconomic disparities, and inequitable access to infrastructure and services. During heat waves, low-income residents benefit greatly from public cooling centers because they lack access to air conditioning or cannot afford to pay utility costs. Finally, by transitioning to electric-powered heating, cooling, and appliances, communities will also decrease their carbon footprint and contribute to mitigating climate change impacts.

- *Lower electricity bills and net metering for solar PV means reinvestment in community services:* PV, combined with BESS, allows for buildings to supply their own electricity during much of the year, and during a large portion of the day. BESS allows buildings to continue to use energy produced by PV passed peak sunlight hours. Net metering policies allow for PV energy producers to sell excess energy back to the grid during peak sunlight hours. Together, these upgrades allow buildings to save on utility bills, sell PV energy to further reduce energy bills, and use bill savings to reinvest in building services and amenities.

Decarbonization retrofits will change natural gas-powered equipment for electric counterparts in major building systems including Heating, Ventilation, and Air Conditioning (HVAC) replacements, water heating and pumping, and kitchen appliances. *PFRIP's retrofits* will realize several direct benefits to the community:

- *Improved public health resulting from reductions in co-pollutants*: By transitioning from fossil fuel-based appliances, like gas water heaters, to cleaner electric appliances like heat pumps, nitrous oxide, and particulate matter concentrations decrease and air quality improves, reducing respiratory issues such as asthma and allergies. Electrifying gas stoves to induction stoves eliminates carbon monoxide and other particulate matter concentrations, reducing harmful indoor air pollutants in the facilities in question. Furthermore, electrification often involves the adoption of energy-efficient technologies, leading to lower emissions from energy generation and further mitigating air pollution, which is linked to cardiovascular and respiratory diseases.
- *Improved access to services and amenities:* Many public facilities struggle with deferred maintenance on infrastructure due to lack of funding. This can lead to disruption in access to certain services for community members. For example, community centers may provide hot showers, but if the facility's hot water heater is old it may break often and require repairs. Replacing older appliances with upgraded electric appliances will improve the quality of the equipment and reduce service disruptions for the community.
- *Energy cost savings mean reinvestment in community services:* When heating water or air, heat pumps are three to four times more energy efficient than their gas counterparts. Additionally, forecasts of energy rates in California estimate that gas rates are likely to escalate faster than electric rates over time. With the addition of solar panels, batteries, and microgrids, building maintenance budgets have the potential to realize savings year-over-year, freeing up additional resources for improvements and community services.
- *Workforce training opportunities*: Workforce training opportunities, led by Prospect Silicon Valley, will provide contractors with the skills required to install zero-pollution equipment, such as all-electric heat pump water heaters and heat pump HVACs. This partnership will not only directly support the proposed municipal facilities retrofits but will also expand the workforce

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needed to decarbonize the South Bay's municipal (and residential) building stock, and accelerate the transition off of gas heating in buildings. The training program will be available to 50 low-income individuals free of charge and will include apprenticeship ride-along with City staff during installation and maintenance of proposed resiliency upgrades and decarbonization retrofits.

Continued assessment—To determine the *Public Facility Resiliency Implementation Project*'s GHG-emission reduction impact and community benefits, including the direct and indirect benefits to low-income and disadvantaged communities, SPUR will conduct an assessment to share outcomes and best practices associated with the Project. By the end of Year 1, SPUR will submit a Low Income Benefit Assessment and Equity Analysis Project Plan. Final assessment findings will be shared as a report and will be ready in advance of the five-year grant deadline.

The assessment will generally include:

- An overview of the participating municipalities' public facility building portfolio and why this subset of buildings was chosen for funding.
- A review of the approach of the Project's "by-equipment" versus "by-building" approach with an explanation of the resiliency upgrades and the decarbonization retrofits and how this approach reduced the impact on operations and other conditions.
- GHG reduction and cost savings calculations
- A review of the Project's design standards
- Workforce development impacts from the partnership with Prospect Silicon Valley
- Three case studies of representative buildings that underwent resiliency upgrades or decarbonization retrofits: What was the process of retrofit, what was learned, who are communities served by buildings, and what were the community benefits or disbenefits? What specific planning, zoning and permitting issues or experiences that arose during project implementation?
- Equity Analysis (see below for more details)
- Challenges and Best Practices: What can be learned from these projects to support other jurisdictions in making their public facilities more resilient through electrification transitions and other upgrades?

To operationalize equity in its policy work, SPUR developed the *Equity Framework of Analysis - Guiding Questions for Policy Projects*. This equity framework was adopted to ensure SPUR's research methodology and practices are inclusive, collaborative, and responsive to the needs of impacted people. This Framework will guide the assessment of this Project. Guiding questions include: How does this project address the pressing needs of marginalized groups? Are there data gaps? What additional data would help analyze the project to better understand its equity impacts? If so, how can SPUR obtain better data? What past investments/budget allocations have there been to this group/geography? These are the types of questions that SPUR's assessment of the project will consider in its equity analysis.

b. Community Engagement

SPUR

As leader of the PFRIP's Community Engagement and Equity assessment, SPUR will engage the community through surveys and interviews of residents who are served by these facilities, in addition to facility staff members, heat pump and microgrid installers, and other key people engaged in the resilience upgrades and decarbonization retrofits. The findings from this assessment will be shared through a free SPUR public event and regional outreach. SPUR will also support the municipalities in

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implementing community engagement and public education plans, including co-hosting two public events at municipal facilities that have undergone a resiliency upgrade or decarbonization retrofit. These events are meant to highlight the upgrades made at each facility through a festive community gathering and report back on assessment findings, particularly community benefits achieved through the specific facility's upgrade or retrofit in addition to benefits achieved across the entire project.

City of San José

The project includes a focused community engagement plan that will build upon San José's Climate action plans and City Infrastructure Strategy that are informed by prior extensive community, technical, and stakeholder processes. Improving grid resiliency through microgrids and decarbonizing buildings and commutes are specific strategies of the *Pathway to Carbon Neutrality* as well as the *City Infrastructure Strategy, Brilliant at Basics*. From 2018 to 2021, San José undertook an extensive community engagement process to co-create *Electrify San José: Framework for Existing Building Electrification* that lays out how to reduce greenhouse gas emissions from existing buildings in San José through building electrification, while bringing to the forefront the concerns and priorities of historically marginalized communities. Over a year and half of monthly meetings with two community-based organizations (CBOs) representing San José's Latinx and Spanish communities, three community forums with over 40 CBOs, labor, environmental, development and housing organizations, and five public outreach meetings, participants identified three relevant overarching community needs and priorities: 1. Housing and energy costs 2. Clean and reliable energy 3. Health and air quality

Many families throughout San José are not able to purchase ventilation systems to cool their homes and protect their indoor environments from air pollution. San José residents are concerned about more frequent smoky days from the wildfire season, and pollution from highways and industrial sites that disproportionately affects low-income communities. Vulnerable populations living in areas of higher air pollution are already experiencing disproportionately negative health outcomes, such as higher rates of asthma. In addition, many longtime residents who are not working in the tech industry have seen their living costs skyrocket without a proportional wage increase. San José families are already struggling to pay their utility bills. Eleven percent of San José households have a high energy burden, which means they spend above 6 percent of household income on utility bills, while 6 percent of households have a severe energy burden, meaning they spend above 10 percent of household income on utility bills. It is critical that building electrification does not exacerbate housing and energy unaffordability in San José, particularly for those who are already struggling to remain in their homes and in the city.

Guided by the findings of these previous engagement activities, the City's Public Works Department conducted a wide ranging map assessment of City census tracks aligned with the CEJST layer to identify facilities in the most economically challenged areas for the CPRG decarbonization and resiliency measures. In addition, the proposed workplan and budget includes a community engagement plan that will ensure all citizens are given the resources to be heard by including engagement strategies targeted at Spanish, Vietnamese, and Mandarin Chinese speakers as well as low-income residents. Planned strategies for language accessibility include live communication in native languages, virtual input opportunities, and a fully translated project website. In addition to the countywide work led by SPUR, the Public Works Department will work with the San José Office of Economic and Cultural Affairs to hold a Climate Action Fair including two community engagement events within its jurisdiction.

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City of Morgan Hill

The City of Morgan Hill's adopted Climate Action Plan (CAP) was developed with significant input from a community working group which saw the importance of public facility electrification. They specified a goal in the CAP to convert all municipal buildings to all-electric by 2035. The CPRG funds would be a significant step toward meeting this community-driven goal because it would allow the City to fully electrify one of the community's key cultural hubs.

The City of Morgan Hill will seek meaningful engagement with low-income and disadvantaged communities continuously for the life of the grant by providing outreach, engagement, input opportunities, and information about the project in both English and Spanish languages. The City will partner with local groups including the public library, school groups, AAUW, and climate action groups to reach a wide range of residents. Additionally, the City is proposing to install a mural completed by a local artist that will incorporate a clean energy theme. The artwork will be designed to inspire and intrigue across the City's diverse cultural and socioeconomic backgrounds.

The City of Morgan Hill has more affordable housing units per capita than any other city in northern California. The City has been planned in a way that incorporates affordable housing throughout the community and as a result the City does not have a specific census tract that is identified in the Climate and Economic Justice Screening Tool as LIDAC, although the Centennial Recreation Center is located within a census tract that meets several of the tool's individual disadvantaged metrics. In addition to acting as a heating, cooling, and reunification center, Morgan Hill's recreation center also offers services for the elderly, children, and youth, and provides affordable activities and workout equipment to the entire community including a significant lower income population.

City of Mountain View

The City of Mountain View, in partnership with local organizations, conducted outreach in 2023 to inform its resiliency efforts. For example, the Community Services Agency (a nonprofit organization which has partnered with the City for more than 40 years on social safety net services) and the City worked together to conduct surveys in English, Spanish, and Chinese at the Senior Center to 120 senior nutrition program participants. Survey results highlighted opportunities to increase public awareness of cooling centers (such as Mountain View Sports Pavilion and Whisman Sports Center) and augment citywide resiliency infrastructure. This raised the CPRG grant as a timely opportunity to enhance the City's facilities with resiliency improvement.

If awarded, the City of Mountain View will engage with low-income and disadvantaged communities throughout the development and implementation of the grant. For many years, the City's Multicultural Engagement Program (MEP) has been building relationships within the City's culturally diverse populations and neighborhoods, including among the Hispanic/Latino, Chinese, and Russian communities. The City has a civic engagement academy that is offered in Spanish and Chinese. MEP also provides translation/interpretation services and culturally appropriate outreach. The City's Sustainability and Resiliency Division and MEP would partner to provide linguistically and culturally appropriate outreach to incorporate community input and provide updates throughout the grant process.
The City is also undergoing other planning processes that will involve community engagement around resiliency infrastructure and programming that can be leveraged for PFRIP. Over the coming year, the City will develop a Community Resiliency Strategy as well as the Parks and Recreation Strategic Plan.

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Outreach for these projects will include surveys, partnerships with community groups, one-on-one meetings or interviews, and community meetings, many of which will offer translation or interpretation options and childcare. The City will consider community feedback from these processes to inform the CPRG projects.

City of Sunnyvale

The City of Sunnyvale adopted its Climate Action Playbook (CAP 2.0 or Playbook) in 2019 with significant input from the community through surveys, public meetings, workshops and input from a community advisory committee. The City and community emphasized the importance of public facility electrification when feasible, to ensure the City is doing its part to contribute to the community wide GHG reduction targets. Play 2.2 of the City's Playbook specifies a target to convert municipal buildings to all-electric upon rebuild or significant remodel to assist in reducing natural gas emissions from existing buildings. Currently, the City is updating its specific work plan for implementing the Playbook, Game Plan 2028. The most recent presentation of analysis of this work plan highlights the importance of reducing natural gas from existing buildings to achieve the City's 2030 goal. The City conducted outreach to the community to gather input on the Draft Game Plan through workshops, online surveys available in English and Spanish, email blasts, and presentations to community groups. The current Draft outlines increasing the City's goals for reducing natural gas use to 42% in residential and 38% in commercial by 2030. The CPRG funds would be a significant step toward meeting these ambitious goals because it would allow the City to fully electrify two critical operations centers, monitor their energy performance and serve as model buildings to justify the need for advancing building electrification of municipal facilities on a broader scale.

If awarded, the City of Sunnyvale plans to bolster its engagement with low-income and disadvantaged communities throughout the development and implementation period of the grant term. As part of the design and construction process for city facilities, the City hosts public meetings in local spaces to invite the community to provide feedback and input on the design and construction plans. In 2021, the City of Sunnyvale hired an Equity, Access and Inclusion (EAI) Manager and established an equity, access and inclusion team of staff from each City department to advance the City's reach and engagement with its most vulnerable populations. In addition, the City adopted Council Policy 7.2.1 specifically for community engagement, which was developed after the City hosted a series of listening sessions to hear from the community. The policy ensures the community is well informed about local issues and City Programs and Services. This is part of a larger obligation called the Sunnyvale Unity Commitment which commits the city to creating a culture of belonging where all members of our diverse community feel included, heard, and respected. The City's Sustainability team plans to partner with the EAI team to develop outreach materials in Spanish, Mandarin and Tagolog to design linguistically and culturally appropriate outreach materials for engagement throughout the grant term. Both facilities in Sunnyvale's application are important community engagement centers, will serve as educational centers for the public and will demonstrate the City's ability to meet climate goals and targets set for and by the community.

SECTION 5: JOB QUALITY

The City of San José partners with the Santa Clara County Office of Labor Standard Enforcement on prevailing wage and wage theft policies to ensure countywide wage equity and prevent wage theft. San José's Office of Equality Assurance will oversee prevailing wages for the project and help monitor companies who would be contracted for project implementation to ensure that their workers are

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properly paid for the work they do. The Office of Equality Assurance conducts active enforcement of prevailing wages on City contracts.

To expand the regional work force, team member ProspectSV would coordinate a training series for building industry practitioners on building decarbonization and zero-carbon building systems. ProspectSV has partnered with DMG North, a representative of leading HVAC (Heating, Ventilation, and Air Conditioning) equipment manufacturers in Northern California, to establish a Northern California Training Center in the Bay Area. This center will be available for industry training and education over the duration of the grant period and beyond. DMG North regularly hosts training sessions with Trade Professionals, Professional organizations, Unions, Vocational Schools, Colleges, and Universities. They have committed to being a resource for the industry and to help educate and train others, which will have a far-reaching impact on commercializing this in the marketplace. The training series, to be developed under PFRIP funding in Year 1, would be based on the experience of veteran workforce development professionals with a history of supporting clean technology workforce efforts across the Bay Area. The program will include classroom and webinar training and speaking engagements, but also will leverage the partnerships of professional organizations like Sustainable Purchasing Leadership Council, North American Sustainable Refrigerants Council, International Facilities Management Association, and others to reach the broadest and most relevant stakeholders across the buildings industry value chain. Special attention will be paid to the buildings design and modeling industry through a network of design leaders engaged in as program advisors. The program will be available to the Coalition's staff as in service training, and up to 50 low income residents seeking journeyman plumbing or electrician credentials, during years 2-5 of the grant period.

SECTION 6: PROGRAMMATIC CAPABILITY AND PAST PERFORMANCE

a. Past Performance

The Coalition led by SVCE collectively has considerable experience with receiving and managing federal and non-federal grants. The City of San José manages more than 100 federal awards for various grant types. In fiscal year 2022-2023, San José reported more than $196 Million (M) in federal grant awards and expenditures. Two key examples of grants completed within the last three years include: 1) the U.S. Department of the Treasury's Coronavirus Relief Fund[14] which provided $178M during the Pandemic to cover community needs for food, shelter, testing, and other essentials and 2) CalOES Public Safety Power Shutoff Allocation[15] which provided $500,000 for emergency response. The City of Cupertino recently received and expended $214,549 in grant funds through State of California Proposition 68 OGALS[16] to build the city's first full-sized basketball court, filling a gap in recreational variety in the Parks Master Plan. For the fiscal year ending June 30, 2023, the City of Sunnyvale reported 32 federal awards

[14] Grantor: U.S. Department of the Treasury's Coronavirus Relief Fund; Grant Assistance Number: OIG-CA-20-021), from March 1, 2020 – December 31, 2022; Total Funding: $178,295,348; How Spent: $90.1M in personnel costs of dedicated time responding to the COVID-19 emergency; $29.9M in food and necessities distribution; $27.2M in unhoused sheltering/support; $20.4M in local assistance; $4.5M testing, tracing and isolation; and $2.2M facility improvements

[15] Grantor: State of California Governor's Office of Emergency Services (CalOES) Public Safety Power Shutoff Allocation; Grant Assistance Number: 085-68000); Grant Dates: July 1, 2019 – February 29,2024; How Spent: $99,360 for development of City's Power Vulnerability Plan; $122,340 in design and specifications for New Emergency Generators for Fire Station #28 and Police Sub Station; $240,900 in Radio Communications Equipment for Public Safety; and $37,400 in Radio Communications Equipment for Non-Public Safety.

[16] Grantor: California Department of Parks and Recreation via Office of Grants and Local Services (OGALS); Grant Name: California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018; Grant Assistance Number: 18-43-016 and 18-43-017; Grant Amount: $214,549; Grant Term: through 12/31/2021 - 7/31/2024; How Funding Was Spent: Remove existing landscape, irrigation, storm drain, Install a full-size basketball court (court surface, backboards/nets, drainage). Remove and replace existing walking path leading to new basketball court. Total: $214,549 spent by 12/31/23.

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and $29.7M in federal grant expenditures; City of Mountain View reported 11 federal awards and $10.8M in federal grant expenditures; and the City of Morgan Hill reported 4 federal awards and $800,732 in federal grant expenditures[17]. SVCE administered a $1.5M grant from the CAPP[18] in FY21-22 that helped California energy customers reduce past due energy account balances during the Pandemic.

b. Reporting Requirements

The PFRIP Coalition members successfully complete grants compliance reporting accurately and timely. In early 2024, the Cities of Morgan Hill, Mountain View, San José, and Sunnyvale completed their Single Audit on the Schedule of Expenditures of Federal Awards required by the Uniform Guidance with no material weaknesses or significant deficiencies regarding the review of the Schedule of Expenditures of Federal Awards, which includes all federal awards received directly from federal agencies and federal awards passed-through other governmental agencies. In 2023, Cupertino expended the OGALS funds 7 months ahead of the deadline. In 2022, the Department of Treasury's Office of Inspector General (OIG) conducted Desk Review of the Coronavirus Relief Funds of $178.2M for the City of San José. After completing their Desk Review, Treasury OIG indicated that they had no findings, exemptions, and no questionable/unallowable costs. As proven by the OIG's Annual Desk Review, all reporting and financing requirements were completed on time and within budget.

c. Staff Expertise

Silicon Valley Clean Energy (SVCE) has substantial experience with handling and distributing funds. SVCE regularly provides its constituents grant opportunities and financial assistance, such as the CAPP, and this expertise will apply to distributing subawards to the Coalition members as a pass-through entity. SVCE has an annual 2023 operating budget of $324.5M[19] and typically keeps 300 days of cash on hand, expecting 365 this calendar year, and an "A" Credit Rating[20], putting the organization in a stable and experienced position for managing and distributing the *Public Facility Resiliency Fund.* The PFRIP Coalition of Cities is fully positioned and ready to complete PFRIP on schedule within a 5-year grant term following acceptance of the grant award. Immediately following acceptance of award, each City can contract with one of its existing vendors for planning, design, permitting and implementation of measures. Each City's procurement requirements for services, supplies, and equipment generally meet the Uniform Grant Guidance (UGG) (2 CFR 200) minimum requirements. The competitive procurement process, through a third-party web-based bid solicitation platform, ensures open and free competition for purchasing, and provides small business considerations and credits and provides measures to prevent conflicts of interest. The history of the procurement process is documented thoroughly to include selection of contract type, cost for the contract, solicitation of bids, responses from potential contractors, determination that the price is reasonable and any amendments to the contracts. PFRIP will follow the Best Practice Guide for Procuring Services, Supplies, and Equipment under EPA Assistance Agreements.

SECTION 7: BUDGET

a. Budget Detail

[17] Federal Audit Clearing House, OMB# 3090-0330, EXP: 09/30/2026, https://app.fac.gov/dissemination/search/
[18] Grant Administrator: California Arrearage Payment Program(CAPP); No Grant Assistance Number, Total Amount: $1,545,172; grant term ended September 30,2022; https://www.csd.ca.gov/CAPP
[19] Silicon Valley Clean Energy Authority; Independent Auditors Report, Financial Statements Years Ended: September 30, 2023, September 30, 2022; https://svcleanenergy.org/wp-content/uploads/Silicon-Valley-Clean-Energy-Authority-9.30.2023-Financial-Statements-FINAL.pdf
[20] RatingsDirect, S&P Global Ratings, Silicon Valley Clean Energy Authority, California; Retail Electric, May 11, 2023

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The Total Cost for PFRIP is $49,999,997. Full budget details for all categories including itemized charges can be viewed in the Budget Spreadsheet *Budget_SVCE_PFRIP*, and Budget Appendix *Budgetcalcs_SVCE_PFRIP* which includes a Table of Staff Rates covering Personnel, Fringe, and Indirect Hourly Rates.

i. Personnel: Total Cost: $5,185,857 based on 45 classifications spanning SVCE and all sub-awardees developed from staff time hourly rates of actual known employees and the hours or percentage of Full Time Employee (FTE) required to complete grant objectives.
ii. Fringe Benefits: Total Cost: $2,703,931 based on 45 classifications spanning SVCE and each sub-awardee, as a percentage of Personnel time of actual known employees that varies by organizational benefits but typically includes: health premiums (medical, dental, vision), flexible spending/health reimbursement accounts, workers' compensation, life insurance, and disability leave. Fringe rates may vary upon union, benefit choices, and retirement system tier.
iii. Travel: Total Cost: $8,500 based on local, in-state, and out-of-state travel needs for implementing community engagement strategies and subsequent project performance presentations at two conferences.
iv. Equipment: Total Cost: $20,590,387 based on 62 implementation sites' costs for installing GHG reductions measures, including but not limited to, heat pump water heaters, heat pump HVAC, and solar systems and batteries at various capacities.
v. Supplies: Total Cost: $16,600 based on two sites' electric cooking appliances and four community events' needs.
vi. Contractual: Total Cost: $18,886,212 based on all vendor services needed to produce PFRIP outcomes, including but not limited to design, permitting, construction, GHG and Building Design performance and community engagement.
vii. Other: Total Cost: $417,750 based on stipends for qualifying low income trainees and community engagement participation, community art and celebratory events.
viii. Indirect Charges: Total Cost: $2,190,759.80 based on 45 classifications spanning SVCE and each sub-awardee, as a percentage of personnel salaries that vary by organizational overhead needs or approved Negotiated Indirect Cost Rate Agreement (NICRA).

b. Expenditure of Awarded Funds

To ensure that grant award is efficiently expended on time within the grant period, the PFRIP Coalition will meet monthly to plan upcoming activities and review recent progress; and through the Santa Clara County Climate Collaborative, providing opportunities to share news, challenges, lessons learned, and best practices, and coordinate activities. All final report information and receipts will be provided to SVCE by sub-awardees no later than two weeks prior to a relevant reporting deadline (see Section 3c) to ensure timely report submittal to the EPA. Semi-annual reports will be provided on March 31 and September 30, or the closest prior business day, throughout the grant term until the Final Report due date of September 30, 2029.

c. Reasonableness of Costs

All PFRIP's Direct and Indirect costs are necessary to construct the GHG reduction measures and conduct specific grant performance and community engagement. Costs were calculated through engineering and project manager review and assessment, supported by vendor quotes to the extent possible and represent the most feasible and reasonable costs available at the time of this proposal.

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SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1f

Item 1f:	**Authorize the Chief Executive Officer to Amend Agreement with Power MC LLC to Increase the Not to Exceed Amount by $121,613 to $545,797 for Business Process Optimization Project Consulting Services**
From:	Monica Padilla, CEO
Prepared by:	Amrit Singh, CFO, and Director of Administrative Services Zakary Liske, Senior Manager of Power Operations
Date:	6/12/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy Authority Board ("Board") authorize the Chief Executive Officer ("CEO") to amend agreement with Power MC LLC ("Consultant") for consulting services related to SVCE's business process optimization ("BPO") project to increase the not to exceed ("NTE") amount to $545,797.

BACKGROUND

In 2021 as part of one of the five strategic focus areas, staff initiated a comprehensive assessment of SVCE's business processes to move the operations from a startup phase to more mature processes leveraging technology. The high-level goals of BPO are to create auditable, automated, secure, and integrated business processes. Currently, a small group of staff manages multiple large transactions with monthly cashflow that can in absolute terms reach over $75 million using labor-intensive and manual processes along with reliance on core functions with outside vendors/consultants. With BPO tools, these processes will align with industry best practices of using Energy Trading and Risk Management ("ETRM") tools to streamline, automate and gain the ability to efficiently and effectively make insightful data-driven decisions. Staff created a BPO roadmap that currently has three phases of implementation with the current phase, Phase 1, focused on deal capture and settlements system. Phase 2 will focus on portfolio and risk management integrations and Phase 3 will be defined later and could cover functions of customer relationship management, decarbonization program design and implementation, meter data and load forecasting, and financial management and modeling.

Staff developed detailed functional requirements of SVCE's needs in a deal capture and settlements system. Using these requirements, staff reached out to several vendors to learn about their systems and potential fit for SVCE's needs. Using the knowledge gained from the initial assessment, staff developed a Request for Proposals (RFP) and released that to the public in early February 2022. The RFP was structured to allow firms to respond to either or both elements of deal capture and settlements systems. Ultimately, the RFP resulted in SVCE selecting Adapt2 Solutions, Inc ("Adapt2") to provide a deal capture and settlements system. A contract was negotiated, approved by the SVCE Board in September 2022, and executed in October 2022 with the project implementation starting several weeks later.

SVCE initially began the project with an implementation team made up of internal staff representing the various departments responsible for managing SVCE's wholesale portfolio. After several months of working on the project staff determined that the level of effort required necessitated seeking external assistance to help.

As such, SVCE entered into a consulting agreement with Consultant in May 2023 to provide support with respect to SVCE's implementation of business process optimization software. At the time, Staff was expecting this to be

a limited term engagement with an NTE just under the CEO's spending authority. The limited engagement would allow existing project team to utilize the external resource to expedite completion of the implementation. Key aspects that the Consultant would assist on included: project management, portfolio migration and gap analysis. At the August 2023 Board meeting, the Board approved an NTE increase from $97,290 to $424,184 and term extension through September 30, 2024.

