



STAFF REPORT

City Council

Meeting Date:

5/27/2025

Staff Report Number:

25-079-CC

Informational Item:

Communitywide electrification program: Home Upgrade Services progress report

Recommendation

The purpose of this informational item is to provide an update on the progress of the state grant funded communitywide electrification program implemented through Peninsula Clean Energy's Home Upgrade Services.

Policy Issues

Climate action is a City Council priority for fiscal year 2024-25. The City has a 2030 Climate Action Plan (CAP) that provides a strategic roadmap to achieve carbon neutrality by 2030. The first CAP strategy aims to electrify 95% of existing buildings by 2030. To achieve this, the City Council directed staff to identify partners for funding and financing programs for existing building electrification, including a specific income qualified turnkey program. Additionally, on Sept. 24, 2024, the City adopted its first General Plan Environmental Justice (EJ) Element in alignment with Senate Bill 1000 (2016). The EJ Element identifies priority activities to improve indoor air quality, which can be achieved by electrifying home appliances used for space heating, water heating, clothes drying and cooking.

Background

The California State Budget Act of 2022 (Assembly Bill 179) appropriated \$4.5 million through the California Energy Commission (CEC) to the City of Menlo Park for a communitywide electrification project. The City received the first half of the funding in September 2023 (totaling \$2.25 million). The first half of funding must be spent before the CEC processes payment for the remaining \$2.25 million. The full \$4.5 million must be spent by June 2026.

On April 2, 2024, City Council authorized an agreement with Peninsula Clean Energy (PCE) for \$2,210,000 to administer a state funded home electrification program and provided guidance to staff to provide regular updates as informational items (Attachment A). The City retained the remaining \$40,000 in funds for marketing and promotion of the program.

The City's program is part of Home Upgrade Services, a portfolio of programs offered by PCE and Silicon Valley Clean Energy (SVCE), to support residents in electrifying their homes. PCE soft launched the program Aug. 28, 2024, to Menlo Park residents who previously expressed interest and officially launched the program to all residents across San Mateo County and Los Banos Nov. 18, 2024.

Following an analysis of six months of program data, staff presented outreach strategies, program enhancement options and potential new project options to the Environmental Quality Commission (EQC) Feb. 19. Staff presented the EQC's recommendations to City Council March 25 (Attachment B). The City

Council directed staff to implement the suite of program enhancements by priority as follows:

1. Offer a matching rebate
2. Expand of income eligibility to 120% of area median income (AMI)
3. Electrify the Belle Haven Child Development Center (BHCDC)
4. Increase marketing and outreach
5. Serve select rental properties
6. Provide rental electrification kits
7. Install residential solar and battery storage systems

Analysis

Program status

In last month's progress report, staff provided an initial update on implementation efforts. Additional activities and developments for each priority are outlined below:

- Priority 1: A contract amendment is still in progress to offer a matching rebate for heat pump space heaters, heat pump water heaters, and electrical panel upgrades available to all Belle Haven residential property owners.
- Priority 2: City staff published an article (Attachment C) in the Weekly Digest to increase awareness of expanded eligibility. There are currently no new applications that meet the criteria.
- Priority 3: Sustainability and public works staff are coordinating to deliver the BHCDC electrification project, which will proceed through the City's capital improvement program. The project was also selected through a competitive process to be a part of the Bay Area Regional Energy Network's (BayREN) decarbonization showcase which offers free engineering and technical support to help municipalities electrify their facilities. Participation in the BayREN decarbonization showcase will support City staff throughout each phase of the project from procurement to construction. City staff held a kick-off meeting on May 20 with the BayREN team to map out project schedule and scope.
- Priority 4: City staff are in the process of reviewing vendor responses from a request for proposal (RFP) to develop a strategic marketing plan including updated messages, materials, and toolkits to support community based organizations and volunteers in engaging the community on home electrification.
- Priority 5: The first home assessment for a rental property was completed May 7. Two qualifying property owners who have submitted applications are working with their tenants to coordinate an assessment date. PCE has presented staff with a draft rental participation agreement where both owner and occupant will be required to sign.
- Priority 6: City staff issued an RFP on May 20 for local community-based organizations to assemble and distribute home electrification kits to rental units in the Belle Haven neighborhood. The deadline for proposals is June 3.
- Priority 7: PCE has identified six homes in Belle Haven from a 2024 list of applicants who expressed interest in solar and battery storage through the State's competitive self-generation incentive program (SGIP). While the launch of SGIP program continues to be delayed, PCE will be able to install solar and battery storage at these Belle Haven homes using City grant funding. In addition to the homes that have already been identified, City staff and PCE are developing guidelines to provide solar and battery storage systems as an offering to Belle Haven residents who electrify their homes as part of the Home Upgrade Services.

