

Andrea Pizano

From: Leslie Austin <leslie@greencal.org>
Sent: Thursday, February 27, 2025 12:06 PM
To: Andrea Pizano
Cc: Bena Chang; Monica Padilla; Kris Van Vactor; Britta Bradshaw; Louise Auerhahn; Eric Veium; tim-frank@msn.com
Subject: Feb. 28 Eboard Agenda Item 3: Workforce Strategy Update and Power Purchase Agreement Project Selection Policy Recommendation (Action)
Attachments: SVCE Feb. 2025_EBoard Letter Public Comment_Power Purchase Agreement Project Selection Policy.pdf; 2025-0228 Executive Committee PPA Project Selection W&EJ Markups.docx; SVCE Project Selection Policy Analysis - SCP Analysis Feb.pdf

ATTENTION: This message is from an external user. Confidential information such as social security, credit card bank routing, wire transfer and other personally identifiable information should not be transmitted to this user. For questions, please contact the SVCE IT Department.

Dear Andrea,

On behalf of the CCA Workforce & Environmental Justice Alliance, I am submitting the attached letter for consideration under Item 3 on the February 28 SVCE Executive Board Agenda. The letter outlines key recommendations to strengthen the Workforce and Community Benefits Policy and ensure alignment with best practices in labor standards, environmental sustainability, and community engagement.

Also attached is a redlined version of the policy with our recommended updates ("2025-0228 Executive Committee PPA Project Selection W&EJ Markups"), along with a gap analysis table ("SVCE Project Selection Policy Analysis - SCP Analysis Feb") to provide further context.

Thank you for distributing these materials to the Executive Board members, and for confirming receipt.

Best,
Leslie Austin
Co-coordinator, CCA Workforce & EJ Alliance



CCA Workforce & EJ Alliance



February 27, 2025

Chair Martinez Beltran and Honorable Executive Board Directors
Silicon Valley Clean Energy
333 W. El Camino Real, Ste 330
Sunnyvale, CA 94087

Re: Item 3 – Workforce Strategy Update and Power Purchase Agreement Project Selection
Policy Recommendation (Action)

Chair Martinez Beltran and Honorable Directors,

Thank you for your continued leadership in shaping policies that guide the responsible development of clean energy resources. We appreciate the collaboration between staff and stakeholders in drafting the Power Purchase Agreement Project Selection Policy and appreciate the collaborative efforts with staff and their thoughtful work invested in this process.

While the draft reflects important priorities, focused refinements are necessary to ensure the policy fully aligns with best practices and maximizes benefits for workers, communities, and SVCE. Specifically, we urge the Board to address the following open issues:

- **Local and Targeted Hire** – These provisions strengthen career pathways for communities but also create economic stability in host communities and ensure that public investments in clean energy benefit SVCE's customers. We appreciate staff's efforts in assessing implementation challenges and enforceability of local and targeted hire policy and recognize their due diligence in ensuring policy effectiveness. However, it

is best practice to integrate these provisions within project labor agreements creating a self-enforcing mechanism, leveraging proven partnerships with Building Trades Councils and community-based workforce development programs to ensure compliance without additional administrative burden.

- Similar policies have been successfully implemented at major public agencies, including the Valley Transportation Authority (VTA), Santa Clara Valley Water District, San Francisco Public Utilities Commission (SFPUC), and the California Energy Commission (CEC), as well as at various other cities, counties, and Community Choice Aggregators (CCAs), such as Central Coast Community Energy and Ava Community Energy, without legal issues.
- **Environmental Stewardship & Community Engagement** – The draft policy makes important strides, but further refinements are needed to ensure early assessment and mitigation of impacts to sensitive habitats, and require measurable offset efforts within project areas. Strengthening community engagement throughout the project lifecycle will also help reduce development risks, strengthening local support and improving local approval outcomes.
- **Procurement Best Value Approach** – We support an approach that optimizes customer value along with workforce, social, and environmental benefits. Using a “best value” approach positions SVCE to make investments that deliver great value to your customers while reducing development risk and supporting workers, sensitive habitat, and the communities that host SVCE’s clean energy projects

