STAFF REPORT

City Council
Meeting Date: 5/19/2026
Staff Report Number: 26-085-CC

Consent Calendar: **Consider and adopt a resolution to authorize the city manager to execute an amendment to the funding agreement with Peninsula Clean Energy to continue to implement a state funded home electrification program**

Recommendation

Staff recommend the City Council consider and adopt a resolution (Attachment A) to authorize the city manager to execute an amendment to the funding agreement with Peninsula Clean Energy (PCE) in the amount not to exceed $3.75 million through Dec. 31, 2028, to continue implementation of a state funded home electrification program.

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. CAP strategy No. 1 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 low-income turnkey program. Additionally, 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, cooking and clothes drying. This agreement exceeds the city manager’s signing authority and requires City Council approval.

Background

The California State Budget Act of 2022 (Assembly Bill 179) appropriated $4.5 million to the City of Menlo Park through the California Energy Commission (CEC) for a communitywide electrification project. The City received the first payment of $2.25 million in September 2023. Under the original grant terms, the City was required to expend the full $4.5 million by June 30, 2026. On March 5, the City and the CEC executed an amendment with the CEC to expend the first $2.25 million, submit a midway project report, invoice the CEC for the second half of funds by Dec. 31, 2026, with all grant funds expended by Dec. 31, 2028.

On April 2, 2024, City Council authorized an agreement with Peninsula Clean Energy (PCE) for up to $2.21 million through June 30, 2026, to administer the state-funded home electrification program and directed staff to provide regular updates as informational items (Attachment B). On May 20, 2024, the City entered into an agreement with PCE.

The City's program is administered through Home Upgrade Services, a portfolio of programs offered by PCE to support residents in electrifying their homes. The Menlo Park program launched in the Belle Haven neighborhood Nov. 18, 2024.

After a year of program data, City Council provided direction to proceed with program enhancements aimed at supporting timely expenditure of grant funds including expanding the program citywide, offering matching rebates to PCE's electrification rebates citywide, increasing the budget for solar and battery storage and electrification bundles for renters, partnering with additional community-based organizations (CBOs), offering electric vehicle and e-bike vouchers, and creating a referral bonus (Attachment C). Following City Council's direction, the funding agreement with PCE was amended for the first time March 11, to add “Task 5 – Matching Rebate Program” to enable the distribution of matching rebates for residents not qualified for no cost upgrades.

Analysis

The proposed second amendment to the agreement increases funding and extends the timeline to complete "Task 4 – Ongoing Program Implementation" and “Task 5 – Matching Rebate Program”. The amendment increases the term from June 30, 2026, to Dec. 31, 2028, and increases the maximum amount from $2.13 million to $3.67 million between Tasks 4 and 5. The proposed not to exceed amount for the agreement is $3.75 million. No other task budgets or timelines within the agreement are modified.

The additional funds for Tasks 4 and 5 are the maximum that could be spent from the second half of the grant award for Home Upgrade Services projects. The City retains funds for marketing, administering a referral incentive program, installation of electrification bundles for renters through the Belle Haven Community Development Fund, distribution of electric vehicle and electric bicycle incentives through Acterra, and electrification of public facilities including the Belle Haven Child Development Center,the Gatehouse, and the full integration of the Belle Haven Community Campus microgrid including the the Kelly Park solar carport installation. Based on program interest to date, staff anticipate that PCE will invoice approximately $1.54 million of the second-half grant award to the City for the Home Upgrade Services program.

Task 4 directly funds the full-service installation and customer management costs for income eligible residents and is invoiced by PCE on a monthly basis. PCE maintains three subcontractors to install the upgrades and costs are fixed based on PCE's agreements. Task 5 directly funds PCE to administer matching rebates for self-service and full-service installations for residents who are not eligible for no-cost upgrades to complement PCE’s available offerings for heat pump water heaters, heat pump heating, ventilation and air conditioning (HVAC) systems, and panel upgrades. The additional funds are anticipated to support 50 rebates and no-cost electrification upgrades for 40 additional homes beyond those that have signed participation agreements to date. Through April 2026, total spending under the PCE agreement has been $974,516 which includes program set-up, administrative reporting, marketing and outreach, and ongoing program implementation, including the upgrade of 33 homes and customer management of 74 homes with signed participation agreements.

Staff prepared this amendment ahead of the June 30, 2026, expiration of the City's agreement with PCE to minimize program down time between the receipt of the second State payment and the continuation of program implementation. Given the urgency to advance projects before the grant deadline, avoiding any pause in program activity is critical to maintaining momentum. City staff and PCE will continue to meet regularly to coordinate on program implementation, and monthly progress updates are posted on the City's website (Attachment D). PCE will present the proposed amendment to its Board of Directors for approval at its regularly scheduled meeting May 28, 2026. In Summer 2026, PCE will rebrand as WestLight Energy. The name change does not affect the terms of the agreement.

Impact on City Resources

The amendment is fully funded by the State grant, with no impact to the General Fund. Section 2 (Funding) of the amendment includes protective language specifying that the City will not authorize expenditures beyond the original agreement amount of $2.21 million, nor incur any obligations associated with the additional $1.54 million until the State has disbursed the second installment of grant funds to the City. By incorporating this provision directly into the amended agreement, the City avoids committing to spending grant funds before receiving them from the State. Staff anticipate invoicing the State for the second half of the grant Fall 2026.

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. Resolution
B. Hyperlink – April 2, 2024, Staff Report #24-059-CC: www.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
C. Hyperlink – Nov. 18, 2025, Staff Report #25-176-CC: www.menlopark.gov/files/sharedassets/public/v/1/agendas-and-minutes/city-council/2025-meetings/20251118/g2-20251118-cc-home-upgrade-services-program-direction.pdf
D. Hyperlink – Home Upgrade Services program webpage: www.menlopark.gov/HomeUpgrade

Report prepared by:
Rachael Londer, Sustainability Manager

Report reviewed by:
Stephen Stolte, Assistant City Manager

RESOLUTION NO. XXXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT WITH PENINSULA CLEAN ENERGY TO CONTINUE TO IMPLEMENT A STATE FUNDED HOME ELECTRIFICATION PROGRAM

WHEREAS, the City of Menlo Park has declared a climate emergency and adopted a Climate Action Plan (CAP) with strategies to reduce emissions of greenhouse gasses (GHGs) within the City; and

WHEREAS, the CAP includes strategy Goal No. 1 to explore policy options to electrify 95 percent of existing buildings by 2030; and