While City staff have been working to implement the above program enhancements to be able to serve more homes, PCE has informed City staff that there is a new limitation to the program impacting their ability to serve knob and tube homes. At least five homes that completed assessments in April have knob and

tube wiring electrical systems. It is considered unsafe and outdated; replacement is recommended during renovations or upgrades to ensure safety and compliance with building codes. Full remediation of the electrical system can be costly and invasive and typically requires the occupant to vacate the home for up to three weeks. Due to the cost and complexity, PCE disqualifies these homes from the program. City staff are in discussion with PCE to include homes that have already received assessments. However, any additional homes with knob and tube that express interest in the program are not likely to be accommodated through Home Upgrade Services. City staff are exploring with Habitat for Humanity, through the City's existing contract for home preservation, the potential to help homes with knob and tube wiring receive the necessary electrical remediation before electrification upgrades.

PCE outreach activities

PCE reports (Attachment D) that outreach emails and mailed letters were paused for April 2025 as PCE navigated administrative activities with Franklin Energy including launching the market rate full service installation program and updating their customer management system to improve customer service. Door-to-door canvassing was also paused as the key Climate Resilient Communities (CRC) staff person was out of the office. However, PCE and CRC continue to promote the program at community events and meetings and were present at the Love Our Earth Festival April 26 and direct outreach has resumed for May.

City outreach activities since last update report

City staff conducted program outreach and coordination with partners including the following activities (Attachment E):

- Provided program information during the public feedback sessions about potential City building code amendment May 6 and May 8.
- Placed electronic message board in Belle Haven neighborhood to promote program May 19 to 30.
- Printed and installed yard sign (Attachment F) promoting the program at one home in Belle Haven with completed electrification project.

Upcoming City outreach activities

- Continue monthly calls with Habitat for Humanity and GRID Alternatives (GRID) to coordinate on outreach and to evaluate projects in each organization's pipeline of projects for opportunities to layer programs.
- Continue direct outreach in English and Spanish by phone and email to Belle Haven residents who complete City's application form.
- Continue to distribute City developed program flyers to community-based organizations.
- Continue to install yard signs at homes as projects are completed.
- Configure advertisement on the ChargePoint charging station monitors at the Belle Haven Community Campus (BHCC).

Program metrics

PCE program progress to date includes 58 scheduled assessments, 43 completed assessments, 29 signed participation agreements, two emergency water heater replacements and three fully completed projects. The completed projects are anticipated to avoid a total of 11.5 metric tons of carbon dioxide equivalent (CO₂e) annually. PCE projects that it will cost \$912,003 to serve all the homes with signed participation agreements. To date, the City has been invoiced for \$120,378 by PCE for completed projects.

The April monthly report (Attachment D) includes metrics across the following categories:

- Participation
- Emergency water heater replacements

- Appliances installed
- PCE marketing and outreach
- Budget overview

Impact on City Resources

The City's \$4.5 million grant from the CEC must be fully expended by June 2026. The second half of the funding (\$2.25 million) becomes available once the first half is disbursed. In March, City Council recommended strategies to accelerate the community electrification program, ensuring the City can secure the second half of grant funding and meet expenditure deadlines.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Hyperlink – April 2, 2024, Staff Report #24-059-CC: menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2024-meetings/agendas/20240402/l1-20240402-cc-pce-electrification-program-and-funds.pdf
- B. Hyperlink – March 25 Staff Report #25-049-CC: menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2025-meetings/20250325/k1-20250325-cc-direction-communitywide-electrification-program.pdf
- C. Hyperlink – Home Upgrade Program income limits raised: menlopark.gov/News-articles/City-news/20250428Check-if-you-qualify-Home-Upgrade-Program-income-limits-raised
- D. PCE monthly report – April 2025
- E. Home Upgrade Program outreach
- F. Program yard sign

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PCE Home Upgrade Program
Monthly Report for City of Menlo Park

Reporting Period: April 1, 2025 – April 30, 2025

Program Overview

Peninsula Clean Energy's Home Upgrade [Full-Service Installation](#) offers San Mateo County residents whole-home electrification installation services to replace gas appliances with efficient electric alternatives. PCE also has an [emergency water heater replacement service](#) administered jointly with Full-Service Installation. Income-qualified residents receive upgrades at no-cost to them. Residents not income-qualified for no-cost upgrades receive installation services and PCE rebates and financing but have an out-of-pocket cost. The City of Menlo Park allocated funding to PCE's program to fund more income-qualified no-cost projects in Menlo Park, specifically in Belle Haven. PCE hired Franklin Energy to implement and administer the program. The Full-Service Installation program soft launched in late August to residents on a waitlist and to all resident in November. The program continues to be in a soft-launch state with PCE not running any County-wide marketing. The following memo includes details on PCE or PCE-contracted partner activities; it does not include activities by city staff. **Metrics below are for all Menlo Park income-qualified homes.** PCE will only invoice city for completed homes in Belle Haven, however summary metrics below include all homes in Menlo Park. Homes not income-qualified for no-cost upgrades are not included.