To assist in refining the policy, we have attached a redlined version of the policy ("2025-0228-Executive-Committee-Agenda-Packet_CCA Alliance Markup"), incorporating our recommendations, as well as a gap analysis outlining areas for improvement. We urge you to carefully consider and recommend these updates to strengthen SVCE’s leadership in clean energy workforce development, environmental stewardship, and its commitment to ensuring benefits and protections for the communities that host these projects.

We are available to meet ahead of the next full Board meeting to further discuss these recommendations and explore solutions, if that would be helpful. Thank you for your leadership in advancing policies that benefit workers, communities, and the environment alike.

Sincerely,

Eric Veium, Tim Frank, & Leslie Austin
Co-coordinators, CCA Workforce & EJ Alliance

Attachments:

- *2025-0228-Executive-Committee PPA Project Selection W&EJ Markups (Redlined Policy Document)*
- *SVCE Draft Project Selection Policy —CCA Workforce & EJ Alliance Analysis*

ATTACHMENT 1: POWER PURCHASE AGREEMENT PROJECT SELECTION POLICY

I. POWER PURCHASE AGREEMENT (PPA) PROJECT SELECTION POLICY

The PPA Project Selection Policy ("Policy") shall be applied as part of the process of acquiring energy and capacity resources for new build, or substantial repower projects involving construction labor, in front of the meter electricity generation, or storage resources where SVCE does not own, develop or construct the generation or storage facility. Projects considered for PPAs will be evaluated based on best portfolio fit and value while considering regulatory mandates, reliability, risk mitigation, and other relevant factors including the following ~~all else being equal~~ goals:

A. Contributions to SVCE's Mission

1. Assessment and evaluation of proposed projects' to ensure SVCE is able to meet its mission of providing clean, reliable and affordable energy.
2. Assessment and evaluation of proposed projects' operational performance and market economics to ensure selected projects ~~deliver Best maximize Regulatory and Market~~ Value to SVCE and its customers.
3. Assessment and evaluation of projects to minimize risk to SVCE and its customers through effective location, Counterparty and technology diversification and management of Development Risk

Formatted: Font: (Default) Verdana, Font color: Black

B. Workforce Development

SVCE is committed to stimulating its local economy through, among other measures, supporting projects committing to applying prevailing wage rates as required by law, and supporting a local Skilled and Trained Workforce with construction work performed by appropriate Journeypersons, including Licensed Electricians where required by state law, and Apprentices from a state-approved apprenticeship training program.

1. SVCE will prioritize Power Purchase Agreements where:
 - a) Highest priority projects will commit to a multi-trade project labor agreement, with highest priority projects also committing to 30% local and 10% targeted hire goals-
 - b) Medium priority projects will commit to:
 1. using prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations for California projects and state or federal prevailing wage and benefit rates, whichever is higher, for out-of-state projects.
 2. Utilization of apprentices at the same ratio of apprentice hours to journey person hours as required for public works projects. Generally this is one apprentice hour per every 5 hours of journeywork per craft.
 - c) Low priority projects may demonstrate other commitments to local workforce development.

C. Technology Diversity

SVCE recognizes the importance of diversifying technology in its portfolio to minimize risk.

1. All else being equal, SVCE will prioritize projects that will diversify technologies in its current portfolio, provide local reliability, provide SVCE a competitive advantage, and/or reduce costs for SVCE customers while remaining cost competitive with established market alternatives.

D. Location

SVCE prioritizes projects within the California Independent System Operator (CAISO) and/or certified deliverability to the CAISO in accordance with the following:

1. Projects within SVCE's service territory.
2. Projects that are located in the state of California and interconnect with the CAISO.
3. Projects that interconnect with the CAISO. ~~Projects within the CAISO balancing authority.~~
4. All other projects.