WHEREAS, 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; and

WHEREAS, the City of Menlo Park accepted the first half, $2.25 million, in September 2023 and the City must expend all $4.5 million by Dec. 31, 2028; and

WHEREAS, Peninsula Clean Energy Authority (PCE) is a not-for-profit electricity provider and joint powers authority serving all of San Mateo County with a mission to reduce GHGs, and operates a Home Upgrade program that performs electrification retrofits for existing residences at no cost to the resident; and

WHEREAS, the City Council adopted a resolution to authorize the city manager to execute a funding agreement with PCE in the amount of $2.21 million to implement a state funded home electrification program; and

WHEREAS, the parties entered an agreement May 20, 2024, for the purpose of Menlo Park's citywide home electrification program; and

WHEREAS, the program has since been named the Menlo Park Home Upgrade Services program has installed electrification measures in 33 homes since program launch in August 2024; and

WHEREAS, April 28, 2026, City Council adopted a resolution approving an administrative amendment to the Peninsula Clean Energy Joint Exercise of Powers Agreement reflecting the name change of Peninsula Clean Energy Authority to WestLight Energy which will take place starting July 2026;

WHEREAS, the parties wish to amend the agreement to increase the term from June 30, 2026, to Dec. 31, 2028; and

WHEREAS, the parties wish to amend the agreement to increase the maximum amount by $1.54 million to an amount not to exceed $3.75 million; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of Menlo Park hereby resolves:

A. The approval of the amendment to the funding agreement for a home electrification program in the City of Menlo Park exempt from the requirements of the California Environmental

Quality Act (CEQA) pursuant to State CEQA Guidelines §§15378 and 15061(b)(3) as the project will not result in any direct or indirect physical change in the environment.

B. The City Manager is authorized to execute the funding agreement attached hereto and incorporated herein by this reference as Exhibit A and any and all documents necessary to disperse funds on behalf of the City of Menlo Park.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council Resolution was duly and regularly passed and adopted at a meeting by said City Council on the nineteenth day of May, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this __ day of May, 2026.

____
Judi A. Herren, City Clerk

Exhibits:
A. Amended funding agreement – Peninsula Clean Energy Authority

PENINSULA CLEAN ENERGY

AMENDMENT NO. 2 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY AUTHORITY AND CITY OF MENLO PARK

THIS AMENDMENT TO THE AGREEMENT, entered into this 28th day of May, 2026 by and between PENINSULA CLEAN ENERGY AUTHORITY, a California joint powers authority, hereinafter called "PCE," and City of Menlo Park hereinafter called "City";

W I T N E S S E T H:

WHEREAS, the parties entered into an Agreement on May 20, 2024, for the purpose of Menlo Park’s citywide home electrification program (“Agreement”); and

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by $1,540,000 to an amount not to exceed $3,750,000.

WHEREAS, the parties wish to amend the Agreement to increase the term from June 30, 2026 to December 31, 2028.

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

1. **The text of “Section 2 Funding” shall be replaced in its entirety with the following:**

City hereby confirms to PCE that the City has approved, appropriated and allocated Funding in an amount not to exceed three million seven hundred and fifty thousand dollars and /100 dollars ($3,750,000.00) from the General Fund for use by PCE to carry out and implement the Program in accordance with its Proposal, the terms of this Agreement, and the terms of the CEC Agreement, including funding for PCE's Program set up costs in an amount of $8,000, administrative costs in an amount of $12,000, outreach and marketing costs of $60,000, and ongoing program implementation in an amount of $3,670,000 inclusive of customer management costs of $3,000 per home successfully electrified. In the event of any conflict between the terms of the Proposal and the terms of this Agreement, the terms of this Agreement shall control. PCE acknowledges and understands that the Funding from City shall not exceed three million seven hundred and fifty thousand dollars and 00/100 dollars ($3,750,000.00). The full cost of the amendment is funded by the State grant. The City will not authorize spending beyond the original agreement amount of $2.21 million nor incur any obligations associated with the additional $1.54 million until the State has disbursed the second installment of grant funds to the City. This approach ensures the City does not commit to spending grant funds before receiving them from the State.The City shall hold and control the Funding for disbursement in accordance with the terms of this Agreement. PCE hereby represents and warrants that in exchange for the Funding that it will carry out and implement the Program in accordance with its Proposal and the terms of this Agreement. PCE shall submit disbursement requests for administrative costs and outreach and marketing on an annual basis based on PCE's Programed budget for the coming year. The City shall disburse Funding based on PCE's submitted budget within thirty (30) calendar days of requests for such disbursements.

2. **The text of "Section 5 Term" shall be replaced in its entirety with the following:**

Commencing on the Effective Date through and including December 31, 2028 (the "Funding Term"), the City shall make the Funding available to PCE to carry out and implement the Program in accordance with its Proposal and the terms of this Agreement. PCE shall use good faith efforts to complete the electrification of at least forty (40) Program Eligible Households and disburse fifty (50) rebates prior to expiration of the Term. PCE hereby acknowledges and understands that City will only fund electrification of a Program Eligible Home if the Participation Agreement entered into by and between PCE and a Program Eligible Household is dated prior to the expiration of the Funding Term. Commencing ninety (90) calendar days prior to the expiration of the Funding Term of this Agreement, provided there is Funding remaining available, PCE shall report to City no less frequently than once per month regarding the status of any prospective opportunities to electrify the home of a Program Eligible Household in order to coordinate on the orderly close out of the remaining Funding prior to the expiration of the Funding Term.

3. **The text of "Schedule of Work" contained in "Exhibit A-1 Scope of Work" shall be replaced in its entirety with the following:**

Task	**Timeline (start to end or due date)**
Task 1 – Program Set Up	within 45 days of contract effective date
Task 2 – Administrative Reporting	45 days after contract effective date through December 31, 2028
Task 3 – Marketing and Outreach	45 days after contract effective date through December 31, 2028
Task 4 – Ongoing Program Implementation	45 days after contract effective date through December 31, 2028
Task 5 – Matching Rebate Program	45 days after contract amendment effective date through December 31, 2028

4. The text of "Exhibit B – Compensation" shall be replaced in its entirety with the following:

Task	**Estimated Amount ($)**	**Invoicing and Payment Terms**
Task 1 – Program Set Up *(completed)*	$8,000	$8,000 invoiced upon Task 1 completion.
Task 2 – Administrative Reporting *(completed)*	$12,000	$6,000 invoiced upon start of Task 2. $6,000 invoiced twelve months after start of Task 2.
Task 3 – Marketing and Outreach *(completed)*	$60,000	$30,000 invoiced upon start of Task 3. $30,000 invoiced twelve months after start of Task 3.
Task 4 – Ongoing Program Implementation	$3,595,000	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.
Task 5 – Matching Rebate Program	$75,000	Invoiced $75,000 upon start of Task 5 including $5,000 for program set-up and $70,000 for matching rebate costs based on the amount PCE offers in rebate of each measure installed and $150 for PCE to retain per rebate application processed for customer management costs. After dispersal of the initial $75,000, additional funds from Task 4 may be allocated to matching rebates. Costs shall be invoiced monthly based on amount dispersed for the matching rebate and customer management costs.
Total Not-To-Exceed	**$3,750,000**	

5. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.