ANALYSIS & DISCUSSION

Staff is requesting to increase the NTE of the agreement with Consultant to accommodate finalizing Adapt2 system configuration and bringing the system to go-live status in August 2024. Since engagement with Consultant started, Consultant has served as SVCE's project manager, at various times subject matter expert, and point of contact while working with the vendor, Adapt2. Consultant has assisted with configuration and migration of much of SVCE's historical portfolio.

SVCE, Consultant, and Adapt2 have recently identified remaining items to get system to go-live state. Those include completion of deal capture, counterparty exposure tracking, bilateral and CAISO settlements functionality, and training. Parties have also identified future items to configure that will be handled post-go-live between SVCE and Adapt2 directly.

STRATEGIC PLAN

Authorizing the CEO to amend the agreement will directly support the Strategic Plan's Goal 8: Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives; and Goal 22: Enable data-driven decision-making across the organization; automate, integrate, and streamline business processes to minimize operational risk and move organization toward industry best practices from its startup phase.

ALTERNATIVE

If the Board does not delegate authority to the CEO, staff will need to be deployed to work on implementation of Phase 1 as a priority. SVCE will face operational risk, due to potential lack of staff bandwidth to complete the project in a timely fashion.

FISCAL IMPACT

The recommendation results in an estimated fiscal impact of $121,613. The total fiscal impact including the current agreement with Consultant is $545,797 and is expected to be realized by the end of FY24. The FY 2023-24 Operating Budget includes sufficient funds to cover consulting expenses including amending the agreement with Consultant.

ATTACHMENTS

1. Second Amendment to Agreement with Power MC LLC
2. First Amendment to Agreement with Power MC LLC
3. Agreement with Power MC LLC

SECOND AMENDMENT TO AGREEMENT WITH POWER MC LLC

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency ("Authority"), and POWER MC LLC ("Consultant") entered into that certain agreement entitled BUSINESS PROCESS OPTIMIZATION effective on May 18, 2023, hereinafter referred to as "Original Agreement"; and

WHEREAS, Authority and POWER MC LLC determined it was in their mutual interest to amend certain terms of the Original Agreement effective August 9, 2023 ("First Amendment"); and

WHEREAS, Authority and POWER MC LLC have determined it is in their mutual interest to further amend certain terms of the Original Agreement;

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. COMPENSATION TO CONSULTANT section of Original Agreement shall be amended to read as follows:

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed five hundred forty-five thousand seven hundred ninety-seven dollars and no/100 ($545,797.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

3. EXHIBIT C COMPENSATION section of Original Agreement shall be amended to read as follows:

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of five hundred forty-five thousand seven hundred ninety-seven dollars and no/100 ($545,797.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority

Original Agreement

Task	**Estimated Budget**
1. Time and Materials (400 hours x $235/hour)	$94,000
2. Out of pocket expenses (reimbursable expenses to equal no more than 3.5% of fees)	$3,290
Total	$97,290

Amended

Task	**Estimated Budget**
1. Time and Materials (2244 hours x $235/hour)	$527,340

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2. Out of pocket expenses (reimbursable expenses to equal no more than 3.5% of fees)	$18,457
Total	$545,797

4. This Amendment shall be effective on June xx, 2024.

5. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

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RECOMMENDED FOR APPROVAL

_____
Kris Van Vactor, Director of Power Resources

RECOMMENDED FOR APPROVAL

_____
Amrit Singh, Chief Financial Officer/Director of Administrative Services

CONSULTANT NAME
POWER MC, LLC

By: _____
Name: _____
Title: _____
Date: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY
A Joint Powers Authority

By: _____
Name: Monica Padilla
Title: Chief Executive Officer
Date: _____

APPROVED AS TO FORM:

_____
Name: Michael Callahan
Title: General Counsel

ATTEST:

_____
Authority Clerk

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FIRST AMENDMENT TO AGREEMENT WITH POWER MC LLC

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency ("Authority"), and POWER MC LLC ("Consultant") entered into that certain agreement entitled BUSINESS PROCESS OPTIMIZATION effective on May 18, 2023, hereinafter referred to as "Original Agreement"; and

WHEREAS, Authority and POWER MC LLC have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. TERM Section of Original Agreement shall be amended to read as follows:

The term of this Agreement shall commence on May 22, 2023, and shall terminate on September 30, 2024, unless terminated earlier as set forth herein.

2. COMPENSATION TO CONSULTANT section of Original Agreement shall be amended to read as follows:

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed four hundred twenty-four thousand one hundred eighty-four dollars and no/100 ($424,184.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

3. EXHIBIT C COMPENSATION section of Original Agreement shall be amended to read as follows:

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of four hundred twenty-four thousand one hundred eighty-four dollars and no/100 ($424,184.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority

Original Agreement

Task	**Estimated Budget**
1. Time and Materials (400 hours x $235/hour)	$94,000
2. Out of pocket expenses (reimbursable expenses to equal no morethan 3.5% of fees)	$3,290
Total	$97,290

Amended

Task	**Estimated Budget**
1. Time and Materials (1744 hours x $235/hour)	$409,840

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2. Out of pocket expenses (reimbursable expenses to equal no more than 3.5% of fees)	$14,344
Total	$424,184

4. This Amendment shall be effective on August 9, 2023.

5. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

RECOMMENDED FOR APPROVAL

DocuSigned by:
Monica Padilla
573FC104110B4C0...

Monica Padilla, Director of Power Resources

RECOMMENDED FOR APPROVAL

DocuSigned by:
Amrit Singh
A88F1DF92E8F467...

Amrit Singh, Chief Financial Officer/Director of Administrative Services

CONSULTANT NAME
POWER MC, LLC

By: DocuSigned by: Dean Isa
Name: Dean Isa
Title: Managing Member
Date: 8/18/2023

SILICON VALLEY CLEAN ENERGY AUTHORITY
A Joint Powers Authority

By: DocuSigned by: Girish Balachandran
Name: Girish Balachandran
Title: Chief Executive Officer
Date: 8/18/2023

APPROVED AS TO FORM:

DocuSigned by: Trisha Ortiz
Counsel for Authority

ATTEST:

DocuSigned by: Andrea Pizano
Authority Clerk

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AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND POWER MC LLC FOR BUSINESS PROCESS OPTIMIZATION

THIS AGREEMENT ("Agreement"), is entered into this 18th day of May, 2023, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and POWER MC LLC, a California Limited Liability Company, whose address is 15056 Calle Verano, Chino Hills, CA 91709 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

A. Authority is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq*.) ("Act") with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. Authority and Consultant desire to enter into an agreement for business process optimization upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on May 22, 2023, and shall terminate on December 31, 2023, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed ninety-seven thousand two hundred ninety dollars and no/100 ($97,290.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

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5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to Authority and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to Authority for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to Authority by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by Authority, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, Authority may deduct the cost of such correction from any retention amount held by Authority or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless Authority and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of Authority officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant's failure to promptly pay to Authority any reimbursement or indemnification arising under this section.

7. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY**

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant, and any subconsultant under the Consultant, shall not discriminate against any employee, subcontractor or applicant for

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employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. **HOLD HARMLESS AND INDEMNIFICATION**

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

B. Intellectual Property Indemnification. Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Consultant shall indemnify, defend, and hold Indemnitees, harmless from and against any Liabilities by a third party that the services to be provided pursuant to this Agreement infringe or violate any third-party's IP Rights, provided any such right is enforceable in the United States. Such costs and expenses shall include reasonable attorneys' fees of counsel of Authority's choice, expert fees and all other costs and fees of litigation.

C. The acceptance of the services by Authority shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

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10. **INSURANCE**

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. Failure to Secure or Maintain Insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. Authority, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

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11. **CONFLICT OF INTEREST**

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the Authority Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff Authority, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Authority by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from Authority is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance

requirements, to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of Authority. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Authority the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority. Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by Authority in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other Authority projects as Authority deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as Authority may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by Authority.

F. Authority shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of Authority or its designees at all proper times, and gives Authority the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer ("Authority Representative") shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. Dean Isa (Consultant Representative") shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the Authority Representative or unless requested in writing by the Authority's General Counsel, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the Authority. Response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives Authority notice of such court order or subpoena.

B. Consultant shall promptly notify Authority should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Authority. Authority may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery requests provided by Consultant. However, Authority's right to review any such response does not imply or mean the right by Authority to control, direct or rewrite the response.

C. It is understood that Authority is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq*.). If a request under the California Public Records Act is made to view any documents Consultant provided to Authority, Authority shall notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, Authority will release the requested information on the date specified.

D. In the event Authority gives Consultant written notice of a "litigation hold" or request under the Public Records Act, then as to all data identified in such notice or request, Consultant shall, at no additional cost to Authority, isolate and preserve all such data pending receipt of further direction from the Authority.

E. Consultant agrees to comply with the confidentiality and data protection provisions set forth in Exhibit "E," attached hereto and incorporated herein by this reference.

F. Consultant's covenants under this section shall survive the expiration or termination of this Agreement.

18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on

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personal delivery, (b) on confirmed delivery by courier service during Consultant's and Authority's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

TO AUTHORITY:
333 W. El Camino Real
Suite 330
Sunnyvale CA 94087
Attention: Chief Executive Officer

TO CONSULTANT:
Dean Isa
Power MC LLC
15056 Calle Verano
Chino Hills, CA 91709

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be determined by the Authority but shall be not less than 10 days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, the Authority Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The Authority Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

In the event of Authority's termination of this Agreement due to no fault or failure of performance by Consultant, Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority. Consultant shall have no other claim against Authority by reason of such termination, including any claim for compensation.

20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations, including, but not limited to the Americans with Disabilities Act, the Stored Communications Act, 18 U.S.C. Section 2701, et seq., California Civil Code Sections 1798.80 through 1798.84, and the California Consumer Privacy Act, Civil Code Section 1798.100 *et seq*. Authority, and its officers and employees, shall

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not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to Authority that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the Parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Santa Clara, State of California.

22. **ADVERTISEMENT**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise.

23. **WAIVER**

A waiver by Authority of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

25. **AUTHORITY**

The individual(s) executing this Agreement represent and warrant that they have the legal Authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**

Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either Party.

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27. **CAPTIONS AND TERMS**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **AUTHORITY'S RIGHTS TO EMPLOY OTHER CONSULTANTS**

Authority reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in Authority's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of Authority's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. **ATTORNEY FEES**

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. **SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force

without being impaired or invalidated in any way.

34. **SUCCESSORS AND ASSIGNS**

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

DocuSigned by:
Amrit Singh
A88F1DF92E8F467...
Amrit Singh, Chief Financial Officer/Director of Administrative Services

CONSULTANT NAME
Power MC LLC

DocuSigned by:
By: Dean Isa
7A7B48FCE1804A1...
Name: Dean Isa
Title: Managing Member
Date: 5/17/2023

SILICON VALLEY CLEAN ENERGY AUTHORITY
A Joint Powers Authority

DocuSigned by:
By: Girish Balachandran
5CA64B9AC4C24C3...
Name: Girish Balachandran
Title: Chief Executive Officer
Date: 5/19/2023

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Exhibit A
Scope of Services

PMC shall begin working on this engagement immediately following SVCE's acceptance of this engagement letter. PMC will start gathering and reviewing all relevant project information and material related to the deal capture and settlement software solution including Adapt2's RFP proposal and resulting contract, initial and updated project management documentation, and any other project related material made available by SVCE. PMC should be provided access to the Adapt2 test and/or market simulation software platform with a brief introduction to the currently configured screens and functionality as well as access to SVCE's network to access and share project information and material. PMC shall meet with SVCE staff with detailed working knowledge of the current tools and business processes representing all impacted areas to gain an understanding of their current needs and future vision to better represent SVCE's interests throughout engagement activities and communications both internally and with Adapt2. PMC will use SVCE's list of prioritized requirements and any additional requirements uncovered during the working sessions with selected staff to identify the gaps from what Adapt2 is currently planning to deliver in the deal capture and settlements software platform. These gaps will be further evaluated to develop a plan to achieve SVCE's expectations from the software platform. PMC will also focus available time and broad industry knowledge and experience in the areas most impacted by SVCE's resource bandwidth constraints to keep the project progressing according to updated project timelines. In order to keep travel expenses at a minimum and to be more consistent with SVCE's current remote working environment, PMC shall primarily work on this engagement remotely from PMC's own facilities with occasional in person work performed at SVCE's facilities as required. SVCE agrees that PMC shall not be required to be onsite at SVCE facilities more than fifty percent of the total hours worked on under this Engagement Letter.

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Exhibit B
Schedule of Performance

PMC shall deliver a plan to implement the deal capture and settlement software platform according to SVCE's desired timeline. PMC shall work with SVCE and Adapt2 to develop and agree on a master set of requirements that better aligns Adapt2's commitment to SVCE's expectations. PMC shall develop new or update existing acceptance criteria to include user confirmation of the successful delivery of all agreed upon requirements. PMC shall develop tracking and reporting tools to effectively identify, manage, and communicate the project progress as well as any project issues and concerns. PMC shall develop and provide any other agreed upon material in support of SVCE during the engagement.

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Exhibit C
Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of ninety-seven thousand two hundred ninety dollars and no/100 ($97,290.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Task	**Estimated Budget**
1. Time and Materials (400 hours x $235/hour)	$94,000
2. Out of pocket expenses (reimbursable expenses to equal no more than 3.5% of fees)	$3,290
Total	$97,290

Rates

Personnel	**Hourly**
Dean Isa	$235.00

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit bi-weekly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). Authority shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. Authority does not pay interest on past due amounts.

Reimbursable Expenses
Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority

Additional Services
Consultant shall provide additional services outside of the services identified in Exhibit A only by

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advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

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Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE**:

(1) **Workers' Compensation**:
Statutory coverage as required by the State of California.

(2) **Liability**:
Commercial general liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.

(3) **Automotive**:
Comprehensive automotive liability coverage with minimum limits of $1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

(4) **Professional Liability**
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least $1,000,000.

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Exhibit E
Confidentiality and Data Security Requirements

Subject to the terms and conditions of the Agreement, current proprietary and confidential information of Authority regarding customers of Authority ("Authority Customers") and/or other confidential information (collectively "Confidential Information") may be disclosed to Consultant from time to time in connection herewith solely for the purposes set forth in the Agreement. Such disclosure is subject to the following legal continuing representations and warranties by Consultant:

1. The Confidential Information disclosed to Consultant in connection herewith may include, without limitation, the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.

2. Except for electric and gas usage information provided to Consultant pursuant to this Agreement, Confidential Information does not include information that Consultant proves (a) was properly in the possession of Consultant at the time of disclosure; (b) is or becomes publicly known through no fault of Consultant, its employees or representatives; or (c) was independently developed by Consultant, its employees or representatives without access to any Confidential Information.

3. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Consultant, or used for any purpose other than the purposes set forth in the Agreement.

4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Consultant who have a "need to know" such Confidential Information in the course of their duties with respect to the Consultant program and who agree to be bound by the

nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant's employee or representative (a "Third Party"), except where that Third Party has separately entered into a nondisclosure agreement with Authority. Without limiting Consultant's obligation of confidentiality as further described herein, Consultant shall be responsible for establishing, maintaining, and providing a written description to Authority of, a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantial similar to the security controls identified in the current version of NIST SP800-53, and that is designed to: (a) ensure the security and confidentiality of the Authority's Data; (b) protect against any anticipated threats or hazards to the security or integrity of the Data; (c) protect against unauthorized disclosure, access to, or use of the Data; (d) ensure the proper disposal of Data; and, (e) ensure that all employees, agents, and subcontractors of Consultant, if any, comply with all of the foregoing. In no case shall the safeguards of Consultant's data privacy and information security program used to protect Data be less stringent than the safeguards used by Consultant for its own data. If the services include handling credit card information, then the Consultant shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Consultant agrees and warrants that it is responsible for the security of "cardholder data" that Consultant possesses, stores, processes or transmits on behalf of the Authority, and for any impact on the security of Authority's cardholder data environment adversely affected by any failure of Company to maintain compliance with provisions of the PCI-DSS applicable to the services. No less than annually, Consultant shall conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to Authority. The required audit shall be a SAS-70 (or successor standard) compliant audit, and Consultant shall provide the audit findings in the form of an SAS-70 Type II report.

5. Notwithstanding the above, Consultant may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Consultant notifies Authority immediately upon receipt thereof to allow Authority to seek protective treatment for such Confidential Information.

6. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of the Authority's Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of the Data, Consultant shall, as applicable: (a) notify Authority as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with Authority in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by Authority; (c) in the case of Confidential Information, at Authority's sole

election, (i) notify the affected individuals who comprise the Confidential Information as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82, or, in the absence of any legally required notification period, within five (5) calendar days of becoming aware of the occurrence; or, (ii) reimburse Authority for any costs in notifying the affected individuals; (d) in the case of Confidential Information, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the Confidential Information for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Consultant's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless Authority for any and all Claims (as defined herein), including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from Authority in connection with the occurrence; (g) be responsible for recreating lost Data in the manner and on the schedule set by Authority without charge to Authority; (h) provide to Authority a detailed plan within ten (10) calendar days of the occurrence describing the measures Consultant will undertake to prevent a future occurrence and (i) upon conclusion of the occurrence, or at Authority's request, provide to Authority a comprehensive summary of the occurrence, including reason for occurrence, details of occurrence, how occurrence was addressed and any other information required by Authority, which shall be executed by Consultant and may be relied upon by Authority as a true and accurate account of the occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Consultant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Consultant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Consultant. This Section shall survive the termination of this Agreement.

7. It shall be considered a material breach of this Agreement if Consultant engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Consultant understands that if Authority finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement Authority shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if Authority receives a customer complaint about Consultant's misuse of data or other violation of the Disclosure Provisions, Authority shall promptly cease disclosing that customer's information to Consultant and shall notify the California Public Utilities Commission of the complaint.

8. Consultant shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or

prevent any actions by Authority directly against such employees or representatives for improper disclosure and/or use. In no event shall Consultant or its employees or representatives take any actions related to Confidential Information that are inconsistent with holding Confidential Information in strict confidence. Consultant shall immediately notify Authority in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Consultant or any of its employees or representatives. However, nothing in this Agreement shall obligate the Authority to monitor or enforce the Consultant's compliance with the terms of this Agreement.

9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.

10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority's written request, and at Authority's option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.

11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to Authority and/or Authority Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that the Authority shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Consultant or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the Authority, in law or equity.

12. In addition to all other remedies, Consultant shall indemnify and hold harmless Authority, its officers, employees, or agents from and against and claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys' fees, costs and disbursements) attributable to actions or non-actions of Consultant and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.

13. When Consultant fully performs the purposes set forth in the Agreement, or if at any time Consultant ceases performance or Authority requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to Authority itemizing the materials destroyed) all Confidential Information then in its possession at the direction of Authority. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1g

Item 1g:	**Approve July 2024 Rates Update in Alignment with SVCE's 4% Budgeted Discount Rate for All Retail Rates**
From:	Monica Padilla, CEO
Prepared by:	Peyton Parks, Energy Services Lead Kaley Dodson, Energy Services Specialist
Date:	6/12/2024

RECOMMENDATION

Staff requests the Board of Directors (Board) approve a July 2024 rate update to maintain a four percent (4%) discount to all corresponding PG&E rates, established per the discount approved by the Board on December 13, 2023 by the adoption of Resolution 2023-20, Resolution Approving Customer Generation Rates and Additional Fiscal Year 2023-2024 Budget Funding Items.

BACKGROUND

At the December 13, 2023 meeting of the SVCE Board of Directors, the Board adopted a 4% generation rate discount relative to PG&E for calendar year 2024. Following this direction, SVCE staff provided a full accompaniment of final SVCE generation rates for the Board's approval at the January 10, 2024 meeting.

Since then, PG&E recently amended peak versus off-peak price (POPP) rate differentials for generation components of E-TOU-C and EM-TOU rate schedules. Additionally, the California Public Utilities Commission (CPUC) is set to vote on several proposals from PG&E on June 20, 2024 which may impact PG&E's generation rates beginning July 1, 2024. The July rate change in PG&E's generation rates were expected, discussed with the Board, and accounted for in the current fiscal year budget.

ANALYSIS & DISCUSSION

PG&E is expected to publish new rates on June 29, 2024, which will become effective as of July 1, 2024. Staff anticipates a decrease in generation rates, which were incorporated in the budget analysis and discussion provided to the Board in December 2023. Staff will not receive PG&E's final rates until after CPUC voting on June 20. Once received, SVCE staff will calculate generation rates based on a BOD-directed 4% discount to comparable PG&E generation rates and begin billing customers under these rates starting July 1, 2024. Staff will come back to the Board with these amended rates when the Board reconvenes in August as has been standard practice with other generation rate changes.

STRATEGIC PLAN

Alignment of rates is reflected in SVCE Strategic Plan Goal 12: "Enact and maintain competitive service offerings for SVCE customers that deliver measurable economic and environmental benefits."

FISCAL IMPACT

The fiscal impact of this rate change relative to the existing budget is likely to be negligible, as this rate change has been modeled and accounted for in the existing FY 23-24 Operating Budget. Staff will present to the Board the full accompaniment of rates at the August 2024 meeting for adoption.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1h

Item 1h:	**Executive Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Larry Klein, Executive Committee Chair
Date:	6/12/2024

The Executive Committee met May 24, 2024 with all members present and discussed a recommendation to the SVCE Board of Directors to authorize payments for the California Community Choice Association (CalCCA) and California Community Power (CC Power) membership costs; heard 2025 clean power supply recommendation offerings; received an introduction on the 2025 Strategic Plan; and received information on the Community Energy Resilience program.

CEO Monica Padilla and Zak Liske, Deputy Director of Power Resources, presented a request to the Executive Committee to recommend the SVCE Board authorize payments in the amount of $502,455 to the CalCCA for fiscal year ending 2025 and approve and ratify all such payments made for previous fiscal years; and $712,149 to CC Power for FY ending 2025 and approve and ratify all such payments made for previous fiscal years. CEO Padilla explained authority to approve above $100,000 per fiscal year for these memberships was not explicitly granted when the Board approved SVCE's membership, and staff is taking a conservative approach to ratifying past payments in addition to upcoming membership fees. The Executive Committee unanimously supported the recommendation.

Kris Van Vactor, Director of Power Resources, presented a request for the Executive Committee to support a recommendation to the Board of Directors to authorize the Chief Executive Officer to approve guidance in seeking carbon-free resources for 2025, specifically if carbon-free resources are not available to adjust the 100% Clean goal for 2025 to ~78% to 85% clean, depending on carbon-free allocations from PG&E. The Executive Committee had a robust discussion, which included suggestions to staff on additional information to research and present at the Board of Directors meeting when considering approval. The Executive Committee unanimously voted to support the following:

1. Continue to seek carbon-free resources within Board parameters approved for 2024 for calendar year 2025
2. If carbon-free resources are not available, adjust 100% Clean goal for 2025 to current position of ~78% to 85% Clean, depending on carbon-free allocations from PG&E
3. For FY 2024-2025 proposed Operating Budget, assume 85% Clean position. Board to consider Budget in September 2024

This item will be considered at the June 12, 2024 Board of Directors meeting.

CEO Padilla presented an overview of the 2025 Strategic Planning process, including review of the Board approved five Strategic Focus Areas for FY 2024, progress to-date and what's to come, and a summary of staff's input on the 2025 Strategic Focus Areas which included dropping SFA4: *Implement Innovative Financing Solutions* and the creation of a new SFA focused on Affordability. The Executive Committee provided comments and feedback, and were in consensus to support the suggested changes for the upcoming fiscal year.

Agenda Item: 1h **Agenda Date: 6/12/2024**

Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy, and Jessica Cornejo, Senior Programs Specialist, presented an information item highlighting SVCE's Community Resilience Grant program, which provides grants to each agency to invest in capital projects that support municipal and community resilience.

Materials from this meeting can be found on SVCE's website: SVCE Executive Committee Meeting, May 24, 2024

The next meeting of the Executive Committee will be June 28, 2024 at 10:00 a.m.; materials will be posted no later than 72 hours in advance of the meeting.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1i

Item 1i:	**Finance and Administration Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Hung Wei, Finance and Administration Committee Chair
Date:	6/12/2024

The Finance and Administration Committee met May 13, 2024 with all four committee members present and heard two discussion items from staff: 1) Results of the Stress Test Analyses, and 2) Fiscal Year (FY) 2024-25 Budget Framework.

Amrit Singh, SVCE's CFO and Director of Administrative Services, provided information on the findings of the stress test analyses, which provided background information that staff will use in developing recommendations for the Board of Directors for reserve levels for next fiscal year and discussed portfolio procurement risks stemming from long-term load growth uncertainty. Staff will be presenting the analyses results to the Board of Directors at the June meeting.

CFO and Director of Administrative Services Singh presented an item outlining the budget framework for FY 24-25. Information presented included current rate projections (which staff noted are highly uncertain), methodology for setting reserve targets, power supply cost uncertainties, and other cost drivers. This item will also be brought to the Board of Directors at the June meeting.

Materials from this meeting can be found at the following link: SVCE Finance and Administration Committee Meeting, 5/13/24.

The next Finance and Administration Committee meeting is anticipated for August 2024 and will be determined by Finance and Administration Committee member availability; materials will be posted 72 hours before the meeting.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1j

Item 1j:	**California Community Power Report**
To:	Silicon Valley Clean Energy Board of Directors
From:	Monica Padilla, CEO
Date:	6/12/2024

Per direction from the SVCE Board on December 9, 2020 for the CEO to provide a report of the ongoing activities of California Community Power (CC Power) after each of its meetings, this is to report CC Power held a regular board meeting on Wednesday, May 15, 2024.

Attached is a summary report from General Manager Alex Morris; materials from the April board meeting can be found here on the CC Power website: CC Power Meeting, 5/15/24

The next meeting of the board will be June 18, 2024 at 1:00 p.m.; meeting materials can be found on the CC Power website: https://cacommunitypower.org/meetings/

ATTACHMENTS:
1. CA Community Power Board Meeting Summary from General Manager Alex Morris, May 15, 2024

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

TO: CC Power Board of Directors and Alternates **DATE:** 5/20/24
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – May 20, 2024**

The CC Power Board of Directors held its regularly scheduled meeting on May 20, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: Meetings and Agendas – ca community power

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
    - Minutes of the Regular Board Meeting held on April 24, 2024.
- **Regular Agenda Items**:
    - **General Manager Report –** the Board heard updates on implementation of file-sharing improvements for CC Power member-access, a planned invoice for the Build-Transfer (BTA) Project Phase 2a project, a planned blog to further explain CC Power's considerations of offshore wind, and CC Power policy operating policy progress and implementations.
    - **2024-2025 Recommended Budget Discussion –** The Board reviewed and discussed how the CC Power Strategic Plan (2022) as well as member interviews and surveys have informed a 2024-2025 work-plan and related Recommended Budget. Based on Board Discussion, additional changes to the proposed budget will be considered prior to a planned Board vote at the June 2024 Board Mtg. The Recommended Budget reflects anticipated growth in CC Power value-add for members and in core capabilities, as well as resourcing for the four contracts (Long-Duration Storage and Firm Clean Resources) and the BTA Phase 2a project (ongoing). Lastly, the recommended budget includes estimated or expected Phase 2 and Phase 3 work, a.k.a. project work, to better inform members of likely full-year costs. This estimation approach differs from past approaches where estimated *new* project work was not reflected in the budget, and mid-year 'cash-calls' were used outside of budget approval processes to fund new projects.