Commented [1]: This is San Jose Clean Energy's language

E. Environmental Stewardship

SVCE is committed to leading by providing customers with energy that delivers benefits for air, water, and the natural environment while avoiding impacts to important lands, species, and waters. Without diminishing or interfering with permitting, land use or development requirements of any authority with jurisdiction including local, state, and federal agencies, SVCE prioritizes projects that:

1. That are proposed on urban or previously disturbed sites; and
2. Where the developer and local land use authority have established an enforceable development agreement which, in part, sets forth measures to mitigate impacts to sensitive habitats or environmentally sensitive areas. For projects that are in earlier stages of the entitlement process, prioritization will be put on projects that have adequately assessed likely impacts and addressed potential mitigants to sensitive habitat or environmentally sensitive areas, as for instance by committing to compliance with applicable Habitat Conservation Plans.
3. In which the developer commits to measurable offset efforts within the vicinity of the proposed project.

F. Community Engagement

SVCE will prioritize projects that:

1. Demonstrate contact and collaboration with the local community organizations and stakeholder groups representing a broad diversity of demographics and interests, particularly low income and environmental justice communities, to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.
2. Demonstrate commitment in their offer plans to meaningful engagement with local communities throughout the project lifecycle entitlement and construction processes to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

G. Greenhouse Gas Emissions Impact

SVCE will evaluate greenhouse gas emissions of project proposals and prioritize projects that minimize emissions on the grid and SVCE's portfolio.

II. REPORTING AND CALIFORNIA COMMUNITY POWER

A. Reporting

SVCE will assess project proposals in accordance with this Project Selection Policy and report to the SVCE Board of Directors the results of such assessment at the time of the project approval. SVCE will compile and report data and metrics, as appropriate, through the annual GO 156 Supplier Diversity report.

B. California Community Power

SVCE will consider the Power Purchase Agreement Project Selection Policy when it is determining whether to participate in joint procurement at California Community Power.

III. DEFINITIONS

- A. **Regulatory Value:** The project's anticipated ability to satisfy SVCE's regulatory compliance requirements such as Resource Adequacy, Renewable Portfolio Standard, integrated resource planning, and other binding orders or directives received from regulatory bodies.
- B. **Market Value:** The project's projected revenues across all relevant day-ahead real-time and ancillary markets. Market Value shall also assess a project's ability to manage, shift, or arbitrage existing SVCE generation to maximize revenue and renewable energy generation on behalf of SVCE and its customers.
- C. **Counterparty Risk:** The risk that a counterparty will fail to perform, or adequately remedy, its obligations. Counterparty Risk is inclusive of Development Risk.
- D. **Development Risk:** The risk that the project is unable to obtain interconnection, deliverability, site control, entitlements, financing, or other necessary development milestones required to deliver the project on or ahead of the anticipated online date.

- E. **Power Purchase Agreements:** An agreement that provides for construction but wherein SVCE's participation in the project is limited to receiving energy and any applicable attribute at a set price and term. This includes power purchase agreements, energy storage agreements, resource adequacy only agreements, or other energy product agreements.
- F. **Journey person:** Is a worker who either:
1. Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, approved for federal purposes pursuant to apprenticeship regulations adopted by the Secretary of Labor, or
 2. Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.
- G. **Skilled and Trained Workforce:** means a workforce in which:
1. All workers performing work in apprentice-able occupations in the building and construction trades are either skilled Journey persons or Apprentices registered in an apprentice program approved by the Chief of the Division of Apprenticeship Standards, as defined in Chapter 2.9 of Part 1 of Division 2 of the California Public Contracts Code.
- H. Local Hire: A qualified worker that meets one of the following criteria in descending priority:
1. A resident within the nearest communities in proximity to the project, by radius as reasonably determined on a project-by-project basis. Such radius will target a distance that is within reasonable daily commuting distance:
 - a. Additional preference shall be given, where the radius includes a city, town, or census-designated location within CCA's service territory, to the workers within those portions of the service territory.
 2. A resident within the county where the project is being constructed;
 3. A resident within CCA's service territory.
- I. Targeted Hire: means an individual who is a participant in a workforce pipeline program which:
1. Partners with a structured, Multi-Craft Core Curriculum (MC3)-certified construction careers training and placement program or programs that recruits, supports, and places targeted workers in skilled construction trades; and