6. This Amendment No. 2 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 E. Marshall, CEO

Dated: __________

By: ________________________
Justin I. C. Murphy, City Manager

Dated: __________

AGREEMENT AMENDMENT

City Manager's Office
701 Laurel St., Menlo Park, CA 94025
tel 650-330-6620

CITY OF MENLO PARK

Amendment #: 4495.1

**AGREEMENT FOR SERVICES BETWEEN
THE CITY OF MENLO PARK AND PENINSULA CLEAN ENERGY AUTHORITY**

THIS FIRST AMENDMENT is made and entered into this 3/11/2026, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and PENINSULA CLEAN ENERGY AUTHORITY hereinafter referred to as "FIRST PARTY."

1. EXHIBIT A-1 SCOPE OF WORK of Agreement No. 4495, ("Agreement"), EXHIBIT A-1 SCOPE OF WORK [amendment to section] is hereby amended to add the following:

   "**Task 5. Matching Rebate Program**
   The City of Menlo Park will provide funding for a matching rebate to augment Peninsula Clean Energy's rebate program. Peninsula Clean Energy shall be responsible for administering the full rebate amount and shall invoice the City for reimbursement for the City-funded matching portion.

   Installations that may be eligible include heat pump water heater replacement of a gas water heater, heat pump water heater replacement of an electric resistance water heater, heat pump HVAC replacement of a gas heater or furnace or electrical panel upgrade or any future electrification rebates PCE offers. The matching rebate shall apply only to properties in the City of Menlo Park that meet Peninsula Clean Energy's existing eligibility requirements for the rebate program. Peninsula Clean Energy shall not administer matching rebates for projects that do not qualify for Peninsula Clean Energy rebates, eligibility for which shall be solely determined by Peninsula Clean Energy. No separate or additional eligibility criteria shall be created or supported beyond Peninsula Clean Energy's standard program requirements."

   Schedule of Work

Task 5 – Matching Rebate Program	45 days after contract amendment effective date through June 30, 2026

2. EXHIBIT B COMPENSATION of Agreement No. 4495, ("Agreement"), EXHIBIT B COMPENSATION [amendment to section] is hereby amended to include the following addendum:

Task 5 – Matching Rebate Program	Invoiced $75,000 upon start of Task 5 including $5,000 for program set-up and $70,000 for matching rebate costs based on the amount PCE offers in rebate of each measure installed and $150 for PCE to retain per rebate application processed for customer management costs. After dispersal of the initial $75,000, additional funds from overall contract budget may be allocated to matching rebates. Costs shall be invoiced monthly based on amount dispersed for the matching rebate and customer management costs.

Except as modified by this Amendment, all other terms and conditions of Agreement No. 4495 remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SIGNATURE PAGE TO FOLLOW

FOR FIRST PARTY:

Signed by:
Shawn Marshall
F332A52474ED4AB...
Signature

3/6/2026
Date

Shawn Marshall
Printed name

Chief Executive Officer
Title

n/a Tax ID#
Tax ID#

APPROVED AS TO FORM:

DocuSigned by:
Nira F. Doherty
44FFE23C8E6B458...
Nira F. Doherty, City Attorney

3/9/2026
Date

FOR CITY OF MENLO PARK:

DocuSigned by:
Justin Murphy
8379C4D5DD3E486...
Justin I. C. Murphy, City Manager

3/11/2026
Date

ATTEST:

DocuSigned by:
39280A20D0BE491...
Judi A. Herren, City Clerk

3/12/2026
Date

#4495

HOME ELECTRIFICATION PROGRAM FUNDING AGREEMENT

This Home Electrification Program Funding Agreement (“**Agreement**”), is entered into by and among the CITY OF MENLO PARK, a California municipal corporation (“**City**”), and PENINSULA CLEAN ENERGY AUTHORITY, a California non-profit joint powers authority (“**PCE**”), effective as of the date of execution by the City (“**Effective Date**”), with reference to the following facts:

RECITALS

A. In 2019, the City of Menlo Park adopted Resolution No. 6535 declaring a climate emergency and committing to accelerate actions to address climate change at a local level. In 2020 the City Council adopted the 2030 Climate Action Plan (CAP) (Resolution No. 6575) and updated the scope of work in 2021 (Resolution 6621). The CAP set the ambitious goal to be carbon neutral by 2030. CAP strategy No. 1 aims to electrify 95 percent of existing buildings by 2030. The City has pursued multiple avenues to promote electrification. In 2022, Menlo Spark, an independent non-profit, requested funds through California State Senator Becker’s office for a home electrification program focused on the Belle Haven neighborhood.

B. California Assembly Bill 179 (AB 179), Chapter 249/Statues of 2022, section 19.56(e)(3), included an appropriation to the California Energy Commission (CEC) solely for a citywide electrification Program in the City of Menlo Park (City):

Sec. 19.56 . . . (e) WATER, DROUGHT, AND OTHER INFRASTRUCTURE
. . .
(3) "To be allocated by the California Energy Commission, $4,500,000 to the City of Menlo Park for the citywide electrification Program."

C. On July 11, 2023, the City Council adopted a resolution authorizing the city manager to sign an agreement with the California Energy Commission to accept $4.5 million in state funds for a citywide electrification Program.

D. On October 10, 2023, staff presented options for how to implement the community-wide electrification program, which included supplementing PCE’s established income-qualified direct install electrification program. The City Council directed staff to develop an agreement with PCE to implement the City’s program. PCE’s proposed scope of work, attached hereto as **Exhibit A** (“**Proposal**”), would implement the Menlo Park Home Electrification Program with a focus on the Belle Haven neighborhood over a three (3) year period (**“Program”**).