- **Closed Session Items:**

    - The Board heard updates on CC Power's contracts, with specific updates and status considerations on one firm-clean resources contract and one long-duration storage contract. No Board action occurred.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1k

Item 1k:	**Additional Committee Reports**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Andrea Pizano, Sr. Executive Assistant and Board Clerk
Date:	6/12/2024

There are no reports for the Audit Committee and 2024 Legislative Response to Industry Transition Ad Hoc Committee as they have not met since the last report.

The next meeting of the Audit Committee will be scheduled in September; the 2024 Legislative Response to Industry Transition Ad Hoc Committee will meet as needed based on member availability.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 2

Item 2:	**CEO Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Monica Padilla, CEO
Date:	6/12/2024

REPORT

Staff Updates

Simon Steiner

SVCE welcomed Simon Steiner, Wholesale Energy Market Planner, on 6/3/24. In this role Simon will oversee the management of SVCE's contracted resources in CAISO's market and report to Kris Van Vactor, Director of Power Resources. Simon has been working for the past few years at the San Franciso Public Utilities Commission helping to optimize their hydro and co-located assets. Previously, Simon was an advisor at TransnetBW in Germany (the local ISO), where he managed various projects supporting the integration and maturation of resources and markets. Simon has an M.Sc. in Mechanical Engineering & Business Administration with focus in Energy Engineering from RWTH Aachen University, Germany.

Scott Wrigglesworth

Staff is excited to welcome Scott Wrigglesworth to the team as the new Director of Risk Management and Analytics reporting to CFO Amrit Singh. Scott comes to us from one of our key consultants and software providers, Ascend Analytics where he spent six years. At Ascend, Scott was responsible for managing the SVCE contract and provided support in integrating Ascend's PowerSimm platform into SVCE's power and risk management operations. At SVCE, Scott will lead the risk management functions and, in collaboration with other departments, the quantitative analytics functions, which include customer rate analyses, portfolio and deal valuations, and custom rate offerings. Scott earned his MBA from the University of Dayton and holds a bachelor's degree in Global Economics from Cedarville University.

Colton Heath

SVCE welcomed another addition to the Power Resources team on 6/10/24 with Colton Heath, Energy Trading Planner. In this role, Colton will be leading the solicitation of short-term products needed to meet SVCE's goals and compliance obligations, and will report to Britta Bradshaw, Power Resources Manager. Colton comes to SVCE from SCE where he was an Energy Trader, Sr. Specialist, managing short-term natural gas procurement and interfacing with various other SCE trade floor functions. Colton holds a Bachelor of Arts in Mathematical Economics from Pacific Lutheran University.

Rebecca Dawson

Rebecca Dawson, Decarbonization Data Analyst summer intern, joined SVCE on 6/10/24 and will report to Sangeetha Kumar, SVCE Data Engineer. Rebecca is a senior at the University of California at Berkeley studying Data Science with an emphasis in Applied Mathematics and Modeling. Rebecca brings project management, organizational, and leadership skills through her involvement with student organizations. She also brings strong quantitative skills in data science, statistics, and machine learning. At SVCE, Rebecca will be working on updating our SEVI scores and rethinking equity metrics we may want to track as part of putting our DEIB framework into practice.

Jesse Park

On May 20, 2024, SVCE lost a colleague and friend Jesse Park to an untimely death. Jesse started with SVCE in April 2023 and worked in the Power Resources Department supporting settlements. Jesse was more than willing to work beyond his role and pitch in where needed utilizing his decades of energy industry experience. In the short time that Jesse was with SVCE he managed to make connections throughout the organization. He enjoyed mentoring some of his younger teammates and was a member of the SVCE Connections Team. His joyful laugh and easy demeanor made him a pleasure to work with always. He will be missed by all who knew him at SVCE.

Personnel Officer Update

SVCE welcomed four new employees this month, as noted above. We are currently interviewing for the positions of Deputy Board Clerk/Administrative Assistant and Senior Quantitative Analyst, which were added under the Personnel Authority.

Job descriptions and applications can be found on SVCE's website: Current Job Openings

CCCFA Award

The California Community Choice Financing Authority (CCCFA), of which SVCE is a founding member, received international recognition as a recipient of a Climate Bond Award for Largest US Green Municipal Issuer of 2023. CCCFA was established in 2021 with the goal to reduce the cost of power purchases for member community choice aggregators (CCAs) through pre-payment structures. CCCFA has to date issued nearly $10 billion in prepayment bonds on behalf of CCAs, saving participating community choice ratepayers roughly $60 million annually or nearly $2 billion over the life of prepaid energy contracts. SVCE has issued bonds with total proceeds of about $2.7 billion on its behalf, saving SVCE customers about $14.3 million annually.

Climate Night with the San Jose Giants, 6/13

SVCE is welcoming the summer season with the minor league baseball team San Jose Giants at our first-ever Climate Night at Excite Ballpark on Thursday, 6/13. Before the game, SVCE will host a resource fair with community partners giveaways, and family-friendly activities. The event is open to the public; please let Andrea know if you're interested in attending and we will reserve a ticket for you.

SVCE Policy Review Project

Staff is working together to streamline and mature SVCE's policies. These changes are intended to maintain appropriate oversight by the Board while improving operational capabilities and accessibility of policies for staff. We are planning to: (1) update the policies where needed; (2) streamline and consolidate the policies where possible; and (3) move a portion of the policies into standards that can be maintained and revised by staff. These changes are expected to make SVCE's policies and staff guidance stronger and easier to follow and give SVCE an opportunity to develop standards that contain commercially sensitive information without disclosing them publicly. We are planning to accomplish this work in two phases. Both will start at the Executive Committee and make recommendations to the Board that will be put on consent. Phase 1 will go to the Executive Committee in September and the Board in October and will include the recommended policies to convert to staff-level standards. Phase 2 will go to the Executive Committee in November and the Board in December and include the necessary revisions to the remaining policies. We will also include a process for continuous updates to and trainings on the policies. We are looking forward to discussing this with the Executive Committee and making these important improvements to SVCE's policies.

EmPower Silicon Valley Short-Film Competition

Silicon Valley Clean Energy awarded $18,000 in scholarships to local students for their original, impactful, and creative video submissions to the annual EmPower Silicon Valley competition. This year, nine middle and high school students were recognized for their videos promoting the benefits of clean electric technology. Students submitted videos including catchy pop song remixes about heat pump water heaters, compelling advertisements for EV charging equipment, and a presidential debate advocating for induction cooktops as the superior cooking method. All winning films will be announced in an SVCE press release and posted to the website.

Clean Energy Update
The SVCE Board of Directors voted at the February 10, 2021 meeting to authorize the Chief Executive Officer (CEO) to execute the United States Department of Energy (DOE) Western Area Power Administration (WAPA), Sierra Nevada Region Contract ("Western Contract") for Electric Service Base Resource ("Base Resource or WBR") with SVCE and any necessary ancillary agreements and documents.

A key feature of the Base Resource contract is the ability to opt-out of the agreement on or before June 30, 2024 ahead of delivery term start on January 1, 2025. Staff performed analysis on whether to opt-out of the Base Resource contract and determined it prudent to not opt-out and to take SVCE's share of the hydroelectric resource given expected long-term value. The contract has a 30-year term and will help SVCE make progress toward SB100 goals of getting to 100% clean energy by 2045.

Attachment 1 provides an update of SVCE's clean energy efforts through long-term power purchase agreements.

Decarbonization Programs and Policy Updates
The Multifamily Retrofits program went live on May 31, 2024. Staff worked with stakeholders in the housing community earlier this year to gather input that informed this program's design. This new full-service offering will help existing affordable multifamily properties transition to all-electric construction. Participants can receive comprehensive assessments, energy- and water-saving appliances, and electric vehicle charging stations at no-cost. Our team of energy experts led by the Association for Energy Affordability will provide participants with customized guidance and start-to-finish installation services. Property owners can submit their interest and learn more at svcleanenergy.org/multifamily-retrofits.

Please see Attachment 2 for a quarterly programs update.

Energy Services & Community Relations Updates
We are excited to share that the Masten Fire Station's solar battery and storage project is nearing completion. To celebrate the SVCE grant-funded project, SVCE is jointly hosting a ribbon cutting with the South Santa Clara County Fire District on July 10th, 4:30 pm- 6 pm at the Masten Fire Station (10810 No Name Uno, Gilroy, CA 95020). This event is open to the community with food and dessert provided for attendees.

The project received $100,000 in funding through the Silicon Valley Clean Energy Community Resilience Grant. With these upgraded electric technologies, the Masten Fire Station is no longer reliant on polluting diesel standby generators and is better equipped to serve the community in times of crisis or emergency.

Please see Attachment 3 for a recap of our community engagement and marketing efforts this past month.

Regulatory & Legislative Update
On the regulatory front, SVCE staff intends to begin coverage of a new proceeding opened by the CPUC to address safety, reliability and resiliency of the distribution system. Additionally, staff expects a decision in the IRP proceeding regarding use of the Central Procurement Entity prior to SVCE's August board meeting. It appears probable that this will include a procurement order for offshore wind. Staff has provided further regulatory updates in the board package.

On the legislative side, AB 1999 (Irwin) that would have repealed Income Graduated Fixed Charge in 2028 has died. The CPUC adopted its proposed decision on Income Graduated Fixed Charge in May, and PG&E will roll out this change to our customers in 2026.

Attachment 4 provides highlights of key regulatory and legislative activities.

Look Ahead Update
Staff continues to plan for Board and committee meetings through the end of the year. To provide the Board with a preview of what's ahead for the Board from August 2024 through November 2024, please refer to Attachment 5.

External Presentations & Relevant Meetings Attended by CEO

- 05/16/24 Participated in CalCCA Monthly board meeting;
- 5/22/24, Participated in CC Power Board Meeting (meeting report included on Consent Calendar)
- 6/02/24, attended NosTerra's The Future of California Grid as a panelist
- 6/06/24, attended TURN's 50th Anniversary celebration

ATTACHMENTS

1. Clean Power Update, June 2024
2. Decarbonization Programs Quarterly Report, FY24 Q2 Milestones
3. Energy Services & Community Relations Update, June 2024
4. Regulatory and Legislative Update, June 2024
5. Agenda Look Ahead, August 2024 – November 2024

Agenda Item: 2 **Agenda Date: 6/12/2024**

Exhibit 1 - CEO Agreements Executed

The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:

1) Thompson Coburn, LLP, Agreement: Representation before the CAISO Corp and the FERC on related matters, not to exceed $25,000
2) Wood Mackenzie Subscription, Agreement: Subscription, not to exceed $18,532, 1/19/24 – 1/18/25
3) San Jose Conservation Corps, Amendment: Mobile Demonstration Home, not to exceed $241,466.76, initial contract approved at the June 14, 2023 Board of Directors meeting
4) Hall Energy Law, Agreement: Legal Services, not to exceed $180,00, 7/1/24 – indefinitely. Authority approved at the May 8, 2024 Board of Directors meeting.
5) Make Media Studios, Amendment: Photography and Videography Services, not to exceed $290,000, 10/1/22 – 9/30/26.
6) Rock Rabbit, Inc., Agreement: Vendor will partner with SVCE to deploy solution to enable SVCE customers and local installers to easily find, stack, and claim incentives from SVCE and non-SVCE sources for home electrification projects, not to exceed $190,000, 5/17/24 – 11/16/25. Authority approved at the May 8, 2024 Board of Directors meeting
7) CLEAResult Consulting, Agreement: Commercial and Industrial Decarbonization Strategic Energy Management Program Implementation Services, not to exceed $2,489,087, 5/18/24 – 12/31/27. Authority approved at the May 8, 2024 Board of Directors meeting.
8) SMUD, Task Order: Electric Vehicle (EV) Rebate Program Implementation, not to exceed $227,815, 12/20/23 – 4/31/26
9) Strategic Energy Innovations, Agreement: Climate Corps Fellow Hosting Services, not to exceed $216, 750, 9/2/24 – 6/30/25. Authority approved at the May 8, 2024 Board of Directors meeting.
10) Meyers & Nave, Agreement: Litigation legal services, not to exceed $750,000

SILICON VALLEY CLEAN ENERGY

Exhibit 2 - CEO Power Supply Agreements Executed

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
Edsan	4/26/2024	Purchase	Resource Adequacy	5/1/2024	5/31/2024	$44,000
Calpine	5/22/2024	Purchase	Resource Adequacy	6/1/2024	6/30/2024	$64,000

These agreements are included in the Board packet as Appendix A.

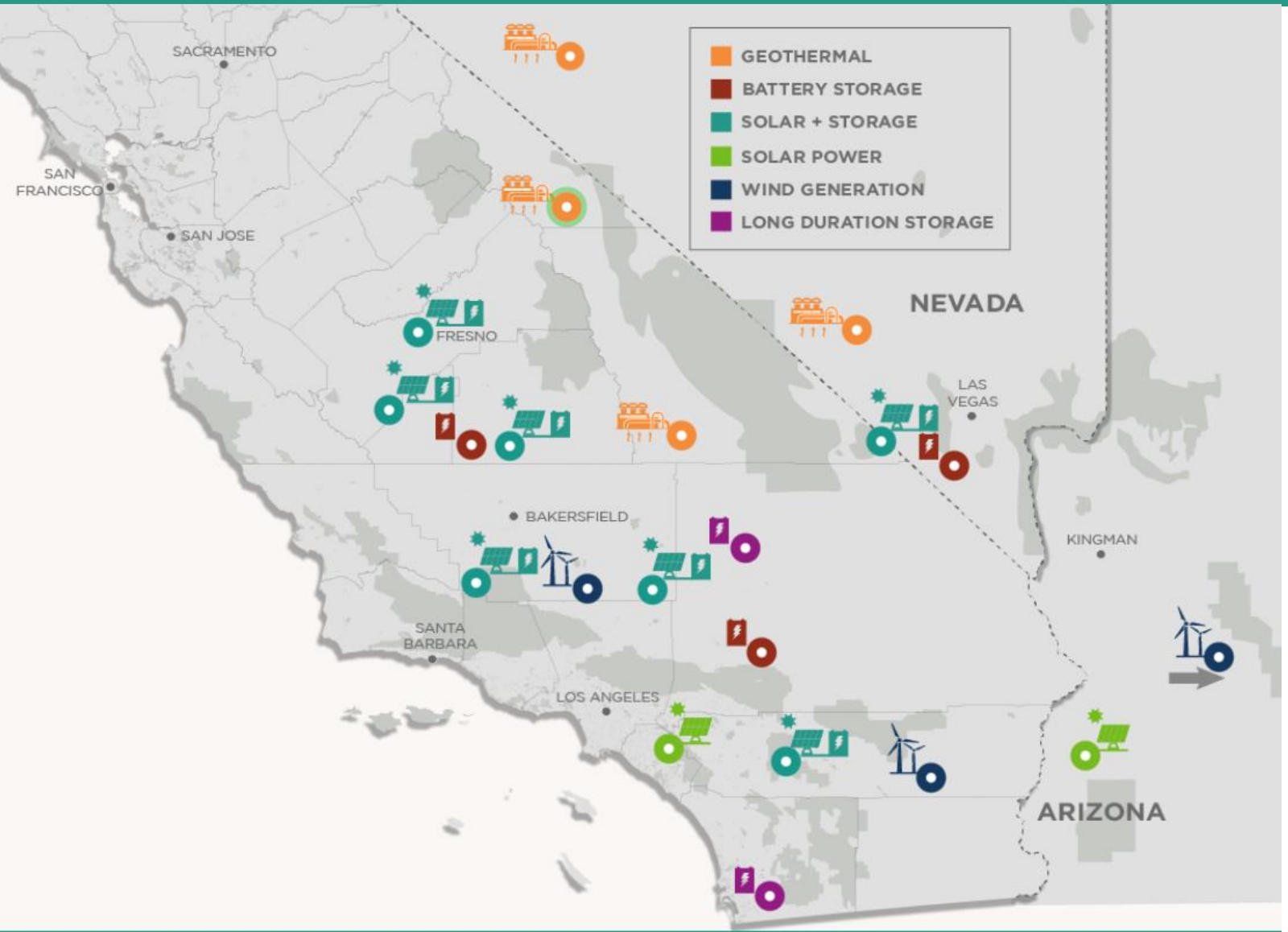


CEO Report
Clean Power Update

SVCE Board Meeting
June 12, 2024

SILICON VALLEY CLEAN ENERGY

Clean Long-term Power Agreements



- $3.7B+ in commitments
- 21 PPAs signed
  - 18 new build projects
- 896 MW of Renewable Power
- 1,845 MWh of Battery Storage

8 Projects now delivering to SVCE:

- COSO geothermal - January 2022
- Slate Solar + Storage – January 2022
- Casa Diablo geothermal – September 2022
- Mountain View wind – July 2022
- Rabbitbrush Solar + Storage – October 2022
- Terra-Gen Wind – January 2023
- Yellow Pine Solar + Storage – July 2023
- Victory Pass Solar + Storage – March 2024

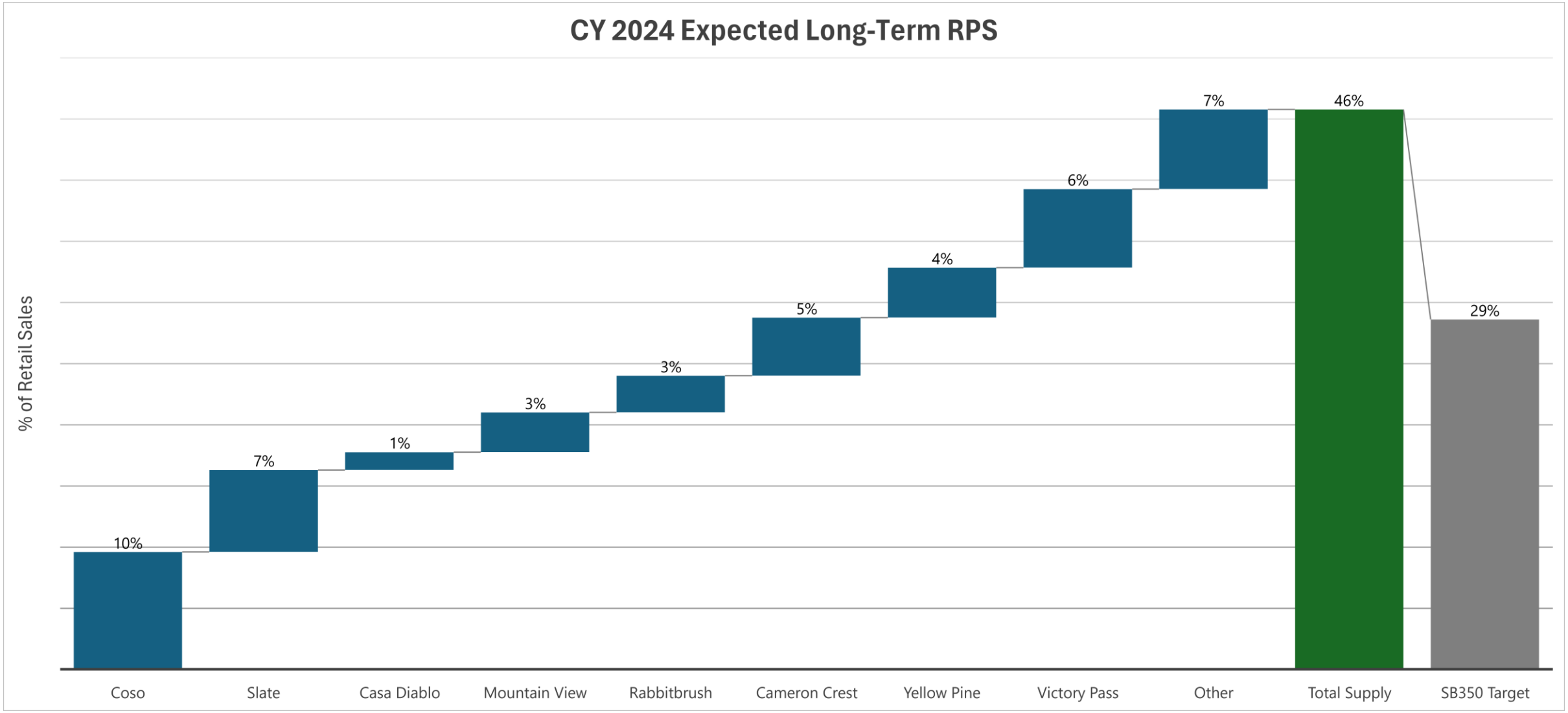
SVCE Long-Term Clean Energy Contracts

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Approximate % of Annual load in 2030	Term (years)	Lifetime Not to Exceed Authority (MM$)	SVCE Board Approval	Status
1	MN8	Slate	Solar + Storage	93	46.5	186	6.2%	17	$198	Oct-18	Online
2	Ormat	Casa Diablo	Geothermal	7			1.4%	10	$43	Feb-20	Online
3	Atlantica	Coso	Geothermal	43.8			6.1%	15	$331	Mar-20	Online
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	2.9%	15	$64	Apr-20	Online
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	3.8%	20	$128	May-20	Online
6	Avantus	Aratina	Solar + Storage	80	50	200	6.3%	20	$368	Jun-20	Pre-construction
7	174 Power Global	Atlas	Solar	50			3.6%	10	$32	Jan-21	Pre-construction
8	SB Energy	Angela	Solar + Storage	20	10	40	1.4%	15	$35	Mar-21	Pre-construction
9	AES	Mountain View	Wind	33.3			3.1%	20	$128	Apr-21	Online
10	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	3.9%	15	$132	Apr-21	Pre-construction
11	Clearway	Victory Pass	Solar + Storage	100	25	100	7.6%	15	$173	May-21	Online
12	Terra-Gen	Cameron Crest	Wind	77.7			4.6%	15	$150	May-21	Online
13	Rev Renewables	Tumbleweed	Long Duration Storage		15.9375	127.5		15	$100	Feb-22	Construction
14	Onward	Goal Line	Long Duration Storage		14.2	113.6		15	$100	Mar-22	Pre-construction
15	Ormat	Geothermal Portfolio	Geothermal	16.75			4.2%	20	$256	Jun-22	Pre-construction
16	OME	Fish Lake	Geothermal	1.82			0.4%	20	$30	Jun-22	Pre-construction
17	AES	Baldy Mesa (RA-only)	Storage	0	75	300		10	$81	Sep-22	Construction
18	MRP	Hanford	Thermal + BESS	99.4	131.4	131.4		12	$280	Apr-23	Construction
19	NextEra	Grace	Solar	120	0		8.3%	15	$286	Aug-23	Pre-construction
20	NextEra	Yellow Pine III	Storage	0	115	460		15	$420	Aug-23	Pre-construction
21	Pattern	SunZia	Wind	100	0	0	7.6%	15	$361	Nov-23	Construction

Clean Energy Resources Online Progress
as of 6/5/2024

2024 – H1	• Victory Pass Solar + Storage: *Online and Operating in CAISO Market* • Baldy Mesa (RA-Only Storage): *Operating in CAISO Market*
2024 – H2	• Hanford BESS on Peaker: *Construction mode*
2025 – H1	• Goal Line Long Duration Storage: *Pre-construction* • Aratina Solar + Storage: *Pre-construction – delayed* • San Luis West Solar + Storage: *Pre-construction - delayed*
2025 – H2	• Atlas Solar: *Pre-construction – delayed* • Yellow Pine III Storage: *Pre-construction*
2026+	• Angela Solar + Storage: *Pre-construction – delayed* • Tumbleweed Long Duration Storage: *Construction mode* • Fish Lake Geothermal: *Pre-construction* • Ormat Geothermal Portfolio: *Pre-construction* • SunZia Wind: *Construction mode* • Grace Solar: *Pre-construction*

SVCE is Making Significant Progress Toward Meeting Long-Term RPS Requirements



THANK YOU!



DECARBONIZATION PROGRAMS

SILICON VALLEY CLEAN ENERGY

Quarterly Report

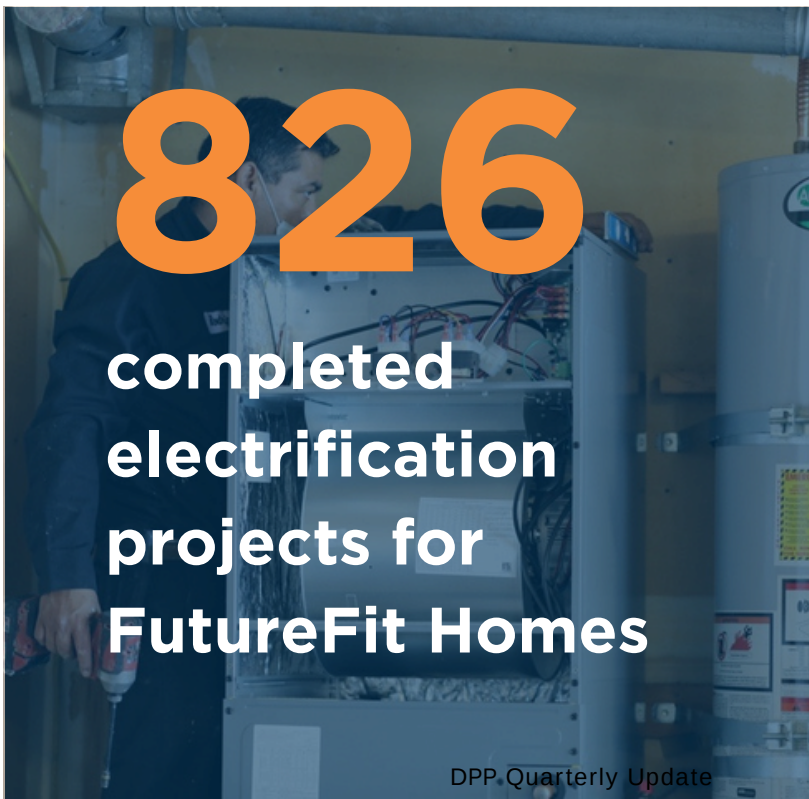
FY24 Q2 Milestones



174 contractors complete FutureFit training



100 customers use Go Electric Concierge service



826 completed electrification projects for FutureFit Homes

PROGRAMS PORTFOLIO

FY24 Q2

Quarterly Report

Active Programs

See Glossary for program descriptions. Title links to program homepage (if available).