1-2. Creates opportunities for certified MC3 graduates to enter Registered Apprenticeship Programs and/or obtain work hours needed to successfully complete their apprenticeship.

SVCE Draft Project Selection Policy –CCA Workforce & EJ Alliance Analysis

Feb. 5, 2025

#	Issue	Issue Description	Policy Reference	Section	SVCE Proposed Language / Staff's Comments	W&EJ Alliance's Response	W&EJ Alliance's Recommendation
0	General: Effective Framing and Implementation are Critical	The CCA W&EJ Alliance model policy establishes preference-based standards that, when implemented properly, clearly signal values to the market—encouraging and rewarding high-quality projects and proactive, thoughtful developers.		Introduction and Contributions to SVCE's Mission	Language: "Projects considered for PPAs with be evaluated based on [...] including the following all else being equal goals" "Assessment and evaluation of proposed projects' operational performance and market economics to ensure selected projects Maximize regulatory and market Value to SVCE and its customers."	Use of 'all else being equal' and 'maximize regulatory and market value' language sends the wrong signal in the context of SVCE's proposed more holistic project selection policy. Prioritizing projects first based on technical and financial considerations—only then weighing other procurement goals—risks overlooking opportunities to deliver Best Value to SVCE and its customers by reducing development risk and aligning with broader mission benefits. The Alliance's model policy, when well implemented, increases the likelihood of community, environmental, and workforce support, which in turn lowers development risk from community opposition—not only for SVCE projects but across the clean energy industry. We recommend adopting a scoring-based evaluation framework that assesses projects holistically, rewarding project performance across evaluation criteria, rewarding those that might have slightly lower regulatory financial value but still deliver Best Value overall to SVCE and its customers.	Remove 'all else being equal' language and use 'Best Value' instead of 'maximize Regulatory and Market Value' language in framing and mission language.
1	Workforce: Local and Targeted Hire	Local and Targeted Hire goals create highroad career pathways for workers in the communities that host SVCE's clean energy projects.	I.1.a	Workforce: High-priority projects	Missing from Workforce: High-priority projects	SVCE is likely investing billions in new clean energy projects, which are most often are built in other communities outside SVCE territory. This massive economic activity provides the opportunity to liftup economically disadvantaged workers and their families by using local and targeted hire to intentionally create high-road pathways into the building trades for workers in communities that host SVCE's clean energy projects. These local and targeted hire goals are most effectively implemented as part of a multi-trade Project Labor Agreement (PLA), which is why the Alliance recommends rewarding projects with highest priority that commit to PLAs with local and targeted hire goals. These agreements establish clear goals between workers and project developers and providing a clear and structured framework for implementation and tracking.	Modify language to the following: 'High priority projects will commit to a multi-trade project labor agreement, with highest priority projects also committing to 30% local and 10% targeted hire goals. Also include definitions for Local Hire and Targeted hire in the Definitions section as recommended in the Alliance's attached policy markup.
2	Workforce: Commit to utilize apprentices	The commitment to using apprentices on public works jobs was a key innovation of New Deal-era labor law—a 'pay it forward' strategy ensuring every public works project helps train the next generation of skilled construction workers. Every city and county in the SVCE territory follows this practice.	I.B.1.b.2	Workforce: Medium-priority projects	Missing from Medium-priority projects.	This is a standard practice for workforce development that is widely implemented across public works projects, regardless of size. The majority of utility scale projects in California already follow this approach, and SVCE should be able to do the same.	For Workforce Energy Offtake Agreements, add the following standard to the definition of medium-priority projects: "Utilization of apprentices at the same ratio of apprentice hours to journey person hours as required for public works projects."