E. As more particularly set forth in the Proposal and corresponding agreement with Franklin Energy (Subconsultant) to perform the implementation work, PCE proposes to undertake the following activities in order to carry out the Program:

1. PCE and its Subconsultant will finalize PCE's program design including program guidelines, procedures, and policies and work with the City to define eligibility requirements and guidelines for the City's funds, which may differ from the general PCE program. For the City funds PCE and the City shall: finalize customer and property eligibility requirements ("**Program Eligible Household**"), finalize guidelines for City funds, determine timelines and/or triggers for re-assessing eligibility and guidelines, and finalize enrollment documents such as customer participation agreements that outline the expectations and scope of work for qualifying projects ("**Participation Agreement").**

2. PCE and City will jointly collaborate on marketing the program to Menlo Park residents. This includes PCE's general program marketing for its entire service territory and any PCE and/or City marketing and outreach efforts specific to the City's funds. PCE is also contracting with a community-based organization (CBO) to perform canvassing activities for the program. PCE shall: market the program through email, direct mail, social media, and digital ads for the entire PCE service territory including Menlo Park; work with the City to execute targeted marketing to Belle Haven residents, which may include dedicated emails or direct mail campaigns; provide information on the program that City may use in their marketing and outreach efforts; co-develop flyers and other materials as mutually determined for Menlo Park-specific marketing activities; work with CBO Subconsultant to execute canvassing activities in Menlo Park; and produce one to two two-page case studies per year highlighting customer success stories in Menlo Park through the program period.

3. PCE's Subconsultant will perform all implementation tasks for the direct-install program once it is launched. Subconsultant will: screen customer leads based on program eligibility guidelines; manage all customer communications for the program in all stages of the program, including responding to customer inquiries and case management for customers in the pipeline; enroll customers by collecting necessary documentation and signed **Participation Agreement**; provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes; perform home assessment ("**Home Electrification Assessment**") for the home, mostly in person but may sometimes be via video call; produce scope of work for each home based on a variety of factors including analysis of energy usage data, appliance age and conditions, home conditions, customer preferences, and program funding guidelines; deliver project scope of work to customer and receive sign off before scheduling installation; delegate installation work to program-approved Subcontractors to install measures outlined in the customer's scope of work; oversee Subcontractors work including reviewing their invoices and project documentation and working with them to resolve any customer issues; apply for City permits for measures to be installed; provide quality assurance, including ensuring permits are brought to closure and performing site visits to approximately 5% of homes; educate customer in successfully operating and maintaining the new measure(s) installed; provide customer with equipment technical manuals, equipment warranty

documentation, installation warranty documentation that are supplied with the equipment by the manufacturer; respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer; and apply for third party rebates available for the project to reduce PCE and/or the City's net costs.

4. Once PCE has launched the program, PCE shall: provide monthly progress and expense reports which shall include metrics for the reporting period and cumulative outreach and marketing costs, total number of interested participants, total number of completed Home Electrification Assessments, total number of Program Eligible Households, signed Participation Agreements, total number of homes served in Menlo Park, breakdown of homes served with PCE and City funds, total number of measures installed, total expenses and remaining budget; provide backup data listing each Menlo Park home served by the program and all information collected about that home; and have a monthly call with the City to review monthly progress and expense reports and evaluate expanding program eligibility.

F. On April 2, 2024, the City Council reviewed and considered the Proposal and adopted Resolution No. XXXX authorizing funding of $2,210,000 from the General Fund to PCE for implementation of the Program ("**Funding**") subject to the review and approval of the City Attorney and City Manager of the terms and conditions of an agreement governing the Funding.

G. PCE is relying on the Funding to ensure that funds are available for the implementation of the City Program. Implementation of the PCE income-qualified direct install program would continue for eligible homes when Funding is no longer available.

Therefore, City and PCE agree as follows:

AGREEMENT

1. **Incorporation of Recitals**. The above Recitals are true and correct, and the Recitals and all defined terms and exhibits identified and set forth therein are hereby incorporated into this Agreement.

2. **Funding**. City hereby confirms to PCE that the City has approved, appropriated and allocated Funding in an amount not to exceed two million one hundred ten thousand and 00/100 dollars ($2,210,000.00) from the General Fund for use by PCE to carry out and implement the Program in accordance with its Proposal, the terms of this Agreement, and the terms of the **CEC Agreement**, including funding for PCE's Program set up costs in an amount of $8,000, administrative costs in an amount of $12,000, outreach and marketing costs of $60,000, and ongoing program implementation in an amount of $2,030,000 inclusive of customer management costs of $3,000 per home successfully electrified. In the event of any conflict between the terms of the Proposal and the terms of this Agreement, the terms of this Agreement shall control. PCE acknowledges and understands that the Funding from City shall not exceed two million one

hundred ten thousand and 00/100 dollars ($2,210,000.00). The City shall hold and control the Funding for disbursement in accordance with the terms of this Agreement. PCE hereby represents and warrants that in exchange for the Funding that it will carry out and implement the Program in accordance with its Proposal and the terms of this Agreement. PCE shall submit disbursement requests for administrative costs and outreach and marketing on an annual basis based on PCE's Programed budget for the coming year. The City shall disburse Funding based on PCE's submitted budget within thirty (30) calendar days of requests for such disbursements.

3. **Request for Disbursement of Funding**. In order to obtain a disbursement of a portion of the Funding to fund each task, PCE shall submit invoices to the City as outlined in the compensation section of the Proposal (**Exhibit B**). The full Program setup costs would be invoiced upon completion of Task 1. Half of the Administrative Reporting costs would be invoiced at the start of Task 2 and the second half twelve months after the start of Task 2. Half of the Marketing and Outreach costs would be invoiced upon the start of Task 3 and the second half invoiced twelve months after the start of Task 3. Ongoing program implementation costs would be invoiced monthly beginning at the start of Task 4.

4. **Changes to Program**. PCE shall not make any changes in the Proposal that would affect the Program funded pursuant to this Agreement without the prior written consent of City, which consent may be granted or withheld in the sole discretion of the City. The foregoing notwithstanding, in no event shall any Funding be used for any purpose that is not directly related to transitioning natural gas powered equipment to electric powered equipment, increasing the energy efficiency, and enhancing electrical infrastructure in households of very low, low and moderate income as defined under State law[1]. If there is any substantial change in the Proposal as it relates to the Program, as determined by City in its sole discretion, and which change is not approved by City or if the Program is discontinued by PCE and not replaced with a substantially similar program (with any replacement program to be approved by City in its sole and absolute discretion), any remaining available funds will be returned to City by PCE.