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Electrification Rate Discount	$9.5M	5,000 customers enrolled	1,600 enrolled	Sent custom savings emails to customers, and revising tracking system setup	Explore adding as an easy step in other programs we offer. Enroll 2K customers
CHIIP, including Affordable Housing EVI Incentives	$8.9M	• 25 MUDs with EVI • 4,000 L1/L2 chargers at affordable housing	• 21 reservations (180 ports) • 6 completed (27 L2 and 32 L1)	Processed 3 new MUD claims for 21 additional EV ports.	Expand enrollment, focus on more affordable housing developers
FutureFit Homes - Residential Incentives	$7.05M	2,800 homes fully/partially electrified	826 homes fully/partially electrified	Continued to see strong uptake with ~$1M in claims	Integrate program into Salesforce and develop project/equipment list as a reference on the website
CALeVIP 1.0	$6M	• 85 DCFC installed • 1,100 L2 installed	• 10 DCFC installed • 227 L2 installed	Monitored installation progress. Tracked dropouts and investigated reason.	Continue making payments to DCFC and L2 projects as they are completed.
Community Energy Resilience	$5.15M	13 agencies complete projects	3 agencies completed projects	Sunnyvale and Cupertino used grants to install mobile, off-grid, EV chargers throughout the jurisdictions	Monitor and reimburse agencies as projects move to completion
Decarbonization Demonstration Grants	$3.2M	8 local public facing electric projects	1 project complete	Staff developed grant resources in preparation of grant closeout (Dec 2024)	Support grantee community engagement efforts
Permit Modernization	$3.2M	13 member agencies improve electrification permitting	Data gathered for all 13 agencies. Program just began rolling out	Launched and began outreach to member agencies	Prepare draft action plan for each agency's input. Work with staff to fine tune actions and connect actions to SVCE resources.
C&I Decarbonization Program	$2.5M	7,500 metric tons of CO_2e removed through carbon saving measures	9 customer leads, 1 pilot participant (evaluating 13 projects)	Completed solicitation for fully funded program. Contract expected at May 8 Board meeting	Program to launch in early June, recruit 3-6 new C&I participants
Customer Resource Center (eHub)	$2.1M	• 1.5M email opens • 350K unique web visits	517K email opens, 333K web visits, 312 induction cooktop rebates	Sent emails about induction cooktops, and posted social media posts	700K email opens, 345K web visits, Launch Yard Care promotion
Existing Building Policy Experiment	$1.9M	Spur action on building electrification and reduce building gas combustion	Needs assessment for all 13 agencies	Completed conversations with all 13 agency directors and staff to understand priorities	Prepare draft action plan for each agency for staff input; fine tune actions and utilize SVCE resources

PROGRAMS PORTFOLIO

FY24 Q2

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
FutureFit Fundamentals Contractor Training	$1.7M	• 300 contractors trained • 500 graduate incentives	174 contractors completed training	Continued online video trainings, 36 completions since last quarter	Increase program marketing
Go Electric Advisor	$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	100 customers use service (8 electrification plans done)	User testing, website updates, and soft launched service	Marketing kicking off and aiming for 200 new contacts
Priority Zone DC Fast Charger (PZDCFC) 2.0	$875K	10 DCFC installations near MUD hotspots	8 of 10 ports are live now (3 of 4 sites)	Received 2 of 3 remaining claims from sites (currently under review). Tracking progress of final project site.	Finalize all sites; begin nearby resident outreach.
FutureFit SMB Incentives	$750K	20-30 SMBs electrified	3 SMBs fully/partially electrified	Released non-profit rebates; onboarded fellow to lead SMB outreach; released induction rebates	Begin visiting businesses in our communities, increase program awareness, create non-profit testimonial video
FutureFit Assist	$725K	• 60 assessments • 36 projects done • 250 ports	54 applications	Launched new marketing and outreach campaigns to increase participation; enrolled 4 new properties	Expand enrollment
GridShift EV Charging	$850K	Bill/emissions savings and load shifting capacity	• 1,354 EVs enrolled • 37 charger rebates	Explored REDWDS dynamic rates pilot with ev.energy. Launched referral program.	Finalize REDWDS scope. Expand enrollment
Reach Codes 2.0	$600K	Require all new buildings to be emissions-free	13 agencies adopt electrification ordinances	Monitor and support agencies as the Berkeley legal case evolved (BAAQMD)	Present alternative reach codes to member agencies and provide legal/technical support
SV Building Electrification Stronger Together	$600K	Educate stakeholders about building electrification	30 new stakeholders engaged to date	Conducted focus group for direct install programs, reaching a new audience of renters and renter advocates	Launch engagement incentive program to invite new feedback from members of workforce, housing, and LMI groups on SVCE programs
Programs Marketing Fund	$500K	2,500 new program enrollments	Setup systems to track expenses and enrollments	Setup tracking systems, completed first enrollment forecast	Complete digital tracking setup, analyze first few months of expense/enrollment data
Decarbonization Engagement Grants	$442K	5 communities engage residents on climate action topics	In progress	Mountain View finalizing Community Needs Assessment. The report "Existing Building Electrification: Resources and Messaging" will be done July	Monitor and reimburse agencies as projects move to completion

PROGRAMS PORTFOLIO

FY24 Q2

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Natural Gas Phaseout Feasibility	$300K	Complete 2 whitepapers to inform local, regional, and statewide policies	External stakeholder meetings on 2 whitepaper topics	BOD approval of contract, kick-off technical solutions analysis, first round of CCA engagement	Complete additional analysis tasks, host second round of CCA engagement
Fleet Electrification	$300K	Complete fleet electrification and charger installation planning for 10 fleets	8 fleets in progress	The following agencies are now participants: Cupertino, Gilroy, Los Altos, Los Gatos, Morgan Hill, Morgan Hill Unified School District, Mountain View Whisman School District, Purissima Hills Water District	2-3 agencies anticipate completing the planning process
EM&V	$250K	Evaluate 80% of SVCE programs within 1 year of launch	2 reports completed, 2 in progress	Completed Data Hive EM&V final report and customer awareness survey final report.	Close 1 report, stay on track to complete 2 more by Q4
SV Transportation Electrification Clearinghouse	$150K	Create cohort to enable equitable electrification.	In progress	Semi-launched program, met with 7 stakeholders	Continue to meet with key stakeholders biannually to maintain relationships. Original program goals have matured into formal initiatives.
Lights On Silicon Valley	Power Supply Budget	750 SFH and 5 MF projects	657 enrolled SFH at outset of delivery period	Capacity from behind-the-meter solar and storage projects was delivered to SVCE.	Continued delivery and adjustments to dispatch as needed.

PROGRAMS PORTFOLIO

FY24 Q2

Planning

Name	Budget	Potential Impact	Last Quarter (Update)	Next Quarter (Target)
Single-family Installation	$14M	600 single-family homes electrified; 700 emergency water heater replacements	Contract with Franklin Energy approved at March 2024 BOD Meeting	Continue program design with PCE and launch program by FY24 Q4 (Jul-Sep)
Multifamily Direct Install (TE and BE)	$12.5M	300 to 1,000 MF AH units electrified	Hosted 2 stakeholder meetings with 20 attendees to gather feedback on initial program design	Continue program design and launch program by FY24 Q3 (Apr-Jun)
Resiliency, Engagement, and Decarbonization (RED) Grants	$10M	Fund resiliency, engagement, and decarbonization projects for Member Agencies, schools, community groups, and non-profits	Staff created initial design for the new grant program	Conduct community engagement on program design for the grants
Tariffed On Bill (TOB) Financing	$5.2M	200 customers finance electrification	Continued supporting CPUC TOB Working Group	Submit joint proposal to CPUC & contract for pilot
Innovation Onramp	$2.4M	1-2 pilot projects per year that advance electrification programs and strategies	Selected vendor for customer incentive and contractor selection pilot program	Execute contract with vendor. Scope next cycle and release call for proposals.
Neighborhood Electrification	$1.5M	Test model to electrify buildings within a community. Electrify 15 homes and set plans for 24 homes.	Began program design, identified geography and three approaches for pilot scope	Complete pilot design and identify key partners to execute project
EV Education & Incentives	$1.5M	600 EV purchase incentives for income qualified customers	Identified implementer and initiated stakeholder engagement	Develop dealer network and integrate stakeholder feedback into program design to prepare for Fall launch
Workforce Development Partnerships	$1.3M	Increase capacity to coordinate and train skilled workforce for residential electrification jobs	Secured funding for program in March	Identify initiatives that recruit and train residential electrification contractors and develop partnership structure
Demand Flexibility and Virtual Power Plants	$500K	Connectivity to flexible, customer-sided loads to enable bill savings, avoided generation and capacity costs, reliability and carbon benefits	Collaborated with PG&E on development of RTP pilots, regulatory and legislative engagement, grant evaluations	Confirm SVCE participation in PG&E pilots and high level program design, pursue grant application submission w/joint CCAs, SVCE demand flexibility road map
E-Bikes	$500K	450 e-bikes	Secured funding for program in March	Begin program design for launch in 2024
Portable Heat Pumps	$500K	100 portable heat pumps	Secured funding for program in March	Begin program design for launch in 2024

PROGRAMS HIGHLIGHTS

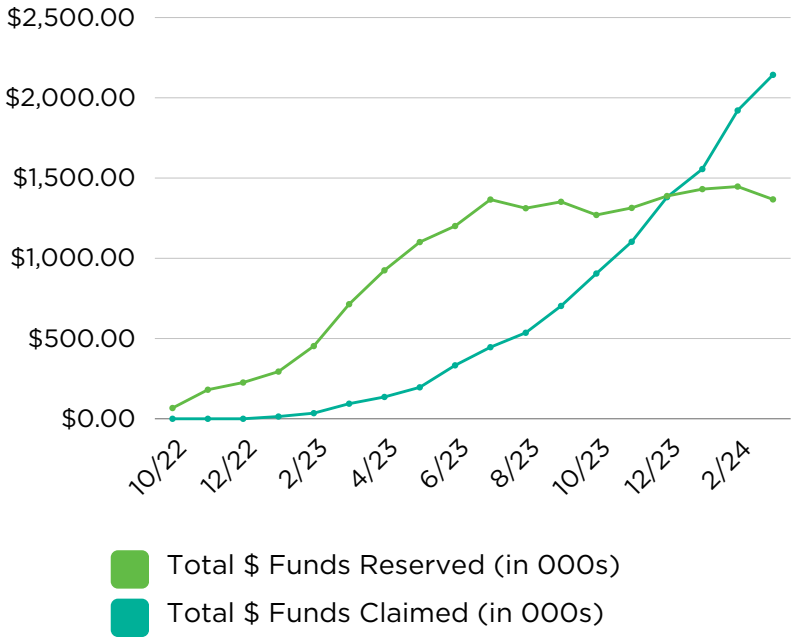
FY24 Q2

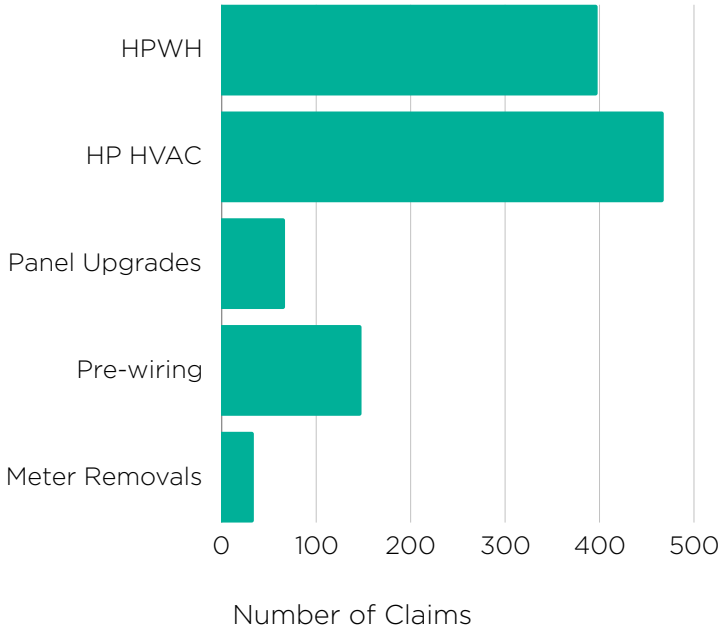
FutureFit Homes

Provide incentives to residents for electric heat pump water heaters (HPWH), heat pump HVAC systems, service panel upgrades, and pre-wiring upgrades to replace gas appliances.

Rebates claimed: $2.1M

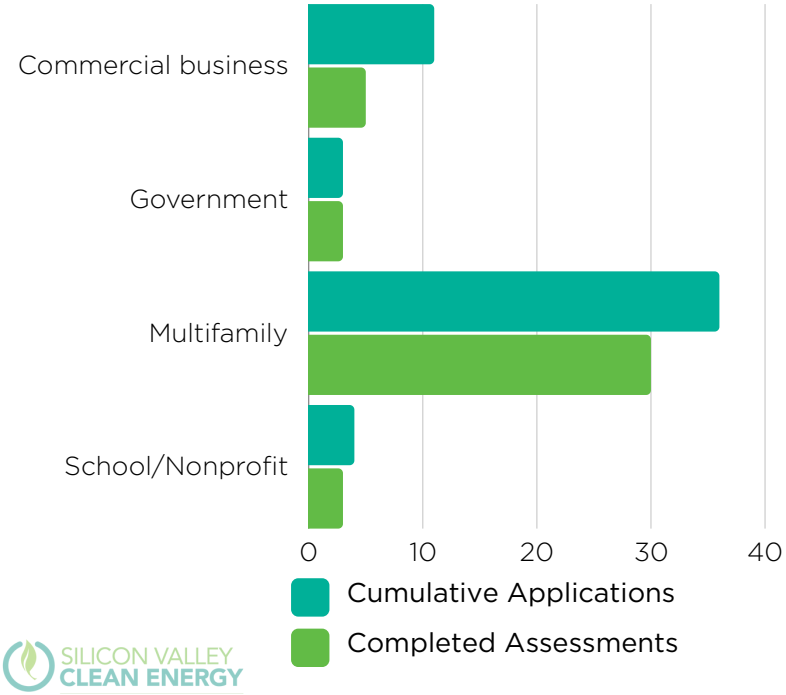
Rebates reserved: $1.4M





Future Fit Assist

Assistance in site assessment, preliminary design, and applying to rebates for charging at multifamily housing and small and medium workplace properties.



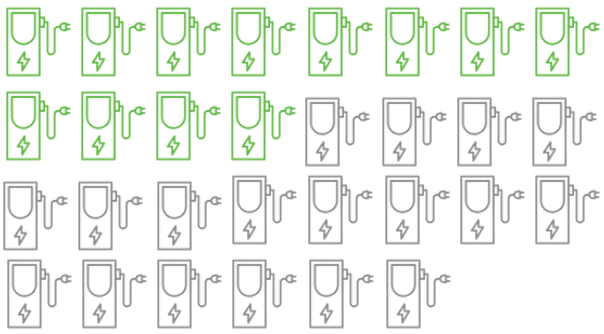
Charging Installation Incentive Program (CHIIP)

Incentive program for L1 and L2 EV charging infrastructure at multifamily properties

Funds Reserved: $763K

Funds Claimed: $212K

Goal: 35 Sites, 150 ports



= 5 Installed EVSE Ports

PROGRAMS HIGHLIGHTS

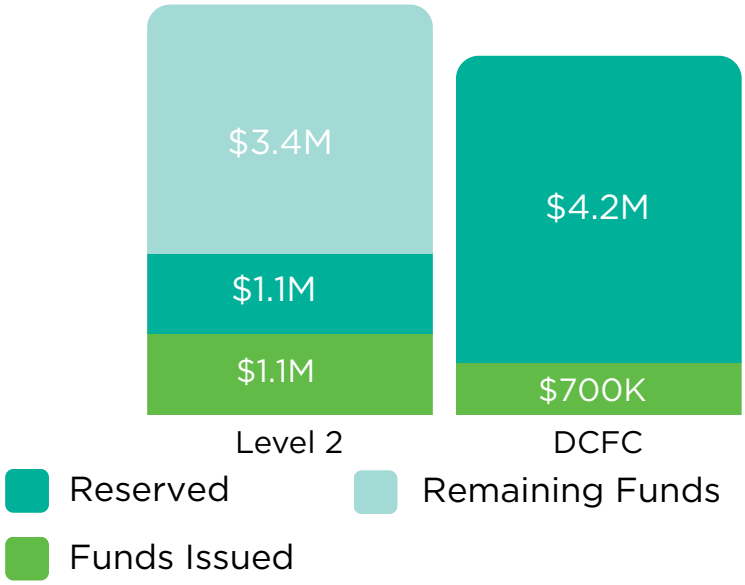
FY24 Q2

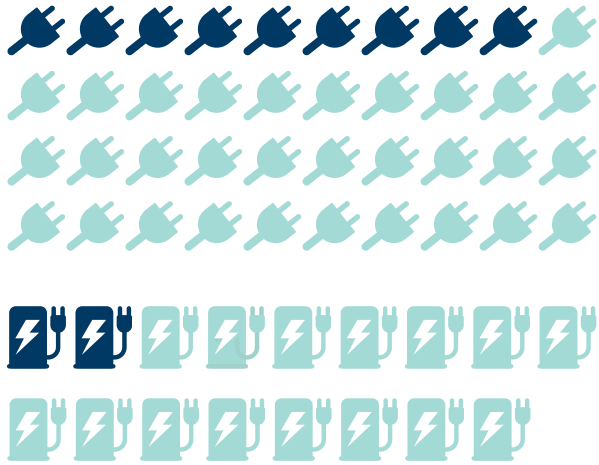
CALeVIP

Provide incentives for electric vehicle (EV) chargers as part of a regional program.

Funding: $11.58M

Goal: 1K Level 2 + 85 DC Fast Chargers by 2023





= 25 Level 2 Installations

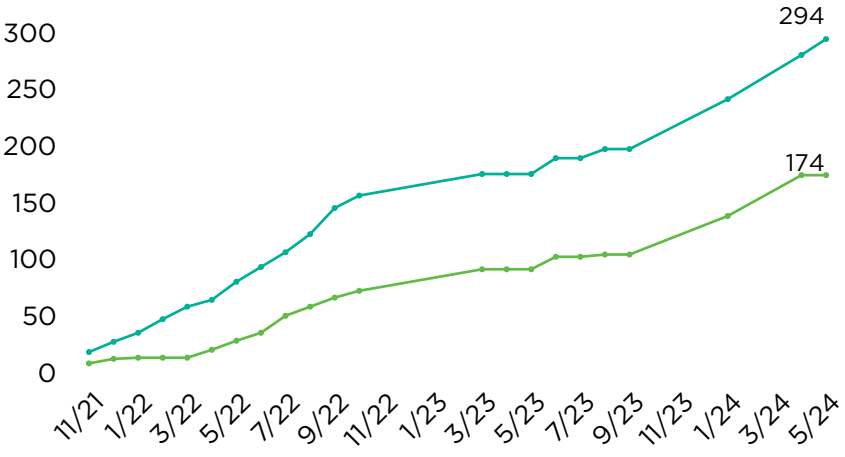
= 5 DCFC Installations

FutureFit Fundamentals

Provide financial relief to contractors by expanding their knowledge of electrification technologies.

Funding: $1.5M

Goal: 300 Participants Complete the Course (Phase 2)





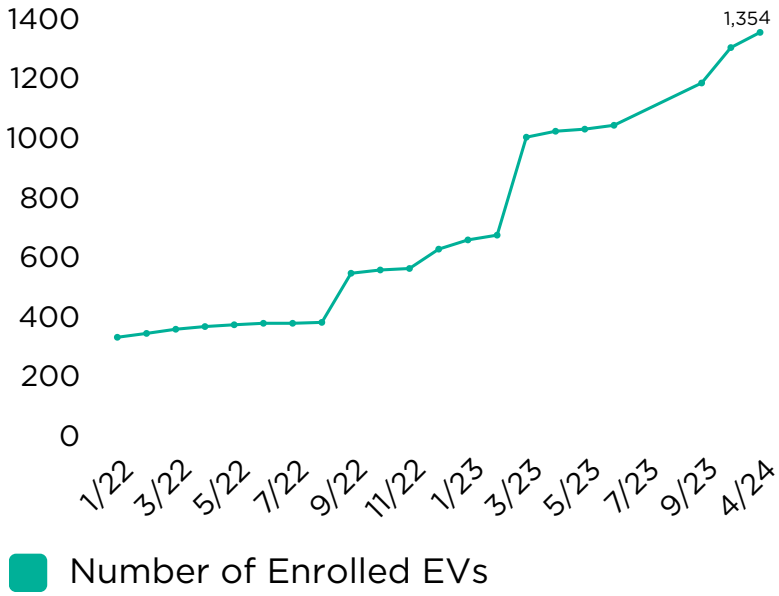
= 10 Participants Complete Course

PROGRAMS HIGHLIGHTS

FY24 Q2

GridShift EV Charging

Managed EV charging app that optimizes charging to reduce associated costs and emissions.



Rebate Goal: $30K

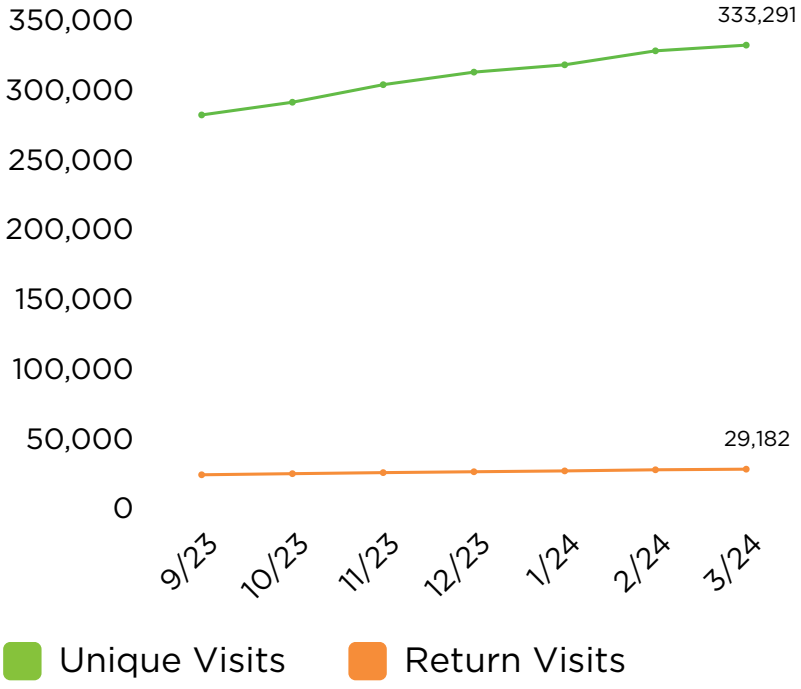
Goal: 120 EV Chargers



Charger Rebates Issued: 37

eHub Report

Online customer resource center to enable engagement, education and action related to clean electricity, EVs and home electrification.



Website Visit Goal:
Reach 350K Unique Visitors

Email Goal:
Conduct 6 email campaigns



= 1 email campaign completed

GLOSSARY

Built Environment

Community Energy Resilience: Resources (grants) and tools for member agencies to increase individual and collective capacity to adapt to future power outages.

Electric Showcase Awards 2.0: Award program to recognize residential, commercial, and non-profits who are early adopters of existing building electrification.

Decarbonization Demonstration Grants: Grants to encourage member agencies and other key groups an opportunity to electrify their facilities. Focus on projects with public visibility for education/awareness purposes.

Decarbonization Engagement Grants: Grants for member agencies and other key groups to work on smaller electrification engagement initiatives to engage their communities.

Electrification Rate Discount: Custom rate to promote building electrification.

Existing Building Policy Experimentation: Assess and support potential policy levers that member agencies can explore to mitigate emissions from existing buildings.

Feasibility Assessment of Natural Gas Phase Out by 2045: Feasibility study to identify technical, legal, and economic barriers and opportunities for phasing out natural gas service by 2045 in SVCE's service territory.

FutureFit Fundamentals Contractor Training: Training and financial incentive program for contractors to expand their knowledge and installation of electrification technologies.

FutureFit Homes - Concierge: Comprehensive one-on-one phone or web assistance to SVCE customers to assist them in applying for electrification incentives, technical assistance, or developing a whole-home electrification plan.

FutureFit Homes - Residential Incentives: Incentives for various building electrification technologies for single- and small multi-family residential customers. Includes major appliances as well as eventual gas meter removal.

FutureFit Homes and Buildings - C&I Incentives: Incentives for demonstration projects at a handful of small and medium business properties.

Multifamily BE Direct Install: Comprehensive building electrification retrofits with a direct installer for multifamily affordable housing sites.

Permit Modernization: Benchmark and streamline member agency permitting and inspection processes to identify barriers and opportunities to electrification.

Reach Codes 2.0: Provide model building energy codes supportive of all-electric design and EV infrastructure to member agencies along with consultant support.

GLOSSARY

Built Environment

SVBEST: Regular regional stakeholder convenings to coordinate program alignment across building decarbonization workstreams.

Tariffed On Bill (TOB) Financing: Equitable financing pilot program for electrification for low-moderate income residents focusing cost recovery through on-bill charges that are lower than bill savings.

Mobility

CALeVIP 1.0: Incentives for L2 and DCFC publicly-accessible EV chargers funded by California Energy Commission and SVCE as part of a regional collaboration.

CHIIP: Incentive program for L1 and L2 EV charging at hard-to-reach multifamily properties.

Fleet Electrification Program: Competitive application for SVCE's fleet electrification planning support and funding for site upgrades targeting a broad set of fleet types.

FutureFit Assist: Technical assistance for preliminary site design and pertinent rebates for charging at multifamily housing and small and medium workplace properties.

Multifamily TE Direct Install: Comprehensive transportation electrification retrofits with a direct installer for multifamily affordable housing sites.

Priority Zone DC Fast Charger (PZDCFC) 2.0: Competitive grant application for DCFC installations in "priority zones" that support designated multifamily housing clusters.