April Highlights

- Invoiced for the first two homes that received emergency water heater replacements.
- Scheduled first tenant-occupied home. At City's request, PCE agreed to enroll a few tenant-occupied homes where the property owner is income qualified and eligibility is verified by the City.
- Discovered prevalence of knob & tube (old, unsafe electrical wiring) in Menlo Park homes assessed. Remediating knob & tube is costly (~\$20-\$30k for electrical work alone), often requires invasive work (e.g. opening walls, floors, ceilings) and requires homeowner to vacate the property while work in ongoing (1-3 weeks). Due to high cost and complexity, PCE disqualifies these projects from its program. At the City's request to serve these homes with City funding, PCE is currently working with its legal team to develop an additional liability disclaimer that both the City and property owner would sign for these projects. PCE is aware of 5-6 homes that have already been assessed requiring knob & tube remediation and has agreed to serve these homes, *contingent on City agreement to PCE's new disclaimer*, but has communicated to the City it will not enroll additional homes requiring this type of work.

Participation Metrics – Full-Service Installation

Metric	April 2025	To Date
Home Assessments Scheduled	5	58
Home Assessments Completed	9	43

Signed Participation Agreements	11	29
Installations Completed	0	3
Fully Electrified¹	0	2
Homes Invoiced	0	2

Participation Metrics – Emergency Water Heater Replacements

Metric	April 2025	To Date
Installations Completed	0	2
Homes Invoiced	2	2

Appliances Installed

Metric	April 2025	To Date
HP HVAC	0	2
HPWH	2	7
Induction Cooking	0	2
Electric Dryer	0	2

- Metric Tons CO2e avoided per year from appliances installed to date²: 11.5

Marketing and Outreach Metrics

Metric	April 2025	To Date
Emails sent	0	2,215
Direct mail sent	0	883
Canvassing – doors knocked on	0	154

Budget Overview

Task	Total Budget (\$)	Invoiced (\$) April 2025	Invoiced (\$) To Date	Remaining (\$)
Task 1 – Program Set Up. Invoiced upon Task 1 completion.	\$8,000	\$0	\$8,000	\$0
Task 2 – Administrative Reporting. \$6,000 invoiced upon start of Task 2. \$6,000 invoiced twelve months after start of Task 2.	\$12,000	\$0	\$6,000	\$6,000
Task 3 – Marketing and Outreach. \$30,000 invoiced upon start of Task 3.	\$60,000	\$0	\$30,000	\$30,000

¹ While full home electrification is offered, customers may choose to keep some gas appliances. Customers are required to electrify at least their water heater or space heater to participate.

² Based on PCE calculated values using US Energy Information Administration emissions factor and 2019 California Residential Appliance Saturation Study.

\$30,000 invoiced twelve months after start of Task 3.				
Task 4 – Ongoing Program Implementation. Invoiced monthly upon start of Task 4. For installation costs, invoiced based on measures installed that month and fixed measure costs in PCE & Subconsultant contract. For customer management costs, invoiced based on \$3,000 per home for homes completed that month.	\$2,130,000	\$22,000	\$76,378	\$2,053,622
TOTAL	\$2,210,000	\$22,000	\$98,378	\$2,111,622



Home Upgrade Program Outreach Activities

Table 1 is a record of the outreach activities that City sustainability staff completed to date to encourage community participation in the Home Upgrade Program.