5. **Term**. Commencing on the Effective Date through and including June 30, 2026

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1 "Very low income" households means households with incomes of not more than fifty percent (50%) of AMI. "AMI" means the median income for San Mateo County, California, adjusted for Actual Household Size, as published from time to time by the State of California Department of Housing and Community Development in Section 6932 of Title 25 of the California Code of Regulations or successor provision. "Low income household" means households with incomes of not more than eighty percent (80%) of AMI. "AMI" means the median income for San Mateo County, California, adjusted for Actual Household Size, as published from time to time by the State of California Department of Housing and Community Development in Section 6932 of Title 25 of the California Code of Regulations or successor provision. "Moderate income" households means households with incomes of not more than one hundred and twenty percent (120%) of AMI. "AMI" means the median income for San Mateo County, California, adjusted for Actual Household Size, as published from time to time by the State of California Department of Housing and Community Development in Section 6932 of Title 25 of the California Code of Regulations or successor provision.

(the "**Funding Term**"), the City shall make the Funding available to PCE to carry out and implement the Program in accordance with its Proposal and the terms of this Agreement. PCE shall use good faith efforts to complete the electrification of at least forty (40) Program Eligible Households prior to expiration of the Term. PCE hereby acknowledges and understands that City will only fund electrification of a Program Eligible Home if the Participation Agreement entered into by and between PCE and a Program Eligible Household is dated prior to the expiration of the Funding Term. Commencing ninety (90) calendar days prior to the expiration of the Funding Term of this Agreement, provided there is Funding remaining available, PCE shall report to City no less frequently than once per month regarding the status of any prospective opportunities to electrify the home of a Program Eligible Household in order to coordinate on the orderly close out of the remaining Funding prior to the expiration of the Funding Term.

6. Program Set Up. PCE and its Subconsultant shall coordinate program guidelines, procedures, and policies with city staff. PCE shall deliver a document outlining eligibility requirements and guidelines for dispersing city funds, final enrollment documents, and guidelines for disbursement of city funds including averages and maximums for energy efficiency, electrical remediation and home repairs. The program set up shall establish a process for verifying customer and property eligibility.

7. **Monthly Report.** PCE shall submit a written narrative report to City within ten (10) calendar days following the end of each month describing the activities funded with the Funding pursuant to this Agreement. Said report shall identify items outlined in Task 2.1 including: metrics for the reporting period and cumulative outreach and marketing costs, total number of interested participants, total number of completed Home Electrification Assessments, total number of Program Eligible Households, signed Participation Agreements, total number of homes served in Menlo Park, breakdown of homes served with PCE and City funds, total number of measures installed, total expenses and remaining budget and such other data as may be required by City from time to time. Further, PCE shall describe their outreach efforts to identify Program Eligible Households, the number of applications PCE received and approved, the number of Home Electrification Assessments completed, the number of Participation Agreements entered into by PCE and Program Eligible Households, and the status and expected completion date of ongoing home electrification work undertaken pursuant to a Participation Agreement.

8. **Annual Financial Statement**. PCE shall make available to City within ninety (90) calendar days following the end of each fiscal year (i.e. July 1 through June 30) an annual financial statement and analysis setting forth in detail the manner in which, and the specific purposes for which, the Funding was expended to the date of such accounting, the outstanding balance of each Program Eligible Home as of the date of such accounting, the available balance of Funding as of the date of such accounting, and such other data as the City may require from time to time. Said statement and analysis may be combined with the coinciding monthly narrative report submitted pursuant to Section 7.

9 **Audit; Monitoring**. City may audit the records and accounts of PCE for the purpose of verifying expenditures by PCE of Funding provided hereunder or verifying statements or analyses made or provided by PCE hereunder. PCE shall respond to, and comply with, any audit exception made or taken by City relating to PCE's performance or failure to perform hereunder.

10. **Compliance with Laws; Prevailing Wages**. PCE shall carry out, and shall use its best efforts to ensure that its employees, volunteers, contractors and subcontractors carry out, the design and construction of all Program activities funded by the Funding in conformity with all applicable State of California Labor Code requirements; the City zoning and development standards; building, plumbing, mechanical and electrical codes; all other provisions of the City of Menlo Park Municipal Code ("**Code**"); all applicable disabled and handicapped access requirements, including the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.,* Government Code Section 4450, *et seq.,* Government Code Section 11135, *et seq.,* and the Unruh Civil Rights Act, Civil Code Section 51, *et seq*., this **Agreement** and the **CEC Agreement**; that all contractors or subcontractors hired by PCE are licensed in the State of California; and that all activities funded hereunder are only performed on property located within and benefit residents within City's corporate limits.

In the performance of its obligations set forth in this Agreement, PCE shall have the status of an independent contractor and shall not be deemed to be an employee, agent or officer of City. To the extent State prevailing wage laws apply to the Program, PCE shall ensure that it complies with prevailing wage requirements in connection with the design and construction of the electrification of the homes of Program Eligible Households (the "**Work**") pursuant to this Agreement, that no less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the Work shall be paid to all workers, laborers and mechanics employed in the execution of the Work by PCE, contractors and subcontractors doing or contracting to do any part of the Work. Copies of such prevailing rate of per diem wages are available at: https://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

To the extent applicable, PCE, its contractors and subcontractors, shall comply with all requirements of the California Labor Code, including but not limited to, Labor Code sections: 1773.2 (regarding posting wage determinations at each job site); section 1776 (regarding the certification, maintenance, and availability for inspection of payroll records); section 1777.5 (regarding employment of apprentices); section 1810 (regarding a legal day's work as 8 hours of labor); and section 1775 (regarding penalties for violations).

PCE shall defend, with counsel reasonably acceptable to City, indemnify and hold harmless City and Bay Cities Joint Powers Insurance Authority and their respective officials, officers, employees, agents and representatives ("**Indemnitees**") from and against any and all liabilities, obligations, orders, claims, damages, governmental fines or penalties, and actual expenses of defense with respect thereto, including reasonable attorneys' fees and costs

("**Claims**") arising out of PCE's failure to comply with State of California Labor Code requirements pertaining to the design and construction of the Work. Further, PCE shall indemnify and hold harmless the Indemnitees with respect to all final judgments or settlements in actions brought by any "contractor" in which City is (i) determined to be an "awarding body" and (ii) damages are awarded, pursuant to Labor Code sections 1726 or 1781. PCE's defense, indemnity and hold harmless obligations under this section shall survive expiration or termination of this Agreement.