SVTEC: Regular regional stakeholder meetings focused on information sharing, solving critical issues, and attracting external funding to the SVCE community in support of EV infrastructure deployment.

Power Supply

Lights On Silicon Valley: Provide incentives for enrolling solar and battery systems in the SVCE grid services program.

Medical Battery Program: Pilot program to deploy ~50 portable batteries to qualified customers who rely on power for medical equipment.

Education & Outreach

Customer Resource Center (eHub): Online customer resource center and marketplace to enable engagement, education, and action related to clean electricity, EVs, and home electrification.

Grid Integration

GridShift EV Charging: Managed EV charging phone app that optimizes charging to reduce associated costs and emissions. Includes incentives for reducing grid peak demand.



Energy Services & Community Relations

June 2024 Updates

1. Outreach Events & Sponsorships

Date	Sponsorship/Event	Location
6/5/2024 – 6/6/2024	**Inaugural CalMatters Ideas Festival** *Sponsorship and staff attendance*	Sheraton Grand Sacramento Hotel 1230 J St Sacramento, CA 95814
6/8/2024	**Saratoga Blossom Festival** *Tabling*	Heritage Orchard & Civic Center 13777 Fruitvale Ave Saratoga, CA 95070
6/13/2024	**SJ Giants Climate Night with SVCE** Gates open at 5:30 p.m. *Sponsorship, staff outing, tabling*	Excite Ballpark 588 E Alma Ave San Jose, CA 95112
6/15/2024	**Milpitas Juneteenth – Unity In Community** 11 a.m. – 5 p.m. *Sponsorship & tabling*	Sunnyhills Park Cortez St & Coelho St, 400 Roger St Milpitas, CA 95035
6/21/2024	**SVLG Sustainable Growth Summit** Time TBA *Sponsorship*	Oracle 350 Oracle Pkwy Redwood City, CA 94065
7/3/2024 - 7/4/2024	**Morgan Hill Freedom Fest** *Sponsorship*	Downtown Morgan Hill Morgan Hill, CA 95038

2. Customer Participation

	Participation Rate	Overall Participation Rate
Residential	96.11%	96.15%
Commercial	96.56%	

SILICON VALLEY CLEAN ENERGY

3. EmPowerSV Competition

Four grand prizes of $3,000 each awarded to videos that captured the core of each prompt with exceptional editing and creative messaging:



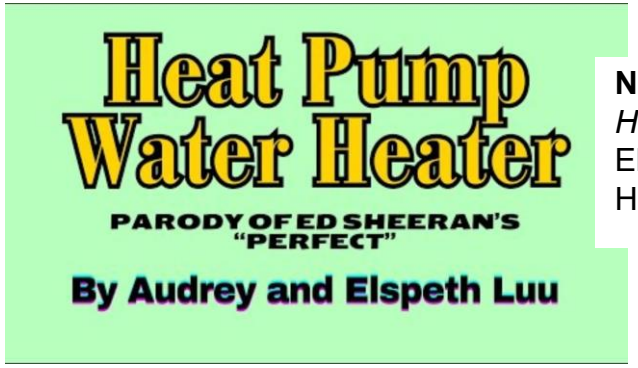
Presidential Induction Award:
Clean Cooking 2.0 by Reena Boddukuri from Prospect High School



Heat Pump Hit Award:
SVCE Short Music Video Entry: Heat Pumps by Jeremy Brosnan from Saint Francis High School



Iconic Commercial Award:
EV Chargers: The Pulse of the Future by Jyothiswaroop Makala from Prospect High School



Nobel Technology Award:
Heat Pump Water Heater Parody by Elspeth & Audrey Luu from Monta Vista High School

3. EmPowerSV Competition

Three Creative Presentation Awards for $2,000 each to videos from any prompt that demonstrated strong visions of a clean energy future and/or creative communications:



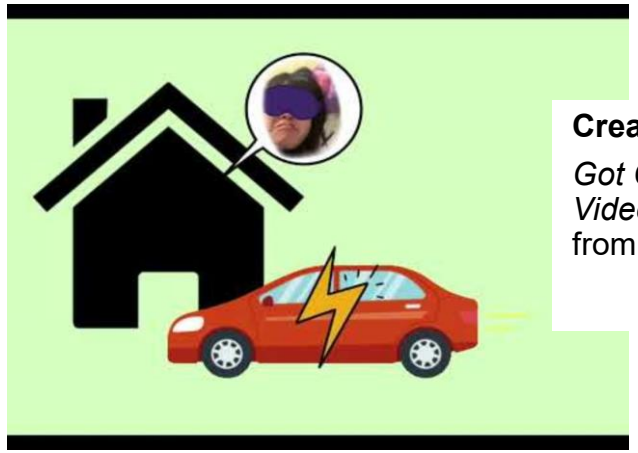
Creative Presentation Award:

Clean Energy Empowers the Future by Ramya Makala from Prospect High School



Creative Presentation Award:

Go Green - Starting With EV Chargers by Sanvi Bharadwaj from Cupertino Middle School



Creative Presentation Award:

Got Charge? EmPowerSV Student Video by Maple Fan and Clarabelle Wang from Cupertino High School

4. South County Fire Station Ribbon Cutting

July 10th, 4:30 – 6 p.m. RSVP using QR code or at svce.info/MastenStation



The project:

- Received $100,000 in SVCE grant funding
- Installed solar panels and a battery backup at a critical facility, the Masten Fire Station (serving all of South County)

SILICON VALLEY CLEAN ENERGY

5. Social Media: May Highlights

We made 61 posts across social media platforms. Top posts are highlighted:



[Yardcare Rebate Promotion]



[Victory Pass Solar Storage Launch]



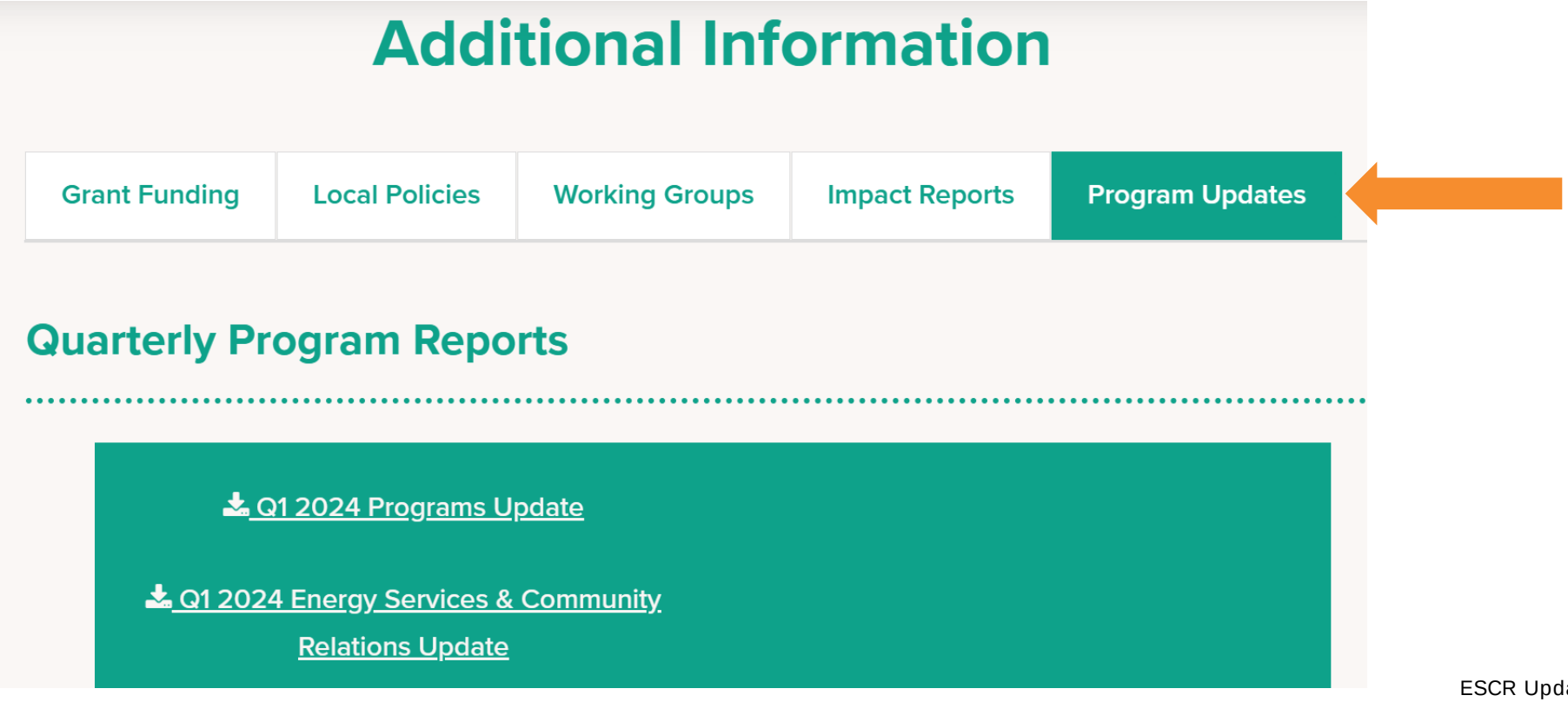
[Environmental Literacy Summit]



[Earth Month Recap Reel]

6. Programs Updates Now Online

To provide easier access to updates for customer programs, community events and marketing activities, these quarterly board reports are now available on the Member Agency Resources webpage. svcleanenergy.org/member-agencies/#program-updates



5. Member Agency Working Group – May Update

The most recent MAWG meeting was held on May 23, 2024 and was attended by 9 different agencies and organizations with a total of 21 participants and 2 guest speakers.

The following agenda items were presented and discussed:

- Equity Initiative Mapping Tool presented by Berkeley's Center for Law, Energy & the Environment (CLEE)
- PG&E's Multifamily & Small Business EV Charger Program presented by Ecology Action
- Clean & Healthy Affordable Multifamily Properties (CHAMP) Program Prelaunch
- Member Agency Grant Support
- Standing Item: Policy & Permitting Updates
- Summer Readiness

6. Press Releases & Media

Press Releases

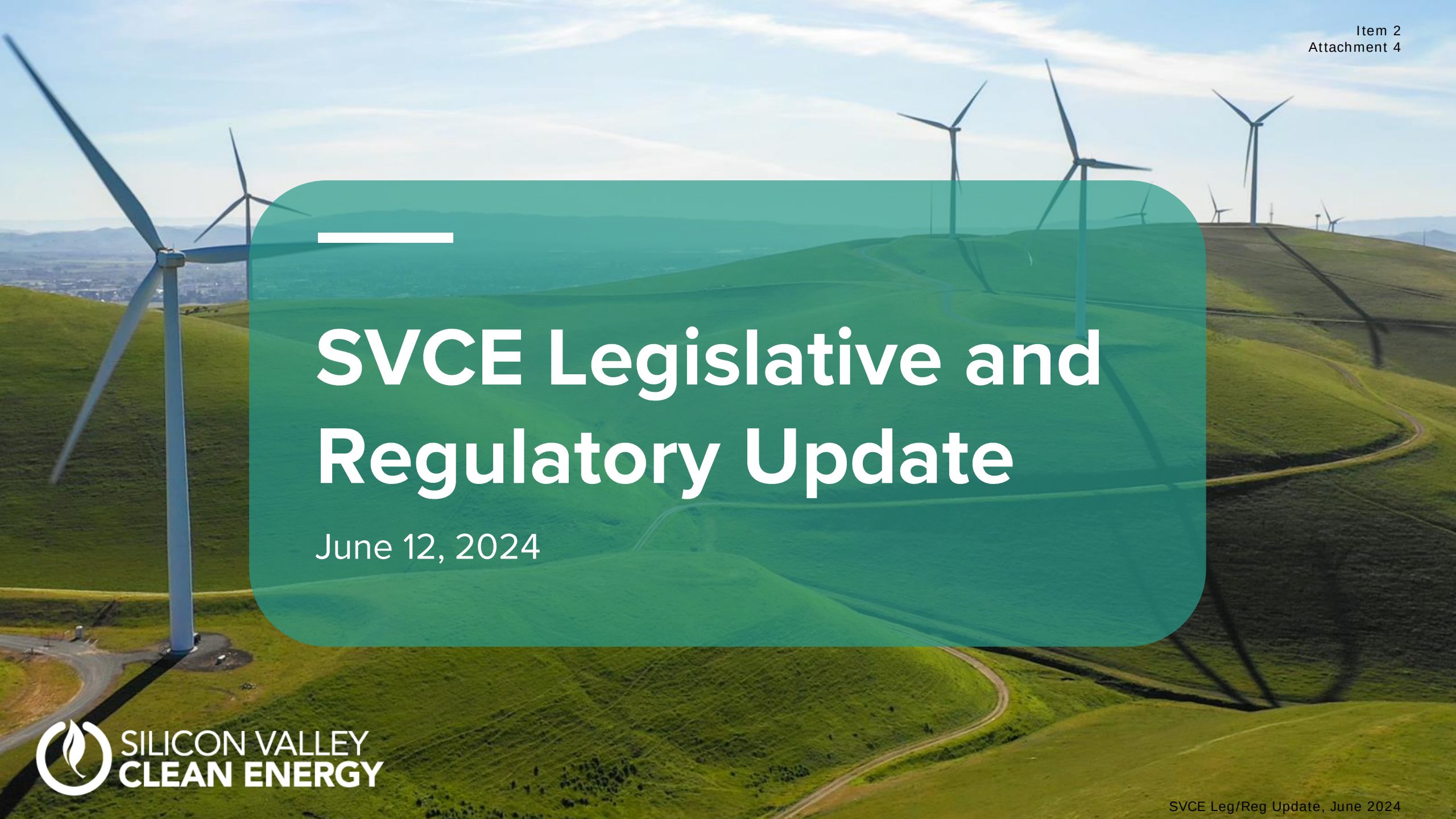
- Victory Pass Solar and Storage Project Begins Generation for Central Coast Community Energy and Silicon Valley Clean Energy Customers, *Press Release, 05-07-24*

Media Mentions

- Real-Life Lessons for Thriving in the Energy Transition, *POWER Magazine, 05-01-24*
- Stem Announces First Quarter 2024 Results, *Benton Courier, 05-02-24*
- Q&A: Climate change solution can carry environmental costs, *Mercury News, 05-10-24*
- Mercury News Letters to the Editor for May 14, 2024, *East Bay Times, 05-13-24*

6. Press & Media

- Electrify Your Home San Bruno: It's Easier than Ever, *Patch.com, 05-19-24*
- This VP helps turn clean energy into high heat to decarbonize industry, *Canary Media, 05-23-24*
- Bay Area cities suspend natural gas bans on new buildings, *The Mercury News, 05-27-24*
- 新建築天然氣禁令 灣區各縣市紛紛喊停 (Counties and cities in the Bay Area have called for an end to the natural gas ban on new construction), *World Journal, 05-28-24*
- Solar project to destroy thousands of Joshua trees in the Mojave Desert, *LA Times, 05-31-24*



SVCE Legislative and Regulatory Update

June 12, 2024

SILICON VALLEY CLEAN ENERGY

Policy Updates

Regulatory Update:

1. Integrated Resource Planning
2. New Order Instituting Rulemaking on Distribution Grid Resiliency and Reliability
3. Resource Adequacy
4. PG&E's 2025 Energy Resource Recovery Account (ERRA) Forecast Application
5. Update on the Joint Rate Mailer

Legislative Update:

1. Governor’s May Revise
2. SVCE and CalCCA Bill Positions
3. Climate Bond Update
4. 2024 Legislative Calendar



Regulatory Update

Key Regulatory Activities

Activity	Purpose	Status
Integrated Resource Planning (R.20-05-003)	Electric Integrated Resource Planning and Related Procurement Processes.	A ruling was issued requesting party feedback on a number of issues related to the use of AB 1373, allowing the Department of Water Resources (DWR) to procure long-lead time resources via a Central Procurement Entity (CPE) mechanism. The initial ruling suggested potential resources for CPE include Offshore Wind (OSW), Out of State Wind, Geothermal and Long-Duration Energy Storage. Of these four, OSW was the only one with a cost-benefit analysis provided. On May 24th parties filed responses to the ruling's 31 questions. Sentiments of CPE usage was mixed with developers broadly supporting it, some ratepayer advocates group opposing and load serving entities (LSEs) generally suggesting it be approached with caution. Under AB 1373 the Commission must determine need by September 1, 2024. A PD is therefore expected in July.
New Order Instituting Rulemaking on Distribution Grid Systems (Rulemaking number not yet assigned)	Update Rules for the Safety, Reliability, and Resiliency of Electrical Distribution Systems.	On May 30, 2024 the California Public Utilities Commission (CPUC) voted to adopt a new proceeding that will examine the safety, reliability, and resiliency of electrical distribution systems. The CPUC has opened this proceeding because of various risks and new priorities the distribution grid is facing: (1) aging equipment; (2) extreme, climate-driven weather events; (3) evolving wildfire mitigation practices; (4) increased prioritization of equity; and (5) increased prioritization of electrification. The proceeding will be scoped to examine the following four key issues: • The reliability of electrical distribution service • Outage transparency for customers • Supporting actions for short term reliability, safety, and system resilience • The reasonableness of costs and cost allocation SVCE plans to engage with the new proceeding and will provide updates as the record is developed.

Key Regulatory Activities

Activity	Purpose	Status
Resource Adequacy (R.23-10-011)	Oversee the Resource Adequacy program, consider program reforms and refinements, and establish forward resource adequacy procurement obligations.	On May 17th a Proposed Decision (PD) was issued in Track One of the RA proceeding. The PD rejects delaying implementation of the new Slice of Day (SOD) RA program and rejects proposals from several parties, including CalCCA, to grant temporary system waivers. It also rejected party proposals to allocate the RA capacity from both the Strategic Reliability Reserve and the IOU's "effective PRM" – both measures to procure capacity outside of the normal RA process – to LSEs. Additionally, the PD sets the Planning Reserve Margin (PRM) to 17% for 2025 and clarifies several accounting rules for the SOD framework.
PG&E's 2025 ERRA Application (A.24-05-009)	Application of PG&E for Adoption of Electric Revenue Requirements and Rates	On May 15, PG&E submitted its 2025 ERRA Forecast Application, which starts the year-long process for approval of its generation rates for 2025.
CCA Code of Conduct (R.12-02-009)	Rules of Conduct for CCAs, including Joint Rate Comparison Mailers	On May 28, SVCE requested a 60-day extension until September 1 to distribute the annual Joint Rate Comparison ("JRC") mailers. PG&E is in agreement with the request, which stems from ongoing technical issues at the Western Electricity Coordinating Council resulting in delayed issuance of Renewable Energy Certificates ("RECs"). Without the accurate number of RECs issued, the JRC would be inaccurate. SVCE will request further deadline delays if the issues persist.



Legislative Update

May Revise of State Budget

Additional $7B reduction for total shortfall of $27.6B. Highlights for energy/climate:

Program	Funding Amount
ZEV programs	$475M shift from Cap and Trade
Clean Energy Reliability Investment Plan	$100M delay from early budget action, $900M fund shift from General Fund to Cap and Trade in May Revise
Distributed Energy Backup Assets Program	$75M fund shift from General Fund to Cap and Trade

Additional Potential Cuts/Fund Shifts

Currently under debate between the legislature and Governor. Legislative deadline to pass budget by June 15th.

Program	Funding Amount
Equitable Building Decarb	Governor proposing cuts of $53 M in FY ‘24 and $77M in FY ‘25.
Workforce Programs – Women in Construction, CA Youth Apprenticeship, CA Youth Leadership Corps, and High Road Training Partnerships	Governor proposing roughly $70M in cuts.

SVCE and CalCCA Bill Positions

Bill	Summary	CalCCA or SVCE Position	Status
SB 1095 (Becker)	Prohibits mobile home parks and homeowner associations from instituting barriers to electric appliances.	SVCE Support/CalCCA Support	Died
AB 2513 (Pellerin)	Requires health warning labels on gas stoves.	SVCE Support	Senate Env Quality
SB 1221 (Min)	Creates a neighborhood zonal decarbonization pilot at the CPUC.	SVCE Support	Assembly Energy

SVCE and CalCCA Bill Positions

Bill	Summary	CalCCA or SVCE Position	Status
SB 1130 (Bradford)	Allows households with less than 3 people to enroll in the FERA low-income bill assistance program.	CalCCA Support	Assembly Energy
AB 817 (Pacheco)	Would allow Board Committees that are purely advisory to use pandemic-era teleconferencing rules.	CalCCA Support	Assembly Appropriations
AB 2779 (Petrie-Norris)	Requires CAISO to report on any use of grid enhancing technologies to the CPUC and legislature.	CalCCA Support	Senate Energy
SB 1165 (Padilla)	Allows transmission projects to go through the permitting process at the CEC instead of the CPUC.	CalCCA Support	Died

Additional Updates on Notable Bills

- AB 1999 (Irwin) on income graduated fixed charge, failed to pass Assembly Appropriations.

- AB 2619 (Connolly) which would require the CPUC to reopen the Net Billing Tariff proceeding also died.

Climate Bond Update

The Assembly and Senate released updated proposals for a climate bond. There are multiple scenarios for funding based on size of total bond.

Program	Senate Proposal	Assembly Proposal
Transmission	$50M - 500M	$500M under all scenarios
Electric Grid Expansion/Modernization	N/A	$500M under all scenarios
Equitable Building Decarbonization	$50M - $100M	$0M - $150M
Offshore Wind Port Infrastructure	$200M - $300M	$750M - $1B
ZEV	$0M - $500M	$33M - $75M for ag vehicles
Battery Storage	$0M - $500M	N/A
Offshore Wind Port Infrastructure	$200M - $300M	$750M - $1B

Key 2024 State Legislative Milestones

- ~~January 3 – Legislature Reconvenes~~
- ~~January 12 – Last day for policy committees to hear fiscal bills from their house last year~~
- ~~January 19 – Last day to submit bill requests to Legislative Counsel; last day for committees to hear and report to the floor bills introduced last year~~
- ~~January 31 – Last day for each house to pass bills introduced last year~~
- ~~February 16 – Last day for bills to be introduced~~
- ~~April 26 – Last day for policy committees to vote on fiscal bills~~
- ~~May 17 – Last day for fiscal committees to hear bills introduced in that house~~
- ~~May 24– Last day for each house to pass bills introduced in that house~~
- June 15 – Budget bill must pass by midnight
- July 3 – Last day for policy committees to vote on bills
- August 16 – Last day for fiscal committees to vote on bills
- August 31– Last day for each house to pass bills
- September 30 – Last day for Governor to sign bills

Agenda Look Ahead: August – Nov 2024

August

14th: BOD Meeting

- Workforce Policy & Strategy - *Action*
- FY 24-25 Budget - *Discussion*
- On-Bill Financing Pilot Program Contract - *Action*
- Clean Pathways and 24x7 study - *Information*

September

11th: BOD Meeting

- FY 24-25 Budget - *Adopt*
- FY 24-25 Strategic Focus Areas – *Adopt*
- FY25 Programs Budget - *Action*
- Affordability Discussion – *Information*

October

9th: BOD Meeting

- FY 24-25 Strategic Plan and Workplan (TBD) - *Adopt*
- Agency Policies Streamlining Project Update & Recommendation Part 1 - *Action*
- Clean Pathways Update & Recommendation - *Action*
- Regionalization Discussion - *Information*

November

13th: BOD Meeting

- 2025 Legislative Policy Platform - *Adopt*
- GreenPrime Product Offering & Rate – *Action*
- Programs Budget and Impact Summary Discussion - *Information*

*Please note the items on this schedule may change depending on priorities

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 3

Item 3:	**Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart**
From:	Monica Padilla, CEO
Prepared by:	Kris Van Vactor, Director of Power Resources
Date:	6/12/2024

RECOMMENDATION

Approve changes to Silicon Valley Clean Energy's (SVCE) standard retail rate product, GreenStart, for 2025 as follows:

1. Relax the 100 percent clean target to reflect current portfolio clean position and market conditions; and
2. Authorize the Chief Executive Office to procure nuclear, carbon-free, attributes if available.

The above recommendation is reflective of the continuation of market conditions observed in 2024 to 2025. Staff intends to return to the Board in August or September of 2024 with a broader discussion on SVCE's pathway towards meeting long-term 100% clean requirements.

EXECUTIVE COMMITTEE RECOMMENDATION

At the May 24th, 2024 Executive Committee meeting, staff led a discussion about the continued challenges of procuring carbon free to meet 100% clean designation for GreenStart. Staff presented a recommended change to relax the GreenStart product offering. The Executive Committee discussed the two options that were provided by staff and while supportive of moving the discussion to the board the Executive Committee had several questions for staff including:

1. Can staff provide more context for discussion at the board meeting?
2. Can staff provide chart of costs to achieve different percentage levels of clean percentage?
3. Can staff provide sense of future direction?

Staff has pulled together the relevant information and will provide it in this staff report and at the board meeting.

BACKGROUND

SVCE offers two clean product offerings for its customers, GreenStart and GreenPrime. SVCE has historically procured its carbon-free energy needs for its standard product, GreenStart,via large-hydro and both short-term and long-term Renewable Portfolio Standard (RPS) eligible resources such as geothermal, wind and solar. Approximately 95% of SVCE customers are on the GreenStart product. SVCE's premium product, GreenPrime, is comprised of 100% renewable energy. The product has been backed by 'Green-e Certified' renewable energy credits (RECs) which are verified voluntary RECs from newer built projects. GreenPrime customers make up approximately 5% of SVCE's overall load. GreenPrime customers pay a a premium to cover the incremental cost to SVCE of GreenPrime supply**.**

Roughly 50% of the GreenStart product is sourced from RPS resources from both long-term Power Purchase Agreements (PPAs) and short-term RPS products with the balance coming from carbon-free energy. SVCE has achieved 100 to 106% clean power supply for GreenStart since 2017. For 2024, at the direction of the Board, SVCE relaxed its target given market conditions. Specifically, the Board directed staff to procure additional clean energy only if sufficient supply could be procured to achieve 100% clean and the price for attributes was

consistent with the Board approved budget. Staff issued subsequent RFOs as directed, however did not find the resources. Currently, the projected clean portfolio for 2024 is 84%. The approximate savings associated with not filling the open position for 2024 is $20M. These dollars have not been allocated to programs or any other type of fund, but rather go towards SVCE's net position.

The market prices for carbon-free energy have increased dramatically due to the increased demand from corporate buyers, poor hydro conditions in the Pacific Northwest, and increasing climate targets in both California and the Pacific Northwest. Carbon-free prices have increased by approximately 16.5x since SVCE's inception in 2017 to today rising from $1.75 per MWh to $29[1] per MWh. Carbon-free procurement costs were $4.1 million in 2017 and if the same volumes were procured with today's current market prices, the cost could be up to $67.6 million just for 2025.