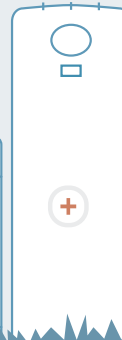
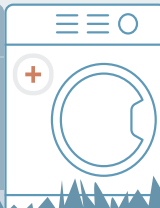
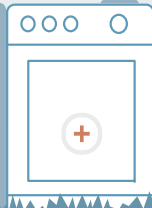
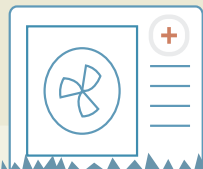
Table 1: Outreach activities		
Date	Activity	Method
4/13/2024	Hosted information table at the Love Our Earth Festival	In-person tabling
5/11/2024	Hosted information table at the city's Housing Resource Fair to promote	In-person tabling, social media
6/15/2024	Hosted information table at Juneteenth event at Belle Haven Community Campus	In-person tabling
6/20/2024	Participated in Climate Resilient Communities' (CRC) Belle Haven Community Climate Change Team (CCCT) monthly meeting	In-person
6/26/2024	Added Home Upgrade program to Existing building electrification webpage	Webpage update
7/4/2024	Partnered with 350 Silicon Valley to share home upgrade program information at their booth at the fourth of July celebration	In-person tabling
7/10/2024	Distributed informational flyers at libraries and additional city facilities about Home upgrade program	Flyers
7/18/2024	Participated in Climate Resilient Communities' (CRC) Belle Haven Community Climate Change Team (CCCT) monthly meeting	In-person
8/6/2024	Hosted information table at Nation Night Out	In-person tabling
8/22/2024	Participated in Climate Resilient Communities' (CRC) Belle Haven Community Climate Change Team (CCCT) monthly meeting	In-person
9/19/2024	Participated in Climate Resilient Communities' (CRC) Belle Haven Community Climate Change Team (CCCT) monthly meeting	In-person
9/26/2024	Hosted information table at Employee Wellness fair	In-person tabling
9/27/2024	Provided flyers for Belle Haven Child Development Center Open House	Flyers
10/10/2024	Hosted information table at Belle Haven Community Campus Open House	In-person tabling
10/10/2024	Hosted information table at Clean Air Day at TIDE Academy	In-person tabling
10/15/2024	Developed program flyer in English and Spanish	Flyers
10/19/2024	Hosted information table at Flyway Trail opening at Bedwell Bayfront	In-person tabling
10/19/2024	Provided two Menlo Park electric home homeowners with flyers to distribute during Acterra's Electric Home Tour	In-person
10/23/2024 – 10/25/2024	Provided Habitat for Humanity with program flyers for grassroots door-knocking campaign in Belle Haven	In-person

10/29/2024	Hosted decorated electric vehicle and provided flyers at Trunk or Treat event at Belle Haven Community Campus	In-person
11/7/2024	Hosted information table at City's housing anti-displacement event in English	In-person tabling
11/14/2024	Hosted information table at City's housing anti-displacement event in Spanish	In-person tabling
11/17/2024	Hosted information table at table at the Wetlands and Watts event	In-person tabling
11/18/2024	Announced program launch in Weekly Digest	Published article on website
11/18/2024	Began advertising the program flyer on the video monitors at the Belle Haven Community Campus and the Neighborhood Service Center	Monitors
11/20/2024	Published program launch announcement through social media outlets	Social media
11/22/2024	Updated the City's residential electrification webpage to announce program launch	Webpage update
12/12/2024	Provided flyers and giveaways for Disaster Preparedness Workshop hosted at Belle Haven Community Campus	In-person
1/1/2025	Advertised program in January Recology billing insert	Direct mailing
2/5/2025	Presented Home Upgrade Program to Housing Commission	In-person
2/6/2025	Presented Home Upgrade Program at the Belle Haven Neighborhood Association	In-person
2/6/2025	Presented at the Sustainable San Mateo County webinar (Your City's Path to Sustainability) Home Upgrade: New Peninsula Clean Energy Services to Support Your Community in Decarbonizing	Webinar
2/10/2025	Published Weekly Digest announcing PCE's new website and program opportunities	Published article on website
2/11/2025	Provided flyers to school districts and related organizations serving youth in Menlo Park at the Community Trust meeting	Flyers
2/17/2025	Placed electronic message boards in the Belle Haven Neighborhood advertising the program	Street ad
2/20/2025	Presented at CRC's Community Climate Change Team meeting Feb. 20.	In-person
2/21/2025	Mailed postcard to 1,260 homeowners in Belle Haven	Mailing
3/10/2025	Placed program banner in the Belle Haven Neighborhood advertising the program	Outdoor ad
3/24/2025	Added Frequently Asked Questions resource to existing building electrification webpage	Webpage update
3/29/2025	Hosted information table at the City's Resource Fair in Belle Haven to promote program	In-person tabling, social media
4/14/2025	Promoted PCE programs and home electrification in Weekly Digest	Published article on website
4/22/2025	Updated income limits to 120% area median income (AMI) on program webpage	Webpage update
4/26/2025	Hosted information table at the Love Our Earth Festival	In-person tabling

4/28/2025	Announced AMI updates in Weekly Digest	Published article on website
5/6/2025	Provided program information during the public feedback sessions about potential City building code amendment May 6 and May 8.	In-person
5/19/2025	Placed electronic message board in Belle Haven neighborhood to promote program	Street ad
5/27/2025	Printed and installed yard sign promoting the program at one home in Belle Haven with completed electrification project.	Yard sign

Go electric for your health. We did.

MenloPark.gov/HomeUpgrade



Pásate a eléctrico por tu salud. Nosotros lo hicimos.