PCE hereby waives, releases and discharges the Indemnitees from any and all present and future Claims arising out of or in any way connected with PCE's obligation to comply with all State of California Labor Code requirements pertaining to the design and construction of the Work. This release applies to all potential future claims and PCE on behalf of itself and its agents, representatives, assigns, heirs, spouses, successors-in-interest, executors, administrators, employees, contractors, subcontractors, material suppliers and vendors ("**Releasors**"), agrees to waive any and all rights pursuant to Section 1542 of the California Civil Code, which reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

PCE shall include within each of its contracts, subcontracts, and within any other agreements with Releasors involved in the Work, a release in favor of the Indemnitees substantially identical to this Section 9.

11. **<u>Indemnification.</u>** PCE hereby agrees to defend, indemnify and save harmless City, its Council, officers, boards, commissions, agents, and employees (collectively, "**Indemnities**") against and from any and all claims, suits or actions of every name, kind and description, which may be brought against Indemnities, or any of them, by reason of any injury to, or death of, any person (including corporations, partnerships and association) or damage suffered or sustained by any such person arising from, or alleged to have arisen from, any act or omission to act, negligent or otherwise, of PCE, its officers, agents or employees under this Agreement.

The duty of PCE to defend, indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein shall be construed to require PCE to indemnify Indemnities against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

12. **<u>Insurance</u>**. PCE agrees that prior to performing any work on or within the residence of a Program Eligible Household pursuant to the terms of a Participation Agreement, PCE, at its sole cost and expense, shall procure and maintain in effect insurance coverage for

general liability, automobile liability, workers compensation, and Builder's Risk against claims which may arise out of or result from rehabilitation work undertaken by PCE, its agents, employees, volunteers, contractors and sub-contractors. PCE shall deliver to the Program Eligible Household and City one or more certificates of coverage, with the appropriate endorsements outlined below, prior to commencement of construction of the rehabilitation work outlined in the Repair Agreement. The insurance policies shall be provided by a financially responsible insurance company authorized to write business in the State of California and have, at all times, a Best's rating of "A- VII" (A minus VII) or better by AM Best & Company, and with coverage and policy limits as follows:

(i) The general liability insurance coverage shall have a per occurrence limit of one million and 00/100 dollars ($1,000,000.00) and an aggregate limit of at least two million and 00/100 dollars ($2,000,000.00), and shall be endorsed to (a) include the Program Eligible Household and Indemnitees as additional covered parties providing all required coverages including coverages for both ongoing and completed operations, (b) stipulate that such coverage is primary and is not excess of, or contributing with, any other insurance carried by, or for the benefit of the Program Eligible Household and Indemnitees, (c) apply separately to each insured and additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability, (d) waive any and all right of subrogation against the Program Eligible Household and Indemnitees, and (e) contain a cross liability/severability endorsement (unless the base policy contains a separation of insureds clause accomplishing the same result);

(ii) The auto liability insurance coverage shall cover all owned, hired and non-owned vehicles brought onto the property of a Program Eligible Household with a per occurrence limit of one million and 00/100 dollars ($1,000,000.00) and an aggregate limit of not less than two million and 00/100 dollars ($2,000,000.00), and shall be endorsed to (a) include the Program Eligible Household and Indemnitees as additional covered parties, (b) stipulate that such coverage is primary and is not excess of, or contributing with, any other insurance carried by, or for the benefit of the Program Eligible Household and Indemnitees, (c) apply separately to each insured, Program Eligible Household and Indemnitees against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability, (d) waive any and all right of subrogation against the Program Eligible Household and Indemnitees, and (e) contain a cross liability/severability endorsement (unless the base policy contains a separation of insureds clause accomplishing the same result);

(iii) Worker's Compensation insurance as required by the State of California which shall be endorsed to waive any and all rights of subrogation against the Program Eligible Household and Indemnitees; further, any and all subcontractors shall maintain insurance coverage limits in accordance with state statute which shall also be endorsed to waive any and all rights of subrogation against the Program Eligible Household and Indemnitees; and

(iv) Builder's Risk property insurance on all buildings, structures, improvements, materials and real property on site, that are intended to be, or have already been incorporated into and forming part of the electrification work. Such coverage shall be in an amount not less than the final cost estimate of the Participation Agreement, plus the value of subsequent contract modifications and the cost of the materials supplied or installed by others, comprising the total value of the electrification work at the property of the Program Eligible Household on a replacement cost basis.

13. **Interest of Public Officials**. No members, officers, or employees or agents of the City of Menlo Park, no member of the City Council and no other public official who exercises any function or responsibility with respect to this Agreement or PCE's Program during his or her tenure, or for one year thereafter, shall have any interest, direct or indirect, in this Agreement or a related subcontract agreement, or the proceeds thereof. PCE shall incorporate in all subcontract agreements hereunder a provision prohibiting such interest.

14. **Lobbying Prohibited**. The Funding provided under this Agreement shall not be used by PCE for publicity or propaganda purposes designed to support or defeat legislation pending before federal, state, or local government.

15. **Religious Activity Prohibited**. There shall be no religious worship, instruction or proselytizing as a part of, or in connection with the performance of this Agreement.

16. **Events of Default**. Failure by either Party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and expiration of the applicable cure period described below, shall constitute a "default" under this Agreement. A Party claiming a default shall give written notice of default to the other Party specifying the default complained of. The other Party shall not be in default if (a) in the case of a monetary default, the defaulting Party cures the default within ten (10) days following receipt of the notice of default, or (b) in the case of a non-monetary default, the defaulting Party fully cures, corrects or remedies the default within thirty (30) days following receipt of such notice of default or, if the non-monetary default cannot be cured within 30 days, the defaulting Party commences to cure the default within such 30-day period and thereafter diligently and continuously prosecutes such cure to completion.

17. **Non-Binding Mediation**. If the Parties are unable to resolve any dispute arising in connection with this Agreement, the Parties agree to submit such dispute to a mutually acceptable professional mediator and to negotiate in good faith toward reaching a resolution of the dispute prior to taking legal action pursuant to Section 20, below. Each Party shall pay an equal share of the mediator's fees and expenses. Each Party shall be responsible for any other fees or costs such Party incurs in connection with participation in the mediation. The time between a Party's written request for mediation and the mediation itself, not to exceed ninety (90) days, shall toll the running of any applicable period of limitations for filing a claim or action.