Chart 1: Historical and Forward Carbon Free prices



Both GreenStart and GreenPrime rely on RPS products. RPS prices have also seen dramatic increases over the past few years, largely due to increased demand from corporate buyers, on-going delays for new projects, and the end of a RPS Compliance Period Four (CP4)[2] increasing demand. As recently as 2022, SVCE paid approximately $12 per RECs but in recent solicitations have seen prices from $70-85 per REC generated and delivered in California.

[1] This is equivalent to $67.75/metric tonne of CO2

[2] RPS Compliance Period Four sets a 40% overall RPS target for 2021 through 2024 and requires at least 65% of RPS resources come from contracts of ten years or greater in term. Failure to meet both requirements may result in penalties as assessed by the California Public Utilities Commission.

In June 2023, the California Public Utilities Commission (CPUC) issued D.23-06-006 which determined that PG&E is no longer obligated to offer allocations of nuclear and large hydro resources to load serving entities (LSEs) such as SVCE. The decision requires that if PG&E does not offer hydro allocations, LSE customers should be compensated for the hydro portfolio via the Power Cost Indifference Adjustor (PCIA) based on a calculated Market Price Benchmark (MPBR). Recently as part of the 2025 ERRA Forecast Application A. 24-05-009, PG&E announced that it will be providing hydro allocations for the years 2025-2027 for any load serving entity within their service territory. That allocation in combination with the reduced share allocations from Diablo Canyon (roughly half), resulting from the decision to extend the life of the nuclear power plant, will account for ~880 GWh or 22% of SVCE's projected retail sales. This lower allocation for Diablo Canyon is due to the resources being allocated to all of CAISO and not just to PG&E's system. In addition, SVCE will receive the same prorated percentage of RA from both Diablo facilities. Staff believes these resources will continue to provide value to SVCE's portfolio and help meet compliance requirements and therefore will indicate interest in full allocation of the hydro and nuclear allocations.

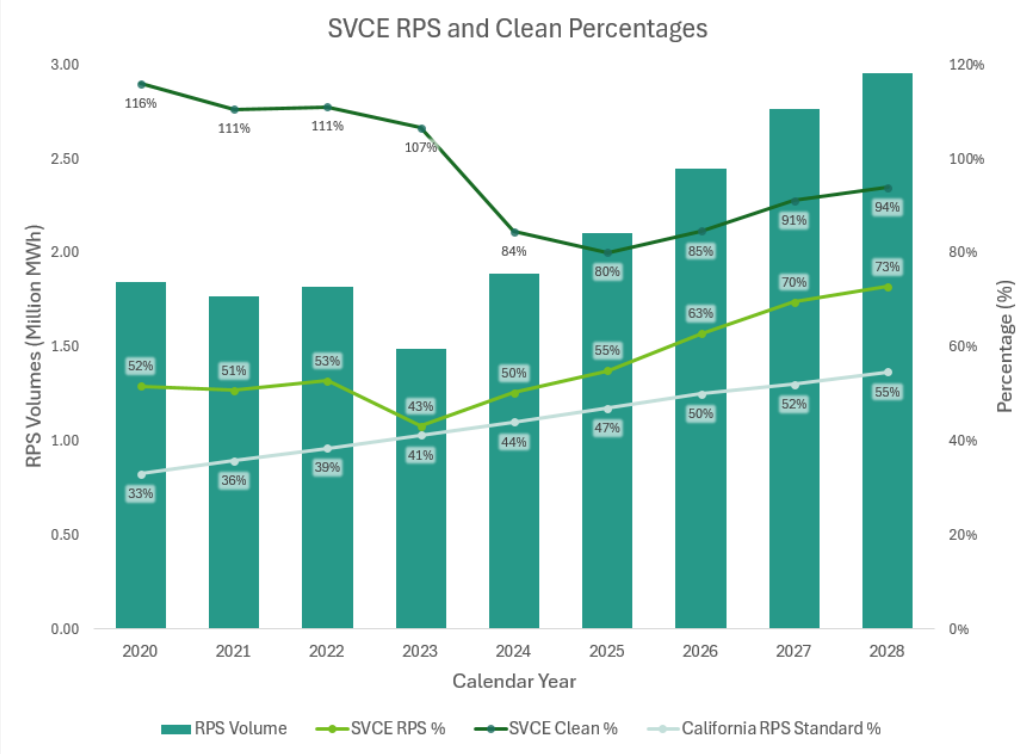
California passed Senate Bill 100 (SB100) which set an ambitious target for the electric power supply sector to achieve carbon neutrality by 2045. Additionally, SB1020 set interim clean targets to be achieved of 90% and 95% by 2035 and 2040, respectively. All load serving entities in California are subject to these requirements and as such the demand for clean resources, both RPS and non-RPS eligible, has increased significantly and is anticipated to continue to grow.

ANALYSIS & DISCUSSION

The market and policy changes combined are impacting carbon free resources and have created a supply deficit. This is further demonstrated based on recent Requests for Offers (RFO) results issued by staff. As such, staff is not certain sufficient carbon free supply is available on the market to meet the 100% Clean requirements for GreenStart at any price. Staff believe the high spike in price is is likely a short-term situation and may levelize over time however as noted above demand for clean products will continue to grow to meet climate policies. Additionally, as SVCE continues to on-board long-term RPS resources from PPAs, the structural clean deficit will decrease significantly, thus reducing SVCE's reliance on short-term market resources which are sourced mainly from existing RPS resources and/or hydro from the Pacific Northwest.

Chart 1 below provides an overview of SVCE's historical (2020 -2023) and expected (2024 – 2028) clean percentage.

Chart 2: Historical and Projected RPS and Clean



GreenStart
With the return of Diablo Canyon (at a lower percentage allocation) and the commitment of PG&E to provide hydro attributes to SVCE for calendar year (CY) 2025, SVCE expects a portfolio that is approximately 80% clean for its GreenStart product. The cost of procuring the remaining up to 20% deficiency with hydro resources is estimated at ~$29 per carbon-free attribute, or twenty-four million dollars ($24 million) total. Given responses to recent solicitations, SVCE is uncertain that sufficient Carbon Free resources can be procured, even at high prices. SVCE's ability to procure these resources diminishes as time goes by, since the resources must be delivered in CY 2025 in order to show up as countable clean resources on the power content label (PCL).

During the Executive Committee there was a request to provide an estimate of hitting certain pre-determined tranches. The table below uses high level estimates to provide more context to the Board of Directors on the potential costs of trying to procure each additional tranche including a minimum compliance scenario, which represents SVCE's obligations to meet RPS under SB100 for 2025, which is currently 50%. Under this scenario, SVCE is significantly surplus.

These estimates use a fixed price to calculate achieving the next tranche and while this is indicative of how much it would cost, if the resources existed, there is a very real possibility that prices could end up higher as you layer in procurement. The cost of procuring sufficient resources to achieve 100% clean and reduce CO2 by 335,882 metric tonnes is $24 million with an equivalent cost of abatement of $67.75 per metric tonne of CO2 reduced.

Table 1: 2025 Cost for Various Levels of Clean and Resulting Emissions*

Portfolio Percentage Clean	Cost for each additional Tranche of clean ($/m)	Aprox. PCL Emmission Intensity (Lbs/CO2)	Metric Tonnes of Carbon
50%	(36) M	472	861,609
80%	0 M	248	452,710
85%	6 M	211	385,168
90%	12 M	164	299,373
95%	18 M	117	213,577
100%	24 M	64	116,828
106%	31 M	60	109,527

- The emissions associated with SVCE's open position as shown in the table above are based on the CAISO's historical average grid emissions of 944 lbs/CO2, as provided through the Power Source Disclosure form.

Even if SVCE could achieve a 100% clean portfolio, current PCL accounting rules require emissions be reported for energy output from the associated with one of SVCE's PPAs, Coso geothermal. While this resource is RPS-eligible and clean, it produces anthropogenic emissions measured at 74 lbs/CO2 for SVCE's portfolio. Through effective advocacy at the California Energy Commission (CEC), SVCE along with several other load serving entities were able to convince the CEC to remove the emission reporting requirements for all geothermal. This is likely to take effect in 2028 however SVCE will continue to advocate for an earlier implementation.

GreenStart Clean Options
Because of the lack of clean supply and time to procure resources for 2025, SVCE focused on two clean portfolio alternatives to meet the GreenStart product offering as noted in Table 2. The only other viable alternatives to reduce or neutralize emissions is to procure carbon offsets and/or low carbon resources from the Pacific Northwest known as Asset Controlling Supplier (ACS). Staff is unsure of the availability of quality offset products at a reasonable price and reportable emissions on the PCL will remain the same.

Table 2: GreenStart Bookend Alternatives

	Option #1 Current Policy	Option #2 No Additional Purchases
Description	Maintain 100% Carbon Free for 2024 – assumes SVCE can purchase additional CF resources	Stick with current Carbon Free position of ~80% in 2025
Expected Reportable Emissions on Power Content Label	74 lbs of Co2*	~248 lbs of Co2, includes grid emissions
Benefits	Maintains SVCE's historic product offering	Reduces costs
Drawbacks	• ***May not be feasible*** • Expensive • Limited emissions reductions for grid	• Could impact GreenStart customers with Climate Action Plans • Increases reportable emissions

*emissions associated with Coso Geothermal renewable resources

Option 1, to maintain existing policy and attempt to purchase sufficient hydro or nuclear resources to cover the net open clean position, is expected to increase power supply costs by roughly ~$24m. However, as mentioned above this option may not be feasible as supply is limited. Should SVCE meet its 100% Clean goal in 2025, it would expect an emissions reporting of 64 to 74 lbs carbon dioxide (Co2) per MWh. This option would maintain the organization's historic product offering.

Option 2 would reduce expected power supply costs however increases reportable emissions for the organization, which may be of concern to GreenStart customers and our member agencies with aggressive climate action plans. If the organization is not able to procure additional carbon-free energy and maintains an 80% clean position, it is estimated that the PCL reportable emissions would increase to approximately ~248 lbs Co2/MWh in 2025.

Staff recommends Option 2, with the understanding that market conditions are such that this is the only viable alternative. Staff will attempt to procure up to 100 percent of carbon free attributes provided sufficient attributes are available at a reasonable cost. Given recent market activity, staff does not believe there are sufficient resources to achieve 100% clean and as such, the likely result is that SVCE's clean supply for GreenStart will stay at approximately 80%. This recommendation aligns with SVCE's desire to balance its clean, reliable and affordable goals.

NEXT STEPS

Staff will evaluate the avoided cost resulting from the lower clean targets for both 2024 and 2025 and return to the Board with a recommendation for how to allocate these savings including funding additional decarbonization programs, investing in local generation and/or passing savings to customers in the form of a greater rate discount.

Additionally, SVCE staff are planning on returning to the Board later this year to discuss the Clean Energy Pathways initiative. This work will look at ways to adjust SVCE's clean product offerings. Among the topics that will be reviewed are the 24/7 hourly matching portfolio options, shift in focus from rapid portfolio expansion to incremental clean projects. Potential exists for a Carbon Abatement Policy and new programs that tie into our rate structure. Part of this work will define the long-term value proposition that SVCE can provide through its programs and rates.

Finally, SVCE staff plan to bring the GreenPrime rate to the board for discussion in November or December 2024.

STRATEGIC PLAN

Board approval to purchase carbon-free attributes will enable staff to meet the current board directed clean targets while maintaining cost and rate objective goals as outlined in SVCE's Strategic Plan, including:

> G7: Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner; and
> G8: Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives.

Staff believes the proposed solutions best balance affordability in the current market conditions while maintaining overall clean targets.

ALTERNATIVES

Staff has provided various alternatives to changes for GreenStart as described in Table 2 and recommends Option #2. The Board may decide not to support staff's recommendation and instead maintain the status quo for GreenStart or direct staff to procure any carbon-free attributes available to achieve a greater percent of clean supply than 80% with the understanding that 100% may not be achievable.

FISCAL IMPACT

Adoption of the proposed changes to GreenStart will not change the cost of procuring resources for the current fiscal year (FY 24) and will be incorporated in the proposed FY 25 Budget for Board consideration in September 2024.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 4

Item 4:	**Results of Stress Test Analyses**
From:	Monica Padilla, CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services
Date:	6/12/2024

RECOMMENDATION

Receive the results of the Stress Test analyses. This report provides background information that staff will use in developing recommendations for the Board to adjust reserve levels for the next fiscal year (2024-2025) and discusses portfolio procurement risks stemming from long-term load growth uncertainty.

FINANCE AND ADMINISTRATION COMMITTEE REVIEW

Staff presented the stress test analyses to the Committee at its May 13, 2024, meeting. The Committee reviewed the results of the analyses and asked the staff clarifying questions to understand the modeled risks. The Committee also requested additional information on new power generation technologies on the horizon.

BACKGROUND

At the February 26th, 2024, Finance and Administration Committee meeting, staff reviewed the Enterprise Risk Management (ERM) framework for comprehensively assessing and managing the organization's risks and opportunities. SVCE's fiscal year planning begins using the ERM framework that attempts to assess risks and opportunities that impact SVCE's mission. Staff explained that stress tests are an essential component of the ERM because of the inherent weakness in standard market risk measures in assessing "black swans" or extreme but plausible events such as market disruptions caused by, for example, an economic recession. Staff proposed a financial stress scenario that can have severe and direct financial consequences for the organization and whose mitigations are prudent to account for in developing the fiscal year budget. Staff also proposed assessing the risks of longer-term load growth uncertainty. The other risks and opportunities identified from the ERM process shape the next fiscal year's strategic focus areas and department work plans.

ANALYSIS & DISCUSSION

Staff used lessons and insights from past analyses to construct the stress test scenarios. The past analyses included both increase and collapse of market prices, insufficient financial liquidity, load losses, and loss or delay of resources under Power Purchase Agreements. The key finding from these analyses is that the most significant financial risk facing SVCE over the next 5 years is a collapse in energy prices. A collapse in energy prices will significantly reduce SVCE's revenues because of higher PCIA[1] and lower PG&E generation rates. However, this price drop will not substantially reduce SVCE's energy purchase costs because the prices for most of the forward energy purchases are locked because of existing hedges, with more hedges in the earlier years aligned with the Energy Risk Management Policy hedging targets. The hedges also include contracts for

[1] Public Utility Code Sections 366.1 and 366.2 require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

the fixed-price purchase of renewable energy. The impact of price collapse overwhelms all other stress factors. This year's analysis assesses price collapse risks over the next five years.

In this year's analyses, staff has also started to assess the risks associated with load growth uncertainty. If load growth is higher than anticipated, SVCE can face difficulty meeting procurement and compliance targets, among other risks. On the other hand, if load growth is lower than expected, SVCE can face stranded cost risks that can erode its competitiveness and ability to carry out its mission.

The 5-yr Price Collapse Financial Stress Scenario

The 5-year financial stress test scenarios include these fundamental assumptions.

1) Energy price drop to statistical one percentile level
   To provide customers with competitive rates, SVCE sets its generation rates such that customers receive an effective discount, currently set at four percent for 2024 and 1% after that, to comparable PG&E rates. Because CCA customers must pay PCIA charges to provide the effective discount rate, SVCE reduces its rate by the PCIA amount. As a result of the price collapse, PCIA will increase, and PG&E generation rates will likely decrease, thereby reducing SVCE's generation rates.

2) Price drop stresses financial liquidity
   The standard credit risk management practice, except for long-term Power Purchase Agreements (PPAs), is the requirement to post collateral, usually cash or letters of credit, when the exposure to the counterparty reaches the negotiated credit limit. The stress test models how much SVCE's collateral posting requirements can increase with price collapse. The results show that price collapse does not significantly impact liquidity because of SVCE's active management of collateral posting requirements, including placing key counterparties in a lockbox mechanism in return for not having posting requirements and long-term PPAs not being subject to this requirement.

3) Other business operating and regulatory risks
   In the past stress test analyses, staff modeled regulatory uncertainty from the potential changes to the Financial Security Requirement (FSR) that, under some proposals, would have required SVCE to post collateral equivalent to the cost of procuring energy over the two highest calendar months. The recently issued CPUC decision significantly mitigates this risk. This year's stress test continues to model the requirement of a one-time cash draw equivalent to the two highest months of procurement under the very low-price scenario as a proxy for other potential business operating and regulatory risks.

4) Increased bad debt and load loss due to a recession.
   Economic recession often entails contraction of load and an increase in bad debt losses. The analyses assume a 5% load loss for 12 months of the forecast. The 5% estimate is derived from the average load loss experienced at Covid. The bad debt assumption is 1% of the revenues.

The attachments to this report provide the summary tables with financial results under the current base case scenario and the modeled stress case scenario. The base case shows that reserves fall from the forecast level of $420 million at the end of the current fiscal year (September 30, 2024) to $368 million at the end of the next fiscal year. Reserves continue to fall in subsequent years and then rise to $360 million towards the end of the 5-year forecast period.

There's considerable uncertainty in developing the base case scenario. While energy prices have always been volatile, resource adequacy (RA), carbon-free, and renewable portfolio standard (RPS) prices have recently become highly volatile. Energy prices, including those for the forward months, have declined significantly, and this decline has reduced SVCE's financial margin projections because of the resulting increase in PCIA. However, recent record-high RA and RPS prices are helping offset and potentially more than offset the

declining margins from lower energy prices. The actual impact of these prices will not be known until the CPUC issues its market price benchmarks (MPBs) in the fall. Unlike energy prices for which the CPUC uses forward prices, RA and RPS are based on load serving entities (LSEs) actual transactions, thus making forecasting more difficult. Staff developed the following three RA and RPS price scenarios for forecasting MPBs:

1. Using incremental market observed RA and RPS prices
2. Adjusting market-observed RA and RPS prices using an adjustment factor staff imputed by comparing last year's MPB RA and RPS prices published by the CPUC with those then observed in the market.
3. Using RA and RPS prices in the NewGen consultant's model, based on last year's MPBs.

The revenue forecast using the above three scenarios results in a range from $385 million (scenario 3) to $600 million (scenario 1)[2]. Given that this is a stress test analysis, staff used scenario 3 assumptions.

If the stress scenario were to occur and SVCE maintained a 1% customer discount to comparable PG&E rates, reserves would be drawn down by about $128 million. The resulting days cash on hand (DCOH) in fiscal years ending from 2026 to 2029 would fall below the minimum threshold of 120, and in the fiscal year ending 2029, SVCE would run out of cash.

The modeled results are based on the highly uncertain MPB price assumptions. PCIA and PG&E generation portfolio assumptions are based on public data as best modeled by the California Community Choice Association (CalCCA) consultant NewGen Strategies and are also highly uncertain. In addition to not knowing the contents of the PCIA portfolio and PG&E's generation portfolio, PG&E's portfolio management strategy may change from those modeled, and the California Public Utilities Commission (CPUC) may moderate future PG&E generation rate increases. All these uncertainties make the absolute value of the results highly unreliable. Nevertheless, the relative differences between the base case and the modeled stress test scenario are more pertinent to understanding our strategic risks.

Like last year, the stress test analysis, updated for market prices in alignment with those used to develop the next fiscal year's budget, will be used to update the reserve monitoring and reporting thresholds. The proposed methodology for updating the reserves thresholds is to build reserves such that if the modeled stress scenario were to occur, reserves do not fall below the minimum reserve threshold of holding 120 Days of Cash on Hand (DCOH) over the next two fiscal years and 90 DCOH over the remaining five fiscal years.

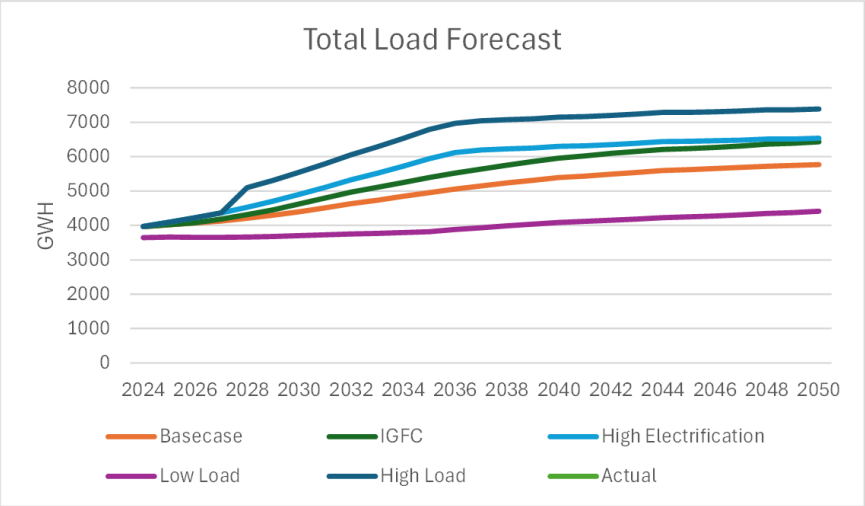
The table below summarizes what the update would look like if we were to do so at the current prices:

	Current	Illustrative New Targets
Minimum	120	120
Goal (Target)	300	315
Maximum (Upper Target)	490	420

Portfolio Management with Long-Term Load Growth Uncertainty

In the past, per capita electricity consumption in California has remained relatively stable, mainly due to the state's energy efficiency measures. We anticipate that the future will be unlike the past, and over the longer term, significant load growth is expected from drivers such as electric vehicles, building electrification, and data centers, including those resulting from growth in artificial intelligence. As shown in the chart below, SVCE's load growth scenarios range from cumulative base case growth of 46% to a high of 86% from 2024 to 2050.

[2] SVCE's current fiscal year comparable revenue forecast is $552.9 million.



The attachment to this report summarizes the load forecast scenarios.

To manage the long-term load growth uncertainty, SVCE built an internal team to develop and monitor load growth in the agency's service territory.

One key risk is procuring long-term resources at prices that later become above-market. This is a similar risk to that of Investor Owned Utilities (IOUs) with load departure to CCAs. However, the PCIA mechanism protects the IOUs, but CCAs do not have such protection.

SVCE's current portfolio risk management strategy includes 5-yr board-approved laddered hedges and longer-term hedges with power purchase agreements (PPAs). The long-term PPA strategy is designed to meet SVCE's internal target of procuring 75% RPS by 2030, comply with CPUC procurement orders for reliability, and comply with legislative mandates from SB 350 and SB100, which require a 100% clean portfolio by 2045 with 65% of RPS from long-term contracts of 10 years or longer.

SVCE is continuously assessing longer-term risks and devising longer-term risk management strategies accordingly. These efforts include working with consultant Energy Environmental Economics (E3) to develop long-term clean targets. Staff plans to present results from this study in late summer or early fall. SVCE will continue with laddered procurement of long-term resources to reduce risks from technological advances and load uncertainty. To further diversify its portfolio of PPA risks, SVCE is working with CC Power to assess the economics and risks of direct ownership of resources and to take advantage of Inflation Reduction Act (IRA) benefits.

In addition to the above activities, SVCE will revisit the hedging targets in the Energy Risk Management Policy. As illustrated in the financial stress test scenario, impacts from PCIA and PG&E generation rates on SVCE's revenues depend on the same market prices as SVCE's power procurement costs. Accounting for this financial impact will reduce the amount of hedges and overall financial risks. Because PCIA and PG&E generation rates are essentially black boxes, quantifying their level of hedge impact is difficult.

STRATEGIC PLAN

The analyses support SVCE Strategic Plan Goal 19 – **"**Commit to maintaining a strong financial position" and Goal 20 – "Avoid failures in the management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks."

FISCAL IMPACT

The stress test analyses show that the key financial risk facing SVCE in the near term is a collapse in energy prices that can significantly reduce revenues and require a substantial draw of funds from the reserves. The best mitigation of this risk is to hold sufficient funds in reserves. Staff will use the results of these analyses to recommend reserve levels for the Board to consider in setting the Fiscal Year 2024-25 budget.

ATTACHMENT

1. Summary of Base Case Results & Stress Test Results
2. Load Forecast Scenario Descriptions

Attachment 1 – Summary of Base Case and Stress Test Results

Base Case Results

	2025	2026	2027	2028	2029
Revenues	$ 384	$ 459	$ 416	$ 450	$ 438
Power Supply Costs	$ 397	$ 485	$ 360	$ 370	$ 360
Operating Margin	$ (13)	$ (26)	$ 56	$ 80	$ 78
Other Costs	$ 40	$ 66	$ 47	$ 41	$ 43
Net Contribution to Reserves	$ (53)	$ (91)	$ 9	$ 39	$ 35
Reserve Balance	$ 368	$ 277	$ 286	$ 325	$ 360
Days Cash on Hand	307	183	257	289	326

Stress Test Results

Operating with period of 5% load loss	2025	2026	2027	2028	2029
Revenues	$ 167	$ 225	$ 239	$ 288	$ 308
Power Supply Costs	$ 274	$ 308	$ 249	$ 282	$ 309
Operating Margin	$ (97)	$ (73)	$ (10)	$ 6	$ (1)
Other Costs	$ 40	$ 66	$ 47	$ 41	$ 43
Counterparty Collateral Outflow	$ (10)	$ (11)	$ -	$ -	$ -
Net Contribution to Reserves	$ (137)	$ (138)	$ (57)	$ (35)	$ (43)
Reserve Balance	$ 295	$ 156	$ 99	$ 64	$ 21
Reserve after Risk Adjustment	$ 240	$ 101	$ 44	$ 9	$ (34)
Days Cash on Hand	279	99	55	10	(36)

The 2025 numbers are slightly different due to a modeling error than the results presented at the 5/13/2024 Finance and Administration Committee meeting. The results for 2025 are higher by about $3 million.

Attachment 2 – Load Forecast Scenario Descriptions

Base Case Results

The 2024 stress scenario load forecasts are based on the Operating Forecast presented to the Board at the April Meeting. All changes described below are relative to that forecast. The scenarios include income-graduated fixed charge (IGFC), high electrification, high load, and low load.

1. The IGFC scenario is based on the possible impacts of the "income-graduated fixed charge." Under AB 205 (2022), policymakers directed the CPUC to adopt an "income-graduated fixed charge" that reduces power bills for lower-income customers as well as benefits households' transition to electric vehicles (EV), water heaters, and more. This scenario accounts for the possible impacts on the load, with higher building electrification (BE) and EV growth and lower behind-the-meter photovoltaic (PV) growth. The total load under this scenario is projected to grow by 2.8% per year to 2035, compared to 2.0% under the base case.