SVCE Draft Project Selection Policy –CCA Workforce & EJ Alliance Analysis

Feb. 5, 2025

#	Issue	Issue Description	Policy Reference	Section	SVCE Proposed Language / Staff's Comments	W&EJ Alliance's Response	W&EJ Alliance's Recommendation
3	Location: Prefer project located in California	The issue here is to prioritize projects that are local or in California before considering out-of-state projects. This specific policy is about maximizing workforce and environmental benefits.	I.D	Location	Language: 1. Projects within SVCE's service territory 2. Projects within the CAISO balancing authority 3. Projects with the ability to interconnect with the CAISO balancing authority 4. All other projects	Staff's default approach to project selection prioritizes technical and financial requirements. The purpose of a locational preference for California-based projects is to encourage—assuming all other factors are comparable—the selection of in-state projects. California upholds the highest workforce and environmental standards , which should be achieved whenever feasible, particularly given the uncertainty at the federal level. Staff's suggested policy places out-of-state projects connected to CAISO on equal footing with in-state projects connected to CAISO, but we believe a clarified approach can address both staff and Alliance concerns. The proposed language reflects recommended language from staff at San Jose Clean Energy.	We suggest the following locational preference: 1. Projects within SVCE's service territory 2. Projects that are located in the state of California and interconnect with the CAISO 3. Projects that interconnect with the CAISO 4. All other projects
4	Environmental Stewardship: Earlier stages of project development	Developers with pre-entitlement projects should demonstrate to SVCE that they have adequately addressed environmental development risks and commit to complying with Habitat Conservation Plans.	I.E.2,3	Environmental Stewardship	Missing from Environmental Stewardship	More and more, CCAs are engaging with developers in earlier stages of development; as an example, the CAISO Cluster 15 LSE Commercial Interest Point Allocation process. Great projects with low development risk should demonstrate to SVCE that they have adequately assessed likely environmental impacts and addressed potential mitigants to sensitive habitat or environmental sensitive areas. Further, Habitat Conservation Plans , where applicable, improve environmental benefits and reduce project costs through programmatic mitigations. Developers should be rewarded through this policy for identifying and committing to complying with Habitat Conservation Plans, where applicable.	Add the following language in section 2 for projects earlier in development so as not to have established an enforceable agreement between developer and land use authority: 'For projects that are in earlier stages of the entitlement process, prioritization will be put on projects that have adequately assessed likely impacts and addressed potential mitigants to sensitive habitat or environmentally sensitive areas, as for instance by committing to compliance with applicable Habitat Conservation Plans.'
5	Community Benefits: Community engagement throughout the project	Conduct meaningful community engagement during pre-development, entitlement, construction, and operations.	I.F.2	Community Engagement	Language: Commit to meaningful community engagementment DURING ENTITLEMENT AND CONSTRUCTION PROCESSES ...	To meet our climate and energy goals, we need to build a massive amount of new clean energy. Developers can no longer get away with trying to have their project fly under a community's radar—especially now, in light of the battery fires at Moss Landing. Poor community engagement practices lead to increased community opposition , which raises project development risk and contributes to widespread public opposition to future clean energy projects.	Modify 'commitment to meaningful engagement' with 'Demonstrate commitment in their offer plans to meaningful engagement' Replace 'entitlement and construction processes' with 'entire project lifecycle.' Reward projects proposers that clearly demonstrate due diligence in understanding community dynamics, communicate their commitment to meaningful community engagement, and provide a clear, thoughtful plan to conduct community engagement while identifying and communicating benefits and impacts.