18. **Remedies**. If either Party is in default under this Agreement following notice and expiration of applicable cure periods, the non-defaulting Party, following completion of the non-binding mediation conducted in accordance with Section 17 above, shall be entitled to pursue all remedies provided herein or available at law or in equity. Any legal actions under this Agreement shall be instituted in the Superior Court of San Mateo County, State of California. Any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive either such Party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. The rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party. Notwithstanding any other provision hereof to the contrary, neither Party shall be entitled to recovery of, and each Party hereby waives are right to pursue, any consequential, special or punitive damages in the event of a default by the other Party.

19. No Member Liability. No member, official or employee of either Party shall be personally liable to the other in the event of any default or breach by the defaulting Party or for any amount to which the non-defaulting Party may become due under the terms of this Agreement.

20. Entire Agreement; Amendment. This Agreement and the other exhibits, attachments and documents referenced in this Agreement, constitute the entire understanding and agreement of the Parties, and supersede all negotiations or previous agreement between the Parties with respect to all or any part of the subject matter hereof. This Agreement and the other exhibits, attachments and the documents referenced in this Agreement, may be amended only in writing signed by authorized representatives of City and PCE.

21. Notice. Any notice required or authorized under this Agreement shall be effective if, and only if, in writing and if, and only if, mailed, postage prepaid, by registered or certified mail or sent via overnight courier, to the Party in question at the then current primary business of such Party, or at such other address as that Party may later designate by notice. The current primary business addresses of the Parties are shown below:

PCE:	Peninsula Clean Energy Authority 2075 Woodside Rd. Redwood City, CA 9406 Attention: Shawn Marshall, Chief Executive Officer
with a copy to:	County Attorney's Office 400 County Center, 6th Floor Redwood City, California 94062 Attention: PCE General Counsel

City:	City of Menlo Park 701 Laurel Street Menlo Park, CA 94025 Attention: Justin I. C. Murphy, City Manager
with a copy to:	Burke, Williams & Sorensen, LLP 181 Third Street San Rafael, CA 94901-6587 Attention: Nira F. Doherty, City Attorney

Notices shall be effective three business days after mailing if sent by registered or certified mail or one business day after mailing if sent via overnight courier.

22. Severability. Should any provision of any of this Agreement be found invalid by a court or other body of competent jurisdiction, said invalidity or ineffectiveness shall not affect the validity of the remaining provisions of this Agreement which shall remain in force to the maximum extent possible.

23. Interpretation. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either Party in connection with this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret such Agreement. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written."

24. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

25. No Conflicts of Interest. Each Party warrants to the other that no member of the governing body of the City or PCE and no other official of either Party during his/her tenure and for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Program or the Agreement, and PCE shall incorporate, or cause to be incorporated, in all such contracts or subcontracts pertaining to the Program a provision prohibiting such interest pursuant to the purposes of this certification.

26. Counterparts. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

27. Further Assurances. From and after the Effective Date of this Agreement, the Parties agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to timely complete the actions contemplated by this Agreement.

28. Authorized Representatives. Whenever under the provisions of this Agreement the approval of the City is required, or the City is required to take some action at the request of PCE, such approval or request shall be given for the City by the City Manager or his or her designee, and PCE shall be authorized to rely upon such approval or request.

29. No Assignment. PCE may not assign its rights or obligations under this Agreement without the express written consent of the City, which may be granted or denied in its sole discretion.

30. Authority. Each Party represents that the signatory has the authority to bind each respective entity, and assents to each and every term contained within this Agreement.

31. No Third Party Beneficiaries. It is the intention of the Parties that under no circumstances are any rights created for persons or entities who are not parties to this Agreement and City owes no duty to any persons or entities not parties to this Agreement under a third party beneficiary theory or under any other theory of law.

32. Attorneys' Fees. If either Party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action shall be entitled to recover all litigation expenses, including but not limited to court costs, expert witness fees, discovery expenses and reasonable attorneys' fees.

33. No Joint Venture. It is expressly understood and agreed that neither Party shall become as a result of this Agreement a partner of the other nor a joint venturer with the other Party in the conduct of such Party's business or otherwise. This Agreement is not intended, and shall not be construed, to create the relationship of principal and agent, partnership, joint venture, or association as between City and PCE.

34. **Successors and Assigns**. Subject to the restrictions on assignment set forth in Section 31 above, all of the terms, covenants and conditions of this Agreement shall be binding upon City and PCE and their respective permitted successors and assigns.

(Remainder of page intentionally left blank)

CITY:

CITY OF MENLO PARK,
a California municipal corporation

By: DocuSigned by: Justin Murphy 0379C4D5DD3E486...
Justin I. C. Murphy, City Manager

Date: 5/20/2024
("**Effective Date**")

APPROVED AS TO FORM:

DocuSigned by: Nira F. Doherty 44FFE23C0E6B458...
Nira F. Doherty, City Attorney

PCE:

PENINSULA CLEAN ENERGY AUTHORITY,
a California non-profit joint powers authority

By: DocuSigned by: Shawn Marshall F332A52474ED4AB...

Name: Shawn Marshall

Its: Chief Executive Officer

Date: 5/20/2024

EXHIBIT A

PROPOSAL

[Attached]

Exhibit A-1 – Scope of Work

Overview

Peninsula Clean Energy (PCE) is the not-for-profit official electricity provider and joint-powers agency serving all of San Mateo County, including the City of Menlo Park. PCE makes significant investments in its communities to reduce greenhouse gas emissions, including investments for building electrification. To help residents electrify their homes, PCE runs an income-qualified direct-install electrification program, which provides low-income single-family homeowners with electrification, energy efficiency, resiliency, and minor home repairs measures at no cost to them. Selected through a competitive solicitation process, PCE has contracted with a third party, Franklin Energy ("Subconsultant"), to implement and administer its direct-install electrification program.

Through this Professional Services Agreement, the City is allocating funds to PCE's income-qualified direct-install program. The intention is to leverage PCE's existing program structure and to deliver on Menlo Park's objectives of community-wide decarbonization, which are consistent with PCE's objectives as well. The City's funds will enable PCE to electrify more low-income single-family homes in Menlo Park than PCE's program would do on its own. PCE estimates 30 to 40 homes will be electrified in Menlo Park with PCE funds; the City's funds will electrify an additional 40 to 60 homes. PCE and its Subconsultant will apply for any available third party electrification incentives to maximize the number of homes served. The program will offer partial or full electrification thus the total number of homes served may be higher.