2. The High Electrification scenario assumes customers in SVCE's territory replace all equipment on burnout with electric technologies, following proposed Bay Area Quality Management District (BAAQMD) rules. This scenario also assumes an accelerated EV adoption trajectory relative to the operating forecast, with 90% of the vehicles in SVCE's service territory as EVs by 2035 in response to the state's ban on internal combustion engine sales starting in 2035. The total load is projected to grow by 3.7% annually by 2035.

3. The High Load scenario assumes data center load coming in 2028 in response to the high growth of artificial intelligence (AI) development on top of the High Electrification scenario. It assumes 11% of SVCE's load is from the new data center, which is likely a high target given development time. The total load is projected to grow by 5.0% annually by 2035.

4. The Low Load scenario combines several factors that could lower SVCE's load growth. First, it assumes electrification policies will get rolled back, resulting in an 11% decrease by 2035. Additionally, it assumes 12% of SVCE's load is lost to new direct access (DA) load opening and additional customer opt-out by 2035. This scenario is considered as the lower bound of load growth. The total load is projected to grow by 0.4% annually by 2035.

Scenario	Load Modifier						
	BTM PV	EV	EE	BE	BTM ESS	Opt-Out	Others
Base	12% CAGR	61% by 2035	12% CAGR	68% space heating and 19% water heater by 2035	13% CAGR	No	No
IGFC	11%	67% by 2035	Base	75% space heating and 55% water heater by 2035	Base	No	No
High Electrification	Base	90% by 2035	Base	86% space heating and 81% water heater by 2035	Base	No	No
High Load	Base	90% by 2035	Base	86% space heating and 81% water heater by 2035	Base	No	Data Center 3*Current large sized load by 2035
Low Load	Base	30% by 2035	Base	53% space heating and 14% water heater by 2035	Base	4%	DA Open ~400 GWh by 2035

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 5

Item 5:	**FY 24-25 Budget Framework**
From:	Monica Padilla, CEO
Prepared by:	Andrea Pizano, Sr. Executive Assistant/Board Clerk
Date:	6/12/2024

This item will be addressed in the form of a presentation to the Board of Directors regarding the preliminary framework for the FY 2024-25 operating budget.

ATTACHMENT
The presentation for this item is posted to SVCE's website.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 6

Item 6:	**Intro to 2025 Strategic Plan and Strategic Focus Areas**
From:	Monica Padilla, CEO
Prepared by:	Andrea Pizano, Sr. Executive Assistant and Board Clerk
Date:	6/12/2024

As in previous years, staff is in the process of an annual review to update SVCE's Strategic Plan and Strategic Focus areas. On May 24, 2024, the Executive Committee received a presentation with an introduction to the FY 25 Strategic Plan; feedback from that meeting has been incorporated into the presentation for the Board of Directors.

The remaining timeline for the 2025 Strategic Plan and Strategic Focus areas follows:

- June 12, 2024, Board of Directors Meeting: SVCE Strategic Plan FY 25 Update (Discussion)
- August 23, 2024, Executive Committee: Strategic Focus Areas Update (Discussion)
- September 11, 2024, Board of Directors Meeting: Update on Strategic Plan and Adopt FY25 SVCE Strategic Focus Areas (Action)

ATTACHMENT
The presentation for this item is posted to the SVCE website.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 7

Item 7:	**Local Agency Action Planning**
From:	Monica Padilla, CEO
Prepared by:	Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy
Date:	6/12/2024

RECOMMENDATION

Staff requests that the SVCE Board of Directors (Board) receive an update on the Local Agency Action Planning initiative that supports member agency efforts to electrify existing buildings and modernize permitting.

BACKGROUND

In late 2023, SVCE launched two complementary programs to help member agencies sensibly expand the decarbonization of local buildings and prepare for upcoming rules that will limit the sale of gas appliances. The two programs, Permit Modernization and Policy Experimentation provide $4M in technical resources and support to help member agencies adopt local policies and improve permit practices that enable the adoption of local policies that support the transition to fossil-free buildings.

Staff is supporting member agencies with core technical assistance and developing customized plans that meet each jurisdiction's unique needs and goals. These efforts will be discussed in more detail at the Board meeting.

ANALYSIS & DISCUSSION

SVCE staff will address the analysis as a presentation to the Board.

STRATEGIC PLAN

The proposal supports SVCE's Strategic Plan Goal 14, "coordinate development of decarbonization and resilience strategy, lead design of local policy and programs, and design and deploy programs."

FISCAL IMPACT

N/A

ATTACHMENTS

The presentation for this item is posted to the SVCE website.

SILICON VALLEY CLEAN ENERGY

Silicon Valley Clean Energy
Board of Directors Meeting

June 12, 2024

Appendix A

Power Resource Contracts Executed by CEO

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MASTER POWER PURCHASE AND SALE AGREEMENT
SUBSTITUTION
RESOURCE ADEQUACY CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY ("PARTY A")
AND
EDSAN 1B GROUP 1 EDWARDS, LLC ("PARTY B")

This confirmation letter ("Confirmation") confirms the Transaction between Party A and Party B, which becomes effective on the date fully executed by both Parties (the "Confirmation Effective Date"), in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation. This Transaction shall be deemed to have been entered into pursuant to, and shall supplement, form a part of, and be governed by the terms and conditions of the form of Master Power Purchase and Sale Agreement published by the Edison Electric Institute and the National Energy Marketers Association (version 2.1 dated 4/25/00) (the "EEI Agreement") with a Cover Sheet containing the elections and other changes contained in Appendix D as if the Parties have executed the EEI Agreement (with such Cover Sheet the "Master Agreement"). The Parties agree that the only transactions to be concluded pursuant to such Master Agreement shall be the Transaction documented in this Confirmation. The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or, if not defined therein, the Tariff (defined herein). To the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

ARTICLE 1
TRANSACTION TERMS

Seller: Party B

Buyer: Party A

Product: The Product is the Capacity Attributes of the Unit(s) as defined in Appendix B. The Product does not include any right to the energy or ancillary services of the Unit(s).

Delivery Period: [redacted]

Contract Quantity and Contract Price: The Contract Quantity and Contract Price for each day during the Delivery Period shall be set forth in Appendix B.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Firm RA Product

Seller's obligation to deliver the Contract Quantity of Product for each day included in the Delivery Period is firm and will not be excused for any reason.

2.2 Intentionally Omitted

2.3 Intentionally Omitted

2.4 Delivery of Product

(a) Seller shall provide Buyer with the Contract Quantity of Product for each day during the Delivery Period consistent with the following:

(i) Seller shall, on a timely basis with respect to each day in the Delivery Period, cause each Unit's Scheduling Coordinator to approve all Substitution Capacity corresponding to the Contract Quantity of Product in the CAISO's Customer Interface for Resource Adequacy system ("CIRA") within one (1) Business Day following the later of the Confirmation Effective Date or the date of notification by Buyer that the Substitution Capacity has been entered into CIRA, in accordance with the Tariff to identify and confirm the Product provided to Buyer for each day in the Delivery Period.

(ii) Seller will be deemed to have delivered the Product on each day to the extent that (A) Buyer receives credit from CAISO for such day for Product identified and confirmed as Substitution Capacity in CIRA submitted for the Unit or (B) Seller complies with its obligations in Section 2.4(a)(i) above, but Buyer does not receive credit from CAISO for such day due to Buyer's failure to perform its obligations hereunder.

(iii) Hold-Back Capacity, if any, is deemed Contract Quantity delivered for all purposes hereunder.

(b) Seller shall, to the extent required by CAISO, cause the information listed in Appendix B to be completed in conformance with the requirements of the Tariff. In addition, if during the Delivery Period, there are changes to the information included in Appendix B, the Parties agree to communicate such changes to each other promptly.

2.5 Damages for Failure to Provide Product

If Seller fails to deliver to Buyer the Contract Quantity of Product for any day during the Delivery Period in accordance with Section 2.4, then with respect to each such day, Seller is liable for damages pursuant to Section 4.1 of the Master Agreement.

2.6 Indemnities for Failure to Deliver Contract Quantity

(a) Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or CAISO resulting from any of the following:

(i) Seller's failure to deliver any portion of the Contract Quantity of Product for any portion of the Delivery Period and such failure results in the imposition of penalties, fines or costs assessed against Buyer; or

(ii) A Unit's Scheduling Coordinator's failure to timely or accurately approve all Substitution Capacity in CIRA that identifies Buyer's right to the Contract Quantity purchased hereunder for each day of the Delivery Period.

(b) With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines, and costs.

2.7 Buyer's Re-Sale of Product

(a) Buyer may re-sell all or a portion of the Product purchased under this Confirmation ("Resold Product"); provided that such re-sell right does not include the ability to offer any portion of Product into the Competitive Solicitation Process. If Buyer re-sells Product, Seller agrees, and agrees to cause the Unit's Scheduling Coordinator, to follow Buyer's instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product to the extent such instructions are consistent with Seller's obligations under this Confirmation. Seller further agrees, and agrees to cause the Unit's Scheduling Coordinator, to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer's rights under this Confirmation. If Buyer incurs any liability to any subsequent purchaser of such Resold Product due to the failure of Seller or the Unit's Scheduling Coordinator to comply with the terms of this Confirmation, then Seller shall be liable to Buyer for any liabilities Seller would have incurred under this Confirmation if Buyer had not resold the Product, including without limitation, pursuant to Sections 2.5 and 2.6.

(b) If Buyer exercises its right to re-sell the Product, Buyer shall notify Seller in writing that such sale has occurred by providing to Seller the information described in Appendix C ("Re-sale Plan"). The Re-sale Plan shall be provided within (1) Business Day following the Confirmation Effective Date. Buyer shall notify Seller of any subsequent changes or further resale of the Resold Product, and such notice shall include all updates to the information in Appendix C in accordance with the deadlines described in this Section 2.7(b).

ARTICLE 3
PAYMENT

3.1 One-Time Payment

Buyer shall make a payment (a "One-Time Payment") to Seller as follows:

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$$One - Time\ Payment = Q \times P\ \times D \times 1{,}000$$

where:

Q = The Contract Quantity of Product delivered by Seller to Buyer pursuant to Appendix B and consistent with Section 2.4 for each day in the Delivery Period

P = The Contract Price for each day in the Delivery Period, expressed in dollars per kW-Day

D = The total number of calendar days in the Delivery Period

The One-Time Payment calculation shall be rounded to two (2) decimal places.

3.2 Allocation of Other Payments and Costs

(a) Seller is entitled to retain any revenues it may receive from, and shall pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, (iv) revenue for flexible ramping product, and (v) any revenues for black start or reactive power services. All Seller revenues described in this Section 3.2(a) and received by Buyer or a purchaser of Resold Product must be remitted to Seller and Buyer shall pay such revenues to Seller if received by Buyer or if a subsequent purchaser of Resold Product fails to remit those revenues to Seller.

If Buyer fails to pay such revenues to Seller, Seller may recoup any amounts owing to it for such revenues against any future amounts it may owe to Buyer.

Seller shall indemnify, defend and hold Buyer harmless from and against all liabilities, damages, claims, losses, costs or expenses (including, without limitation, attorneys' fees) incurred by or brought against Buyer in connection with Environmental Costs.

(b) In order to verify the accuracy of such revenues, Buyer has the right, at its sole expense and during normal working hours after reasonable prior notice, to hire an independent third party reasonably acceptable to Seller to audit any documents, records or data of Seller associated with the Contract Quantity and in accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement.

(c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to tell the Seller or the Unit's Scheduling Coordinator to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day during the Delivery Period provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive all revenues from such re-sale.

(d) Buyer and Seller agree that the Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the Tariff. Any Availability Incentive Payments or Non-Availability Charges are for the account, or are the responsibility of, the Seller, as applicable.

ARTICLE 4
CAISO OFFER REQUIREMENTS

Seller is responsible for, as applicable, scheduling or causing the applicable Unit's Scheduling Coordinator to schedule with, or make available to, CAISO the Product delivered to Buyer for each day during the Delivery Period in compliance with the Tariff, and performing all, or causing the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the Product sold hereunder. Buyer is not liable for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions or any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator (unless Seller is the Scheduling Coordinator), owner, or operator for such noncompliance.

ARTICLE 5
OTHER BUYER AND SELLER COVENANTS

5.1 Seller's and Buyer's Duty to Take Action to Allow the Utilization of the Product

Buyer and Seller shall, throughout the Delivery Period, take commercially reasonable actions (including the execution of documents or instruments) reasonably necessary to ensure Buyer's right to the use of the Contract Quantity on each day during the Delivery Period for the sole benefit of Buyer or any applicable subsequent purchaser pursuant to Section 2.7. The Parties shall make commercially reasonable changes to this Confirmation necessary to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, CAISO or other Governmental Body having jurisdiction to administer Compliance Obligations.

5.2 Representations, Warranties and Covenants

(a) Seller represents and warrants to Buyer throughout the Delivery Period that:

(i) no portion of the Contract Quantity for any day during the Delivery Period has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

(ii) the Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, and is under the control of CAISO;

(iii) each Unit's Scheduling Coordinator, owner and operator is obligated to comply with applicable laws, including the Tariff, relating to the Product;

(iv) if Seller is the owner of the Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for the Unit for each day included in the Delivery Period does not exceed the Unit NQC for the delivery month and, if applicable, the Unit EFC for the delivery month, for that Unit; and

(v) Seller has notified either the Scheduling Coordinator of the Unit or the entity from which Seller purchased the Product of the fact that Seller has transferred the Contract Quantity for each day of the Delivery Period to Buyer, or, if applicable, to a subsequent purchaser.

(b) Seller represents and warrants to Buyer as of the Confirmation Effective Date, that Seller owns or has the exclusive right to the Product sold under this Confirmation from the Unit;

(c) Seller covenants as follows:

(i) Seller shall not offer, and shall ensure that the Unit's Scheduling Coordinator does not offer, any portion of the Contract Quantity for any day during the Delivery Period to CAISO as CPM Capacity. However, if CAISO designates any portion of the Contract Quantity as CPM Capacity, then Seller shall promptly notify Buyer, or shall cause the Unit's Scheduling Coordinator to promptly notify Buyer within one (1) Business Day of the time Seller receives notification from CAISO. If CAISO makes such a designation, Seller shall not accept, and shall ensure that the Unit's Scheduling Coordinator does not accept, any such designation by CAISO unless and until Buyer has agreed to accept such designation; and

(ii) Seller shall, upon request, furnish Buyer, CAISO, CPUC or other applicable Governmental Body evidence that its representation made in Section 5.2(c)(i) is true and correct.

(d) Each Party covenants to the other Party throughout the Delivery Period to comply with the Tariff, relating to the Product.

5.3 Counterparts

This Confirmation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered by electronic mail (including pdf or any electronic signature complying with the federal ESIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.) or other applicable law) or other transmission method and any other counterpart so delivered shall have the same legal effect as an original.

ARTICLE 6
CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Seller may disclose the transfer of the Contract Quantity for each day during the Delivery Period under this Transaction to the Scheduling Coordinator of the Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans. The Seller shall use reasonable efforts to limit, to the extent possible, the ability of the Scheduling Coordinator to further disclose information disclosed pursuant to this Article. In addition, if Buyer resells all or any portion of the Contract Quantity for any day during the Delivery Period to another party, Buyer shall be permitted to disclose to the purchaser of the

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Resold Product all such information necessary to effect such resale transaction, other than the Contract Price.

ARTICLE 7
HOLD-BACK CAPACITY

No later than one (1) Business Days before the relevant deadline for entering the Substitute Capacity in accordance with Section 2.4 (a)(i), Buyer may request in writing that it will not be entering a portion or all of the Contract Quantity for any portion of the Delivery Period ("Hold-Back Capacity"). The amount of Contract Quantity that is the subject of Buyer's request for Hold-Back Capacity shall be deemed Contract Quantity delivered consistent with Section 2.4 for purposes of calculating the One-Time Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.5 or 2.6. Seller shall, or shall cause the Unit's Scheduling Coordinator to, comply with Buyer's request under this Article 7.

ARTICLE 8
COLLATERAL REQUIREMENTS

8.1 Party A Collateral Requirements

Notwithstanding anything herein or in the Master Agreement to the contrary, Performance Assurance shall not be required from either Party in connection with this Transaction.

8.2 Party B Collateral Requirements

Notwithstanding anything herein or in the Master Agreement to the contrary, Performance Assurance shall not be required from either Party in connection with this Transaction.

ARTICLE 9
ADDITIONAL MASTER AGREEMENT AMENDMENTS

9.1 Declaration of an Early Termination Date and Calculation of Settlement Amounts

The Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement using the defined terms contained in this Confirmation and with respect to this Transaction only, the following language is to be added at the end of Section 5.2 of the Master Agreement:

> "If Buyer is the Non-Defaulting Party and Buyer reasonably expects to incur or be liable for any penalties, fines or costs from the CPUC, CAISO, or any Governmental Body having jurisdiction, because Buyer or a purchaser of Resold Product is not able to include the applicable Contract Quantity as Substitute Capacity to meet Buyer's substitution obligation, due to Seller's Event of Default, then Buyer may, in good faith, estimate the amount of those penalties, fines or costs and include this estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties, fines or costs are finally ascertained. If this accounting establishes that Buyer's estimate exceeds the actual amount of penalties, fines or costs, Buyer shall promptly remit to Seller the

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excess amount. The rights and obligations with respect to determining and paying any Termination Payment, and any dispute resolution provisions with respect thereto, survive the termination of this Transaction and continue until after those penalties, fines or costs are finally ascertained."

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ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

Silicon Valley Clean Energy Authority		**EdSan 1B Group 1 Edwards, LLC**	
By:	DocuSigned by: Monica Padilla 573FC104110B4C0...	By:	
Name:	Monica Padilla	Name:	Darren Kelly
Title:	CEO	Title:	VP, Asset Management
Date:	4/26/2024	Date:	April 26, 2024

APPROVED as to legal form _____

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APPENDIX A
DEFINED TERMS

For purposes of this Confirmation, the following terms have the following meanings:

"Advice Letter" means (1) an informal request by a CPUC jurisdictional entity for Commission approval, authorization, or other relief, including an informal request for approval to furnish service under rates, charges, terms or conditions other than those contained in the utility's tariffs then in effect, and (2) a compliance filing by a load-serving entity pursuant to Public Utilities Code Section 380.

"CAISO" means the California Independent System Operator Corporation or any successor entity performing substantially the same functions.

"Capacity Attributes" means, with respect to a generating unit, any and all of the following, in each case which are attributed to or associated with the generating unit at any time throughout the Delivery Period:

(a) Resource Adequacy Capacity attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward RAR;

(b) Resource Adequacy Capacity attributes or other locational attributes of the generating unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the generating unit within the CAISO Control Area, that can be counted toward a Local RAR; and

(c) other current or future defined characteristics, certificates, tags, credits, or accounting constructs of the generating unit, howsoever entitled, including any accounting construct counted toward any Compliance Obligations;

provided that, notwithstanding the foregoing, Capacity Attributes exclude all certificates, tags, credits, or accounting constructs that are not counted toward any Compliance Obligations, howsoever entitled associated with the generating unit, as such characteristics, certificates, tags, credits, or accounting constructs are described in the CPUC Decisions and Tariff.

"Compliance Obligations" means the RAR and Local RAR, and if applicable FCR.

"Compliance Showings" means the monthly, annual, or multi-year (a) Local RAR compliance or advisory showings (or similar or successor showings), (b) RAR compliance or advisory showings (or similar or successor showings), and (c) if applicable, FCR compliance or advisory showings (or similar or successor showings), in each case, an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to CAISO) pursuant to the CPUC Decisions, to CAISO pursuant to the Tariff, or to any Governmental Body having jurisdiction.

"Confirmation" is defined in the introductory paragraph of this Confirmation.

"Confirmation Effective Date" is defined in the introductory paragraph of this Confirmation.

"Contract Price" means, for any period during the Delivery Period, the price, expressed in dollars per kW-Day, specified for such period set forth in the Contract Quantity and Contract Price Table in Appendix B.

"Contract Quantity" means, with respect to any day during the Delivery Period, the amount of Product, expressed in MW, set forth in the Contract Quantity table in Appendix B for such day.

"CPUC" means the California Public Utilities Commission.

"CPUC Decisions" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-01-063, 15-06-063, 16-06-045, 17-06-027, and any other existing or subsequent decisions, resolutions, or rulings related to resource adequacy, including, without limitation, the CPUC Filing Guide, in each case as may be amended from time to time by the CPUC.

"CPUC Filing Guide" means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE's to demonstrate compliance with the CPUC's resource adequacy program.

"Delivery Period" is defined in Article 1 of this Confirmation.

"Emission Reduction Credits" or "ERC(s)" means emission reductions that have been authorized by a local air pollution control district pursuant to California Division 26 Air Resources; Health and Safety Code Sections 40709 and 40709.5, whereby such district has established a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants shall be banked prior to use to offset future increases in emissions.

"Environmental Costs" means costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, and the Product's compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Product, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, and the costs of all Emission Reduction Credits or Marketable Emission Trading Credits (including any costs related to greenhouse gas emissions) required by any applicable environmental laws, rules, regulations, and permits to operate, and costs associated with the disposal and clean-up of hazardous substances introduced to the site, and the decontamination or remediation, on or off the site, necessitated by the introduction of such hazardous substances on the site.

"FCR" means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by a Local Regulatory Authority or other Governmental Body having jurisdiction.

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"FCR Attributes" means, with respect to a generating unit, any and all resource adequacy attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward an LSE's FCR.

"FERC" means the Federal Energy Regulatory Commission.

"Governmental Body" means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal. This definition does not include "market participants" as defined in the CAISO's Business Practice Manual for Definitions and Acronyms as published on the CAISO website.

"Hold-Back Capacity" is defined in Article 7 of this Confirmation.

"Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

"LSE" means "Load Serving Entity" as such term is defined in the Tariff.

"Marketable Emission Trading Credits" means without limitation, emissions trading credits or units pursuant to the requirements of California Division 26 Air Resources; Health & Safety Code Section 39616 and Section 40440.2 for market based incentive programs such as the South Coast Air Quality Management District's Regional Clean Air Incentives Market, also known as RECLAIM, and allowances of sulfur dioxide trading credits as required under Title IV of the Federal Clean Air Act (see 42 U.S.C. § 7651b.(a) to (f)).

"Master Agreement" is defined in the introductory paragraph of this Confirmation.

"MW" means megawatt.

"One-Time Payment" is defined in Section 3.1.

"Path" refers to the Path 26 transmission constraint which is surrounded by two zones; North of Path 26 (PG&E's TAC) and South of Path 26 (SCE and SDG&E's TACs), as identified by the Commission in D.07-06-029.

"Procurement Review Group" has the meaning set forth in CPUC Decision D. 02-08-071.

"Product" is defined in Article 1 of this Confirmation.

"RAR" means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction.

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"Re-sale Plan" is defined in Section 2.7(b) of this Confirmation.

"Resold Product" is defined in Section 2.7 of this Confirmation.

"SCID of Benefitting LSE" means the Scheduling Coordinator ID Code (SCID) of the Load Serving Entity (LSE) that will be using the Product toward meeting their RAR in the given Showing Month.

"Showing Month" means the calendar month that is the subject of the related Compliance Showing, as set forth in the CPUC Decisions and outlined in the Tariff. For illustrative purposes only, pursuant to the Tariff and CPUC Decisions in effect as of the Confirmation Effective Date, the monthly Compliance Showing made in June is for the Showing Month of August.

"Shown Unit" means a Unit specified by Seller, but not necessarily identified by Seller to Buyer on the Confirmation Effective Date.

"Substitute Capacity" means "RA Substitute Capacity" as defined in the Tariff.

"System RAR" means the system resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction.

"Tariff" means the Fifth Replacement FERC Electric Tariff and the associated CAISO protocol provisions, including any current CAISO-published "Operating Procedures" and "Business Practice Manuals," in each case as amended or supplemented from time to time.

"Unit" means any generation unit provided by Seller pursuant to Section 2.2 and any Shown Unit.

"Unit EFC" means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

"Unit NQC" means, with respect to a Unit on any date of determination, the lesser of Net Qualifying Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

APPENDIX B
PRODUCT AND PRICE INFORMATION

Product means Capacity Attributes with the following characteristics.

Contract Quantity and Contract Price

Showing Day, Month, and Year	Path (North, South)	RAR Quantity (MW)	Capacity Area*	FCR Quantity, if any (MW)	Flexible Capacity Category (1,2,3)	Contract Price ($/kW-Day)	SCID of Benefitting LSE
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	

Resource Name	Sanborn Solar 2 Edwards 5
Physical Location	Mojave, CA
CAISO Resource ID	EDWARD_2_ESSSB1
SCID of Resource	TGEM
Unit NQC by month (e.g., Jan=50,Feb=65):	Varies
Unit EFC by month (e.g., Jan=30, Feb=50)	N/A
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	SCE
Prorated Percentage of Unit Factor	N/A
Prorated Percentage of Unit Flexible Factor	N/A
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	System

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APPENDIX C
SUBSEQUENT SALE INFORMATION

Contract Key ID:	
Benefitting LSE SCID:	
Generic Volume (in MW):	
Local Volume (in MW and by local area):	
Flexible Volume (in MW):	
Term:	

APPENDIX D
NOTICE INFORMATION

Name: Party A / Buyer

[redacted]

Name: Party B / Seller

[redacted]

[redacted]

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The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: N/A

Party B Tariff: _____ Dated _____ Docket Number _____

Article Two

Transaction Terms and Conditions

☒ Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive

☐ Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies

☒ Cross Default for Party A: Not Applicable

☐ Party A: _____ Cross Default Amount $____

☐ Other Entity: Cross Default Amount $____

☒ Cross Default for Party B: Not Applicable

☐ Party B: _____ Cross Default Amount $____

☐ Other Entity: _____ Cross Default Amount $____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B (as amended pursuant to this Cover Sheet)

☐ Option C (No Setoff)

Article Eight

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

☐ Option A <*if there is no Guarantor*>
☐ Option B Specify: [Name of Guarantor]
<*Guarantor, when there is one*>
☒ Option C Specify: None

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

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(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party B if [Party B's][Party B's Guarantor's] Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if [Party B's][Party B's Guarantor's] is rated by neither S&P nor Moody's.
☐ Other:
Specify:_____

(e) Guarantor for Party B: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A *<if there is no Guarantor>*
☐ Option B Specify: [Name of Guarantor]
<Guarantor, when there is one>
☒ Option C Specify: None

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☒ Not Applicable
☐ Applicable

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

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☐ It shall be a Downgrade Event for Party A if [Party A's][Party A's Guarantor's] Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if [Party A's][Party A's Guarantor's] is rated by neither S&P nor Moody's.