To efficiently manage the program and deliver a streamlined customer experience, the program processes and types of services and measures offered will be the same for all Menlo Park residents regardless of which funds (PCE's or City's) are paying for each home's upgrades. However, PCE and the City will work together to finalize eligibility criteria and guidelines for the City's funds, which may differ from PCE's.

The following describes the anticipated customer eligibility criteria for the City's funds:

1. Single-family homes and homes with up to four dwelling units (including duplexes and quadplexes)n Menlo Park's District 1 (Belle Haven neighborhood), with the option to expand to other Menlo Park's districts.
2. Homeowner occupied homes with option to expand to rented homes.
3. Homes with gas water heater and/or space heating and willing to replace at least one of those with electric alternatives.
4. Household income at or below 80% of the average median income, with the option to expand up to 120% of the average median income.

PCE's program will install a wide range of measures that are outlined in detail in PCE's contract with Subconsultant. Eligible measures include:

1. Heat pump space heating and cooling
2. Heat pump water heater
3. Induction cooktop/stove
4. Electric dryers
5. Electrical work such as new circuits (including outlets for electric vehicle charging), sub-panel or main panel replacements
6. Energy efficiency such as insulation and air sealing
7. Other minor home repair and resiliency measures

Tasks and Deliverables

1 Program Set Up

PCE and its Subconsultant will finalize PCE's program design including program guidelines, procedures, and policies. While City's funds will be implemented through the PCE program framework, PCE and the City will work together to define eligibility requirements and guidelines for the City's funds, which may differ from the general PCE program. For the City's funds, PCE and City shall:

1.1 Finalize customer and property eligibility requirements, including process for determining eligibility.

1.2 Finalize guidelines for City funds including averages and maximums for energy efficiency, electrical remediation, and minor home repairs, and maximums per home.

1.3 Determine timeline and/or triggers to re-assess eligibility and guidelines through the life of the program, and adjust if needed.

1.4 Finalize enrollment documents such as customer participation agreement.

Task 1 Deliverable: 1-2 page document outlining eligibility requirements and guidelines for City funds.

2 Administrative Reporting

After the program is launched, PCE shall:

2.1 Provide monthly progress and expense reports which shall include the following metrics for the reporting period and cumulative:

2.1.1 Outreach & marketing metrics such as marketing campaign engagement metrics, number and source of leads generated/interested participants, and program conversion rate

2.1.2 Total number of completed Home Electrification Assessments

2.1.3 Total number of Program Eligible Households

2.1.4 Total number of signed Participation Agreements

2.1.5 Total number of homes in Menlo Park served.

2.1.6 Breakdown of homes served with PCE and City funds.

2.1.7 Total number of measures installed.

2.1.8 Total expenses and remaining budget.

2.2 Provide backup data listing each Menlo Park home served by the program and all information collected about that home.

2.3 Have monthly call with the City to review monthly progress and expense reports and evaluate expanding program eligibility.

Task 2 Deliverable: Monthly progress and expense report and backup home-level data.

3 <u>Marketing and Outreach</u>

PCE and City will jointly collaborate on marketing the program to Menlo Park residents. This includes PCE's general program marketing for its entire service territory and any PCE and/or City marketing and outreach efforts specific to the City's funds. PCE is also contracting with a community-based organization (CBO) to perform canvassing activities for the program. PCE shall:

3.1 Market the program through email, direct mail, social media, and digital ads for the entire PCE service territory including Menlo Park.

3.2 Work with the City to execute targeted marketing to Belle Haven residents, which may include dedicated emails or direct mail campaigns.

3.3 Provide information on the program that City may use in their marketing and outreach efforts.

3.4 Co-develop flyers and other materials as mutually determined for Menlo Park-specific marketing activities.

3.5 Work with CBO Subconsultant to execute canvassing activities in Menlo Park.

3.6 Produce one to two 2-page case studies in English and Spanish highlighting customer success stories in Menlo Park per year.

Task 3 Deliverables: Flyers for Menlo Park-specific marketing activities and two to four case studies.

4 Ongoing Program Implementation

PCE's Subconsultant will perform all implementation tasks for the direct-install program once it is launched. Subconsultant shall:

4.1 Screen customer leads based on program eligibility guidelines.

4.2 Manage all customer communications for the program in all stages of the program, including responding to customer inquiries and case management for customers in the pipeline.

4.3 Enroll customers by collecting necessary documentation and signed participation agreement.

4.4 Provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes.

4.5 Perform home assessment for the home, mostly in person but may sometimes be via video call.

4.6 Produce scope of work for each home based on a variety of factors including analysis of energy usage data, appliance age and conditions, home conditions, customer preferences, and program funding guidelines.

4.7 Deliver project scope of work to customer and receive sign off before scheduling installation.

4.8 Delegate installation work to program-approved Subcontractors to install measures outlined in the customer's scope of work.

4.9 Oversee Subcontractors work including reviewing their invoices and project documentation and working with them to resolve any customer issues.

4.10 Apply for City permits for measures to be installed.

4.11 Provide quality assurance, including ensuring permits are brought to closure and performing site visits to approximately 5% of homes.

4.12 Educate customer in successfully operating and maintaining the new measure(s) installed.

4.13 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation that are supplied with the equipment by the manufacturer.

4.14 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer.

4.15 Apply for third party rebates available for the project to reduce PCE and/or the City's net costs.

Schedule of Work

Task	**Timeline (start to end date or due date)**
Task 1 – Program Set Up	Within 45 days of contract effective date
Task 2 – Administrative Reporting	45 days after contract effective date through June 30, 2026
Task 3 – Marketing and Outreach	45 days after contract effective date through June 30, 2026
Task 4 – Ongoing Program Implementation	45 days after contract effective date through June 30, 2026

Exhibit B – Compensation

Task	Estimated Amount ($)	Invoicing and Payment Terms
Task 1 – Program Set Up	$8,000	$8,000 invoiced upon Task 1 completion.
Task 2 – Administrative Reporting	$12,000	$6,000 invoiced upon start of Task 2. $6,000 invoiced twelve months after start of Task 2.
Task 3 – Marketing and Outreach	$60,000	$30,000 invoiced upon start of Task 3. $30,000 invoiced twelve months after start of Task 3.
Task 4 – Ongoing Program Implementation	$2,130,000	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.
Total Not-To-Exceed	**$2,210,000**	