☐ Other:
Specify:_____

(e) Guarantor for Party A: None

Guarantee Amount:

Article Ten

Confidentiality ☒ Confidentiality Applicable. If not checked, inapplicable.

Schedule M

☒ Party A is a Governmental Entity or Public Power System
☐ Party B is a Governmental Entity or Public Power System
☐ Add Section 3.6. If not checked, inapplicable
☐ Add Section 8.6. If not checked, inapplicable

Other Changes

1. The modifications to Section 1.12, 1.50 and 5.2 of the Master Agreement specified in that certain Errata published by the Edison Electric Institute (version 1.1, July 18, 2007) are hereby incorporated herein as if set forth in full.

2. Section 2.3 is amended by deleting in its entirety and replacing with the following:

   "2.3 Confirmation. A Transaction shall be entered into only by a written confirmation in a form mutually agreeable to both Parties and signed by both Parties ("Confirmation"). Notwithstanding anything to the contrary in this Master Agreement, this Master Agreement and any and all Confirmations may not be amended or modified except by an instrument in writing signed by both of the Parties."

3. Section 2.5 is amended by (i) inserting the phrase "the scheduling and trading representatives of" immediately prior to the phrase "the Parties" in the third line, and (ii) adding the following sentence to the end: "To the extent that one Party records telephone conversations (the "Recording Party") and the other Party does not (the "Non-Recording Party"), the Recording Party shall, in the event of any dispute, make a complete and unedited copy of the Recording Party's tape(s) of all conversations with the Non-Recording Party's personnel relating to the relevant dispute available to the Non-Recording Party."

4. In Section 10.6, delete "NEW YORK" and replace with "CALIFORNIA".

5. The following shall be added as a new Section 10.12:

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"No Recourse Against Constituent Members of Party A. Party A is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party A will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Party B will have no rights and will not make any claims, take any actions or assert any remedies against any of Party A's constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party A or Party A's constituent members, in connection with this Agreement."

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MASTER POWER PURCHASE AND SALE AGREEMENT
SUBSTITUTION RA CONFIRMATION LETTER

This confirmation letter ("Confirmation") confirms the Transaction agreed to on the last dated signature on the signature page hereto (the "Confirmation Date"), between Calpine Energy Services, L.P., a Delaware limited partnership ("CES"), and Silicon Valley Clean Energy Authority, a California joint powers authority ("SVCEA"), each individually a "Party" and collectively the "Parties", by which Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Product, and is governed by the Edison Electric Institute Master Power Purchase and Sale Agreement between the Parties, and that certain Cover Sheet, effective as of March 9, 2018, and any other annexes and amendments thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the "Master Agreement"). Capitalized terms not otherwise defined in this Confirmation or the Master Agreement are defined in the Tariff. References to Sections are references to Sections of this Confirmation unless stated to be references to Sections of the Master Agreement or a statute.

ARTICLE 1
TRANSACTION TERMS

Buyer: SVCEA

Seller: CES

Product, Resource Attributes, Delivery Period, Contract Quantity, Contract Price and other specifics of the Product are in Appendix B. Appendices A, B, C, and D are incorporated into this Confirmation.

ARTICLE 2
DELIVERY OBLIGATIONS

2.1 Sale and Delivery of Product

Seller shall deliver to Buyer the Product from the Unit(s) in the amount of Contract Quantity in accordance with Section 2.2 and subject to the Product Type requirements, as set forth below:

(a) If Firm Product is selected in Appendix B, then, subject to Section 2.4, if: (i) any portion of the Delivered Generic Capacity or the Delivered Flexible Capacity is less than the Generic Capacity or the Flexible Capacity, respectively; or (ii) the Delivered Generic Capacity or the Delivered Flexible Capacity fails to satisfy the Resource Attributes, in each case, for any reason, including without limitation any adjustment to a Unit NQC or Unit EFC or any Outage, then Seller shall be liable for damages and shall indemnify Buyer for penalties, fines or costs pursuant to Section 2.5(a) and Section 2.5(b).

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(b) If Unit Contingent Product is selected in Appendix B, then, subject to Section 2.4, if: (i) any portion of the Delivered Generic Capacity or the Delivered Flexible Capacity is less than the Generic Capacity or the Flexible Capacity, respectively; or (ii) the Delivered Generic Capacity or the Delivered Flexible Capacity fails to satisfy the Resource Attributes, in each case, for any reason, including without limitation any adjustment to a Unit NQC or Unit EFC or any Outage, except for Force Majeure or a Forced Outage associated with a Unit identified in the Transaction, then Seller shall be liable for damages and shall indemnify Buyer for penalties, fines or costs pursuant to Section 2.5(a) and Section 2.5(b).

2.2 Delivery of Product

Seller shall deliver to Buyer the Contract Quantity of Product consistent with the following and in accordance with the Product Type requirements set forth in Section 2.1:

(a) for each day of the Delivery Period, Seller shall cause the Unit(s) (including any Alternate Units) to be approved in the CIRA Tool and in the Day-Ahead Market for the next Trading Day, in each case: (i) prior to the CAISO deadline for submitting requests for RA Substitute Capacity in the Day-Ahead Market in accordance with the Tariff (the "RA Substitute Deadline"); and (ii) in an amount sufficient to satisfy the Flexible Capacity, the Generic Capacity, and the Resource Attributes. For illustrative purposes only, as of the Confirmation Date, the RA Substitute Deadline for each day of the Delivery Period in connection with a Forced Outage is eight (8:00) am Pacific Time the day prior to each applicable day of the Delivery Period. The Parties acknowledge and agree that the RA Substitute Deadline may be modified by the CAISO from time to time throughout the Delivery Period;

(b) for each day of the Delivery Period, if Seller does not: (i) cause approval of the Unit(s) in the CIRA Tool; (ii) cause approval of the Unit(s) by the CAISO as RA Substitute Capacity and for inclusion in the Day-Ahead Market for the next Trading Day; or (iii) if the Unit(s) Seller is delivering from fail to satisfy the Resource Attributes, each in accordance with Section 2.2(a), then any such amount shall not be deemed Delivered Generic Capacity or Delivered Flexible Capacity, as applicable, and Seller shall not receive payment for such Product under this Confirmation; and

(c) if Seller is delivering Product to Buyer from more than one Unit, Seller shall deliver such Product to Buyer from each Unit in accordance with the Contract Quantity Unit Allocation, as set forth in Appendix B; provided, Seller may modify the Contract Quantity Unit Allocation (but not the Contract Quantity) from time to time by providing email notice to Buyer's CIRA Tool contact, as set forth in Appendix C, no later than one (1) hour prior to the RA Substitute Deadline.

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2.3 Delivery of Product from Alternate Units

For each day of the Delivery Period, Seller has the right to deliver to Buyer all or any portion of the Contract Quantity of Product from one or more Units that meet the Product requirements specified in Appendix B ("Alternate Units"), provided Seller delivers email notice to Buyer's CIRA Tool contact, as set forth in Appendix C, and such notice: (a) indicates Seller's intent to provide Product from one or more Alternate Units; and (b) includes a revised Contract Quantity Unit Allocation, if applicable, in each case no later than one (1) hour prior to the RA Substitute Deadline.

2.4 Buyer Obligations

For each day of the Delivery Period, Buyer shall: (a) cause the Unit(s) (including any Alternate Units) to be entered in the CIRA Tool and in the Day-Ahead Market for the next Trading Day, in each case no less than thirty (30) minutes before the RA Substitute Deadline, in an aggregate amount equal to the Contract Quantity and in accordance with the Contract Quantity Unit Allocation, if applicable, including the amount of Generic Capacity, Flexible Capacity, and Resource Attributes; and (b) email notice to Seller's CIRA Tool contact, as set forth in Appendix C, immediately after Buyer causes the Unit(s) to be entered in the CIRA Tool.

If Buyer fails to cause the Unit(s) to be entered in the CIRA Tool or fails to notify Seller of such CIRA Tool entry, each in accordance with this Section 2.4, then: (i) Seller will be deemed to have delivered the Contract Quantity, including the Generic Capacity, Flexible Capacity, and Resource Attributes, in an amount (in MW) associated with such failure (the "Deemed Delivered Contract Quantity"); (ii) Buyer shall be obligated to pay Seller the Monthly Payment for such Deemed Delivered Contract Quantity; and (iii) Seller shall have no obligation under Section 2.5(a) and Section 2.5(b) with respect to such Deemed Delivered Contract Quantity.

2.5 Buyer's Remedies for Seller's Failure to Deliver Contract Quantity

(a) Subject to Section 2.4, if: (i) the Delivered Generic Capacity or the Delivered Flexible Capacity provided by Seller to Buyer in accordance with Section 2.2 is less than the Generic Capacity or the Flexible Capacity, respectively, or does not satisfy the Resource Attributes, for any portion of the Delivery Period for any reason; or (ii) due to the actions or inactions of Seller the CAISO does not approve all or any portion of the Delivered Generic Capacity or the Delivered Flexible Capacity as RA Substitute Capacity for all or any portion of the Delivery Period, in accordance with the Tariff, then Seller shall pay to Buyer, at the time set forth in Section 4.1 of the Master Agreement, the damages specified in Section 4.1 of the Master Agreement.

(b) Subject to Section 2.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from the Delivered Generic Capacity or Delivered Flexible

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Capacity is less than the Generic Capacity or Flexible Capacity, respectively, or does not satisfy the Resource Attributes, for any portion of the Delivery Period. The Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, Buyer shall not be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines and costs.

2.6 Resold Product

Buyer may resell all or any portion of the Product or any associated rights, in each case, acquired under this Confirmation, in accordance with Applicable Laws, including the Tariff and CPUC Decisions ("Resold Product"); provided, Buyer agrees to: (a) notify Seller that such a sale has occurred; (b) provide Seller with the information described in Appendix D; and (c) notify Seller of any subsequent changes to the information in Appendix D with respect to any particular sale; in each case, promptly following such sale and in no event later than two (2) hours before the RA Substitute Deadline. Buyer acknowledges and agrees that with respect to any Resold Product, Buyer shall cause subsequent purchasers to comply with the requirements of this Transaction, including but not limited to Buyer's obligations in Section 2.4.

With respect to Resold Product, Seller agrees, and agrees to cause each Unit's SC, to approve each Unit (including any Alternate Units) in CAISO's CIRA Tool (or successor platform) and in the Day-Ahead Market for the next Trading Day, in accordance with Section 2.2 and as if such subsequent purchaser were Buyer under this Confirmation.

ARTICLE 3
PAYMENTS

3.1 Payment

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a Monthly Payment to Seller, after the applicable Showing Month, as follows:

Monthly Payment = A*(B+C)

where:

A = applicable Contract Price

$$B = \sum_{i}^{n} (D_i)$$

$$C = \sum_{i}^{n} (E_i)$$

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D = Delivered Generic Capacity provided by Seller to Buyer pursuant to and consistent with Section 2.2 and subject to Section 2.4 for each applicable day of the Delivery Period; provided, in no event may the Delivered Generic Capacity be greater than the Generic Capacity

E = Delivered Flexible Capacity provided by Seller to Buyer pursuant to and consistent with Section 2.2 and subject to Section 2.4 for each applicable day of the Delivery Period; provided, in no event may the Delivered Flexible Capacity be greater than the Flexible Capacity

i = each day of the Delivery Period

n = number of days in the Delivery Period

The Monthly Payment calculation shall be rounded to two decimal places.

3.2 Allocation of Other Payments and Costs

(a) Seller will receive any revenues from, and must pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity for ancillary services, (iii) energy sales, (iv) flexible ramping product, and/or (v) black start or reactive power services.

(b) Seller agrees that each Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the Tariff. Furthermore, the Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account, and that any Non-Availability Charges are the responsibility of the Seller and for Seller's account.

(c) In accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement, all such Seller, Unit SC, owner or operator revenues described in this Section 3.2 received by Buyer or a Subsequent Buyer shall be remitted to Seller. Buyer must promptly report receipt of any such revenues to Seller. Without prejudice to its other rights and remedies, Seller may setoff and recoup any such amounts that are not paid to it against any amounts owed to Buyer under the Master Agreement.

ARTICLE 4
OTHER BUYER AND SELLER COVENANTS

4.1 CAISO Requirements

Seller must schedule or cause the Unit's SC to schedule or make available to CAISO the Contract Quantity of the Product in accordance with the Contract Quantity Unit Allocation, if applicable, including the amount of Generic Capacity, Flexible Capacity and Resource Attributes

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for each Unit in compliance with the Tariff and CPUC Decisions, and shall perform all, or cause the Unit's SC, owner, or operator to perform all, obligations under Applicable Law and the Tariff that are required for the sale and delivery of the Product hereunder. Buyer is not liable for, and Seller will indemnify and hold Buyer harmless from, the actions or inactions of Seller or the Unit's SC, owner, or operator that fail to comply with the Tariff, and for any penalties, fines or costs imposed on Seller or the Unit's SC, owner, or operator for any such noncompliance.

4.2 Seller's and Buyer's Duties to Take Actions to Allow Product Utilization

Buyer and Seller shall, throughout the Delivery Period: (a) take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity, including the Generic Capacity, Flexible Capacity, and Resource Attributes, for the sole benefit of Buyer; (b) cause all bids to be submitted and approved in the CIRA Tool and in the Day-Ahead Market in conformance with the requirements of the CPUC Filing Guide and the Tariff; and (c) comply with the Tariff and CPUC Decisions. If during the Delivery Period, there are changes to the benefiting load serving entity's capacity contract identifier number, the contract key identification number, or other information necessary to identify a Unit or a Unit SC by the CAISO or the CPUC, the Parties agree to communicate such changes to each other promptly.

4.3 Seller's Representations and Warranties

Seller represents and warrants to Buyer throughout the Delivery Period that:

(a) no part of the Contract Quantity, including the Generic Capacity, Flexible Capacity and Resource Attributes, has been committed by Seller to any third party to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

(b) the Unit qualifies under the Tariff for the Product, and the Unit and Seller are capable of delivering the Product;

(c) the aggregation of all amounts of Resource Attributes that Seller has sold, assigned, or transferred for the Unit during the Delivery Period does not exceed the Unit NQC and, if applicable, the Unit EFC, for that Unit;

(d) if applicable, Seller has notified either the Unit's SC or the entity from which Seller purchased the Product that Seller has transferred the Contract Quantity, including the amount of Generic Capacity, Flexible Capacity and Resource Attributes, with respect to each day of the Delivery Period, to Buyer, and such SC is obligated to deliver the Contract Quantity for each day of the Delivery Period in accordance with Applicable Laws and this Confirmation; and

(e) Seller owns or has the exclusive right to the Product sold under this Confirmation from each Unit in accordance with the Contract Quantity Unit Allocation, if applicable, and Seller shall furnish Buyer, the CAISO, the CPUC or other

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Governmental Body having jurisdiction with such evidence as may be reasonably requested to demonstrate such ownership or exclusive right.

ARTICLE 5
ADDITIONAL MASTER AGREEMENT AMENDMENTS; GENERAL PROVISIONS

5.1 Termination Payment

For this Transaction, the following is added to the end of Section 5.3 of the Master Agreement:

> "If Buyer is the Non-Defaulting Party and Buyer reasonably expects to incur or be liable for any penalties, fines or costs from CAISO, or any Governmental Body, because Buyer or a Subsequent Buyer is not able to include the applicable Contract Quantity in a Compliance Showing due to Seller's Event of Default, then Buyer may, in good faith, estimate the amount of those penalties, fines or costs and include the estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties, fines or costs are finally ascertained. If this accounting establishes that Buyer's estimate exceeds the actual amount of penalties, fines or costs, Buyer must promptly remit to Seller the excess amount with interest in accordance with Section 6.2 of the Master Agreement. The rights and obligations with respect to determining and paying any Termination Payment, and any dispute resolution provisions with respect thereto, survive the termination of this Transaction and continue until after those penalties, fines or costs are finally ascertained."

5.2 Confidentiality

Notwithstanding Section 10.11 of the Master Agreement, (i) Buyer may disclose information in order to support its Compliance Showings or otherwise show it has met its Compliance Obligations; (ii) Seller may disclose to a Unit's SC in order for such SC to timely deliver the Product; (iii) each Party may disclose information to the independent evaluator or other administrator of any competitive solicitation process of Buyer, which in turn may disclose such information to CAISO or any Governmental Body; and (iv) Buyer may disclose information to any Subsequent Buyer.

5.3 Collateral Requirements

Notwithstanding anything herein or in the Master Agreement to the contrary, Performance Assurance shall not be required from either Party in connection with this Transaction.

5.4 Governing Law

Nothing contained in this Confirmation shall be construed as a grant of CPUC jurisdiction over a Party not otherwise subject to such jurisdiction by law.

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AGREED AS OF THE CONFIRMATION DATE:

Calpine Energy Services, L.P.

Calpine Energy Services, L.P.

By: _____

Name: _____

Title: By: _____

Date: _____

Name: William Stokes

Title: Vice President

05/22/2024

Silicon Valley Clean Energy Authority

DocuSigned by:
Monica Padilla
573FC104110B4C0...

By: _____

Name: Monica Padilla

Title: CEO

Date: 5/22/2024

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APPENDIX A
DEFINED TERMS

"Alternate Unit(s)" has the meaning set forth in Section 2.3.

"Applicable Laws" means any constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgements, decrees, injunctions, writs and orders of any Governmental Body having jurisdiction over one or both Parties or this Transaction.

"Availability Incentive Payments" has the meaning set forth in the Tariff.

"Availability Standards" has the meaning set forth in the Tariff.

"CAISO" means the California Independent System Operator Corporation, or any successor entity performing the same functions.

"CIRA Tool" means the CAISO's Customer Interface for Resource Adequacy application, or successor platform.

"Compliance Obligations" means, as applicable, RAR, Local RAR and FCR.

"Compliance Showings" means the applicable LSE's compliance with the resource adequacy requirements of the CPUC for an applicable Showing Month.

"Contract Price" means the price for the Product specified in the "Contract Price" column of the table set forth in Appendix B.

"Contract Quantity" means the amount (in MW) of Product that is either Generic Capacity, Flexible Capacity, or both Generic Capacity and Flexible Capacity, for each day of each applicable Showing Month as specified in the table set forth in Appendix B; provided that (i) Generic Capacity and Flexible Capacity are not duplicative, (ii) Contract Quantity is Generic Capacity only in the amount (in MW) identified in the 'Generic Capacity' column of the table set forth in Appendix B, (iii) Contract Quantity is Flexible Capacity only in the amount (in MW) identified in the 'Flexible Capacity' column of the table set forth in Appendix B and (iv) Contract Quantity is both Generic Capacity and Flexible Capacity only in the amount (in MW) that is identified as both Generic Capacity and Flexible Capacity in the 'Generic Capacity' and 'Flexible Capacity' columns of the table set forth in Appendix B.

"Contract Quantity Unit Allocation" means, if Seller is delivering Product to Buyer from more than one Unit, the allocation of Contract Quantity Seller will deliver from each Unit, as set forth in Appendix B and as modified by Seller from time to time in accordance with Section 2.2(c).

"CPUC" means the California Public Utilities Commission.

"CPUC Decisions" means any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

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"CPUC Filing Guide" is the document maintained by the CPUC and published on its website which sets forth the guidelines, requirements and instructions for load serving entities to demonstrate compliance with the CPUC's resource adequacy program, as modified, amended, supplemented or updated from time to time.

"Day-Ahead Market" has the meaning set forth in the Tariff.

"Deemed Delivered Contract Quantity" has the meaning set forth in Section 2.4.

"Delivered Flexible Capacity" means the Contract Quantity of Product that is Flexible Contract Capacity actually delivered by Seller to Buyer consistent with Sections 2.2 and 2.3.

"Delivered Generic Capacity" means the Contract Quantity of Product that is Generic Contract Capacity actually delivered by Seller to Buyer consistent with Sections 2.2 and 2.3.

"Delivery Period" means the period for delivery of Product specified in Appendix B.

"FCR" means the Flexible Capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to the Tariff, or other Governmental Body having jurisdiction over Compliance Obligations and includes any non-binding advisory showing which an LSE is required to make with respect to flexible capacity.

"Firm Product" means Product in which the delivery obligations are not subject to any conditions, as set forth in Section 2.1(a).

"Flexible Capacity" means, with respect to any particular Showing Month of the Delivery Period, the number of MWs set forth in the table in Appendix B under the heading 'Flexible Capacity', which Seller has agreed to provide to Buyer from the Unit(s) as part of the Contract Quantity for each day of such Showing Month, and which such MWs of Product are eligible to satisfy a load serving entity's FCR and are part of the applicable Unit EFC. Flexible Capacity includes: (a) any changes made by the CAISO, the CPUC, or other Governmental Body that defines new or re-defines existing FCR, or attributes related to FCR, resulting in a decrease or increase in the amount of MWs associated with the Unit(s) that can be counted toward FCR; and (b) any and all current or future defined resource adequacy attributes, characteristics, certificates, tags, credits, ancillary service attributes, or accounting constructs, howsoever entitled, including any accounting construct associated with FCR, attributed to or associated with the Unit(s) throughout the Delivery Period.

"Forced Outage" has the meaning set forth in the Tariff.

"Generic Capacity" means, with respect to any particular Showing Month of the Delivery Period, the number of MWs set forth in the table in Appendix B under the heading 'Generic Capacity', which Seller has agreed to provide to Buyer from the Unit(s) as part of the Contract Quantity for each day of such Showing Month, and which such MWs of Product: (a) are eligible to satisfy a load serving entity's RAR and Local RAR (if applicable); (b) are part of the applicable Unit NQC; (c) are not eligible to satisfy a load serving entity's FCR; and (d) are not part of the

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applicable Unit EFC. Generic Capacity includes: (i) any changes made by the CAISO, the CPUC, or other Governmental Body that defines new or re-defines existing Local Capacity Areas resulting in: (1) the applicable Unit subsequently qualifying for a Local Capacity Area; or (2) a decrease or increase in the amount of MWs associated with the applicable Unit that can be counted toward RAR or Local RAR (excluding FCR); and (ii) any and all current or future defined resource adequacy attributes, characteristics, certificates, tags, credits, ancillary service attributes, or accounting constructs, howsoever entitled, including any accounting construct associated with RAR or Local RAR (excluding FCR), in each case attributed to or associated with each Unit throughout the Delivery Period.

"Governmental Body" means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

"Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction over Compliance Obligations.

"LSE" means "Load Serving Entity" as such term is used in Section 40.9 of the Tariff.

"Monthly Payment" means Buyer's monthly payment obligation as described in Section 3.1.

"MW" means megawatt.

"Net Qualifying Capacity" has the meaning set forth in the Tariff.

"Non-Availability Charges" has the meaning set forth in the Tariff.

"Outage" has the meaning set forth in the Tariff.

"Product" means the Generic Capacity, Flexible Capacity and the Resource Attributes of the Unit(s), in the amount of the Contract Quantity and in accordance with the Product Type for the Delivery Period, all as specified in Appendix B.

"Product Type" means either Firm Product or Unit Contingent Product, as specified in Appendix B.

"RAR" means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction over Compliance Obligations.

"RA Substitute Capacity" has the meaning set forth in the Tariff.

"RA Substitute Deadline" has the meaning set forth in Section 2.2(a).

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"Resold Product" has the meaning set forth in Section 2.6.

"Resource Attributes" means the locational, geographical and Unit characteristics of the Product, as specified in Appendix B.

"Showing Month" means the calendar month of the Delivery Period that is the subject of the related Compliance Showing, as set forth in the CPUC Decisions and outlined in the Tariff. For illustrative purposes only, pursuant to the Tariff and the CPUC Decisions in effect as of the Confirmation Date, the monthly Compliance Showing made in June is for the Showing Month of August.

"Subsequent Buyer" means the buyer of Product from Buyer in a re-sale of Product by Buyer.

"Tariff" means the CAISO Tariff, including any current CAISO-published "Operating Procedures" and "Business Practice Manuals," in each case as amended or supplemented from time to time.

"Trading Day" has the meaning set forth in the Tariff.

"Unit" means the generation unit(s) described in Appendix B and any Alternate Unit, in each case from which Product is provided by Seller to Buyer.

"Unit Contingent Product" means Product in which the delivery obligations are subject to the conditions set forth in Section 2.1(b).

"Unit EFC" means the effective flexible capacity (in MWs) of the applicable Unit pursuant to the counting conventions set forth in the CPUC Decisions and which such flexible capacity may be used to satisfy a load serving entity's FCR. The Parties agree that if the effective flexible capacity of a Unit is adjusted pursuant to the CPUC Decisions after the Confirmation Date, then for the period in which the adjustment is effective, the Unit EFC shall be deemed the lesser of (i) the Unit EFC as of the Confirmation Date, or (ii) the effective flexible capacity of the Unit as adjusted by such subsequent CPUC Decisions.

"Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit.

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APPENDIX B
PRODUCT AND UNIT INFORMATION

Product:

☒ RAR ☐ Local RAR ☐ Flexible Capacity
and all Resource Attributes related to such Product.

Product Type:

☒ Firm ☐ Unit Contingent

Resource Attributes:

Local Capacity Area (if any, as of the Confirmation Date): N/A

Flexible Capacity (1, 2 or 3): N/A

Delivery Period: [redacted].

Contract Quantity, Contract Price and Unit Allocation:

Showing Month and Day	Contract Price $/MW-day	Unit 1		Unit 2	
		Generic Capacity (MW/day)	Flexible Capacity (MW/day)	Generic Capacity (MW/day)	Flexible Capacity (MW/day)
[redacted]					

Unit 1

Unit Specific Information	
Unit Name	Delta Energy Center Aggregate
Location	Pittsburg, CA
CAISO Resource ID	DELTA_2_PL1X4
Unit NQC (MW as of the Confirmation Date)	873
Unit EFC (MW as of the Confirmation Date)	_____
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	None
Run hour restrictions	None

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APPENDIX C
CIRA TOOL CONTACT INFORMATION

Buyer's Scheduling Coordinator CIRA Tool Contact Information:	Seller's Scheduling Coordinator CIRA Tool Contact Information:
[redacted]	[redacted]
[redacted]	
[redacted]	

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APPENDIX D
RESOLD PRODUCT INFORMATION

Contract key identification:

Benefitting load serving entity SC identification number:

Resold Product contract quantity (in MW):

Resold Product generic capacity (in MW):

Resold Product flexible capacity (in MW):

Resold Product delivery period:

Resold Product purchaser's CIRA Tool name:

Resold Product purchaser's CIRA Tool email:

Resold Product purchaser's CIRA Tool phone number: