CITY OF MENLO PARK

REGULAR MEETING MINUTES

Date: 10/18/2023
Time: 6:00 p.m.
Location: Teleconference and
City Hall Downtown Conference Room, 1st Floor
701 Laurel St., Menlo Park. CA 94025

A. Call To Order

Chair Hedley called the meeting to order at 6:03 p.m.

B. Roll Call

Present: Hedley, Kissel, Lin, McKenna, Pelegri-Llopart, Schmidt
Absent: Evans
Staff: Sustainability Manager Rebecca Lucky, Management Analyst II Ori Paz, Management Analyst II Liz Tapia

C. Public Comment

None.

D. Regular Business

D1. Approve the September 20, 2023 Environmental Quality Commission meeting minutes (Attachment)

ACTION: Motion and second (McKenna/ Kissel), to approve the September 20, 2023 Environmental Quality Commission meeting minutes, passed 6-0 (Evans Absent).

D2. Review and discuss Climate Action Plan strategy goal No. 5: eliminate fossil fuels from municipal operations (Attachment)

Chair Hedley introduced the item.

Management Analyst II Ori Paz made the presentation.

The Commission discussed Climate Action Plan (CAP) strategy goal No. 5 eliminate fossil fuels from municipal operations.

ACTION: Motion and second (Schmidt/ Kissel), to prioritize the following:

- Fleet and building electrification
- Fleet highest mileage and end of life
- Fleet bidirectional charging
- Burgess pool electrification
- Continue with the Willdan GK12 program
- Explore additional microgrids for facilities and community resilience centers
- Explore battery storage programs

- Address the remaining 40% greenhouse gas (GHG) emissions from the municipal inventory beyond building and fleet electrification
- Update the municipal GHG inventory
- Make data accessible to show the City's ability to reach its goal by 2030 (e.g. countdown to success, such as fleet and water heater transition)

passed 6-0 (Evans Absent).

The Commission took a recess at 7:31 p.m.

The Commission reconvened at 7:37 p.m.

D3. Review and discuss participation in Peninsula Clean Energy Power Purchase Agreement Project to install photovoltaic system on various City buildings (Attachment)

Chair Hedley introduced the item.

Management Analyst II Ori Paz made the presentation.

The Commission received clarification from Peninsula Clean Energy.

The Commission discussed participation in Peninsula Clean Energy Power Purchase Agreement Project to install photovoltaic system on various City buildings.

ACTION: Motion and second to recommend City Council agree to participate in the Peninsula Clean Energy Power Purchase Agreement Project (Kissell/ Pelegi-Llopart), passed 6-0 (Evans absent).

D4. Review and discuss Climate Action Plan strategy No. 1 Commission feedback from September 2023 meeting (Attachment)

Chair Hedley introduced the item.

The Commission discussed the prioritization list for CAP No. 1.

E. Reports and Announcements

E1. Reports and announcements from staff and Commissioners

Chair Hedley reported on the Environmental Quality Commission annual Chair update to City Council on October 24.

Sustainability Manager Rebecca Lucky reported on their last day with Menlo Park October 19 and provided an update that the City Council directed staff to work with Peninsula Clean Energy as the administrator for the first half of the $4.5 million in state funds for existing building electrification.

Management Analyst II Liz Tapia reported on zero emission landscape equipment incentive program progress, climate adaptation work on CAP No. 6 and the Climate Summit in South San Francisco on October 11.

Management Analyst II Ori Paz reported that the zoning ordinance amendments to facilitate electrification will be presented to City Council on October 24.

Commissioner McKenna reported on Building Decarbonization Subcommittee work, including streamlining building permitting, exploring reach codes for existing building and tenant protections.

Vice Chair Schmidt reported on Climate Adaption Subcommittee work including meeting with Cade Cannedy from Climate Resilience Communities leaders and City staff, progress on the Urban Forest Master Plan and the possibility of the school district creating a climate adaptation plan.

Commissioner Kissell reported that the electric vehicle (EV) Charging Subcommittee met with Peninsula Clean Energy to get directional information on strategies to increase residential EV charging.

F. Adjournment

Chair Hedley adjourned the meeting at 8:57 p.m.

Liz Tapia, Management Analyst II

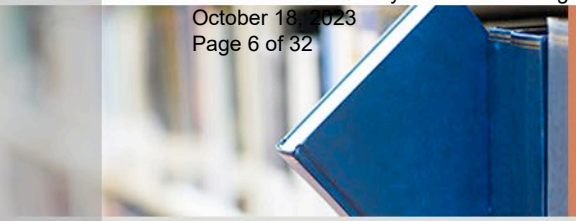
Minutes approved at the January 31, 2024 Environmental Quality Commission meeting

D2-STAFF PRESENTATION

2025-2030 SCOPE OF WORK FOR CLIMATE ACTION PLAN STRATEGY NO.5

CONTENTS

- Meeting goals and timeline
- Overview of Climate Action Plan (CAP) strategy No.5
- Available data
- 2020 and 2021 scope progress
- Policy background
- Incentives
- 2025 – 2030 scope of work ideas and discussion

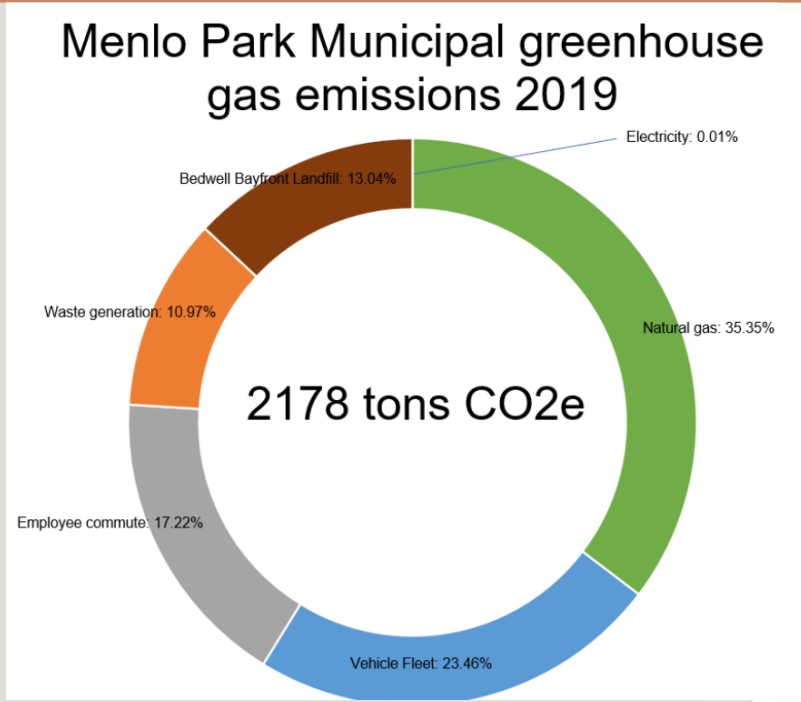


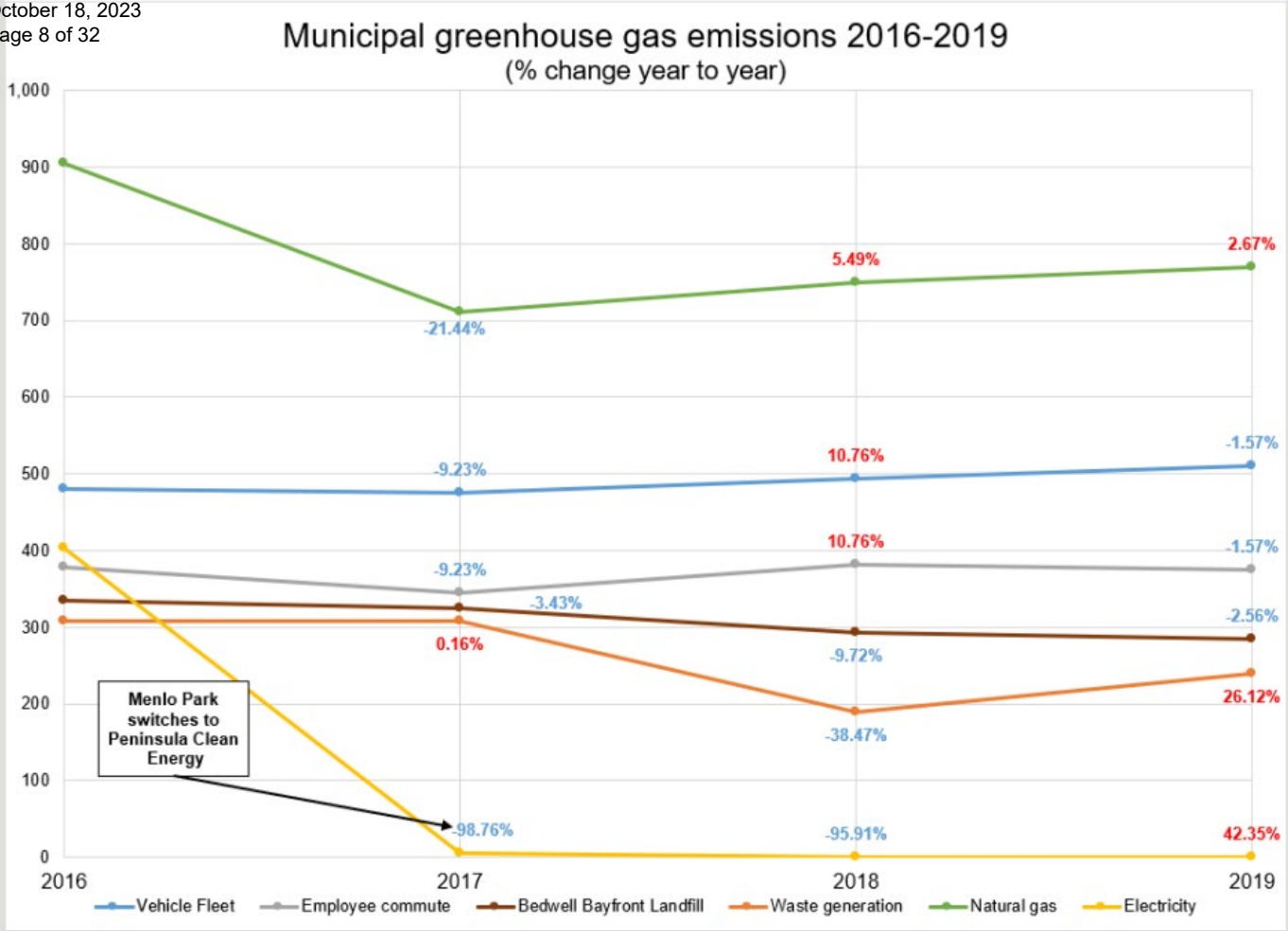
MEETING GOALS AND TIMELINES

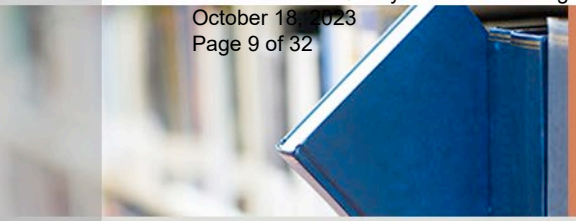
- Over the next several months the commission will be providing feedback to staff on possible ideas to explore for updating the 2025-2030 scope of work for each Climate Action Plan (CAP) strategy
  - City Council last approved a scope of work for each strategy in 2021, and remains part of the current implementation strategy along with their annual work plan prioritization
- A final staff recommendation will be presented to the commission next summer (2024), which will then proceed to city council for approval
- This is an opportunity to brainstorm on the scope of work for each strategy, allowing staff sufficient time to evaluate possible ideas from the feedback.
- A final scope of work will be presented to the commission next year

CAP STRATEGY NO.5

- Eliminate the use of fossil fuels from municipal operations
- Why the goal was set
  - Opportunity to show leadership in decarbonization
  - Test equipment and practices to understand impacts
- How we are tracking it
  - Facilities emissions reductions (natural gas usage in buildings)
  - Fleet electrification (fossil fuel miles traveled)



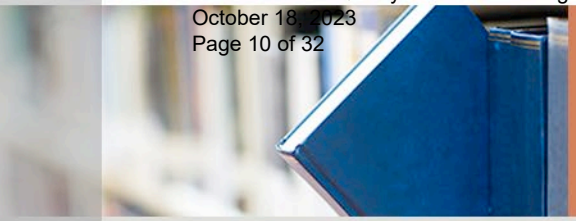

Municipal greenhouse gas emissions 2016-2019
(% change year to year)
1,000
900
800
700
600
500
400
300
200
100
0
2016
2017
2018
2019
-21.44%
5.49%
2.67%
-9.23%
10.76%
-1.57%
-9.23%
10.76%
-1.57%
-3.43%
-2.56%
0.16%
-9.72%
26.12%
-38.47%
Menlo Park switches to Peninsula Clean Energy
-98.76%
-95.91%
42.35%
Vehicle Fleet
Employee commute
Bedwell Bayfront Landfill
Waste generation
Natural gas
Electricity



CAP NO.5 2020 & 2021 SCOPE

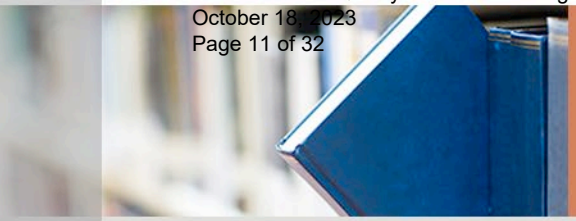
The City owns, operates, and manages an array of equipment and facilities to provide the community with specialized services. To reduce related emissions in the delivery of these services, the following direction was given by City Council:

- Utilize current resources and available budget toward eliminating fossil fuels in building the new Menlo Park Community Campus
- Replace fossil fuel appliances/assets at the end of life with non-fossil fuel options unless infeasible
- Pilot program to transition landscaping equipment from gas to electric



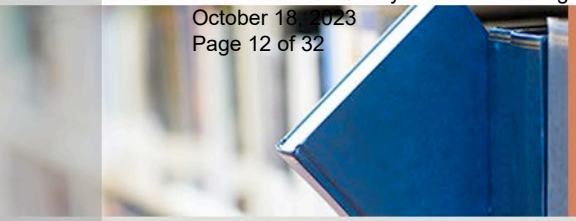
CAP NO.5 2020 & 2021 SCOPE PROGRESS

- Building capacity across the organization (Community Development, Community Services, Public Works, Police Department)
- Fully electric Menlo Park Community Campus (name pending public process) scheduled for operation 2024
- Replaced 9/15 gas water heaters with heat pumps- $110K at no cost to the city
- Evaluating procurement options to electrify remaining facilities to maximize cost savings and minimize impact on staff capacity (e.g. Govt code 4217)



CAP NO.5 2020 & 2021 SCOPE PROGRESS CONTINUED

- Participating in PCE solar for public buildings program
- Purchased electric leaf blowers and string trimmers and installed battery infrastructure (leaf blower use now 80 percent electric)
- Tesla pilot informed vehicle needs and EV charging plans, Chevrolet Blazer EV approved for phase two PD pilot
- Renewable diesel purchased for all equipment reducing emissions by 65-90 percent
- EV first vehicle purchasing policy continues to replace fleet vehicles with EVs

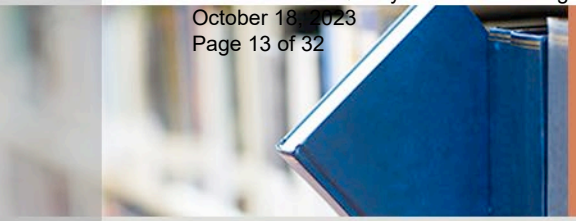


POLICY BACKGROUND

The City Council adopted the following policies related to reducing emissions from City operations:

1. Sustainable fleet policy
2. Climate Action Plan (CAP No. 5)
3. Zero Emission Landscape Equipment Ordinance

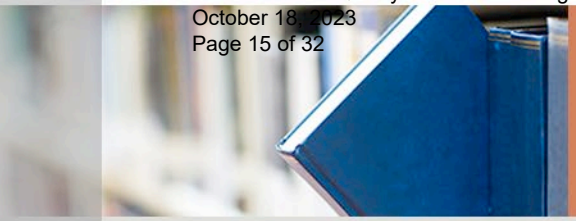
There are also state policies driving fleet electrification and new Bay Area Air Quality Management District rules eliminating gas water heaters starting 2027



INCENTIVES

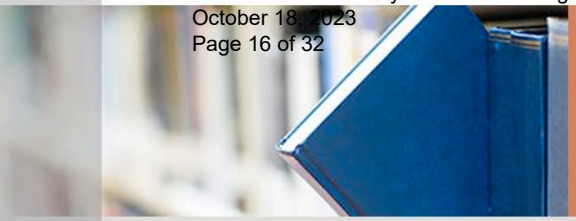
- Incentive landscape is changing and will continue to change rapidly
- Federal, state, regional government and energy provider incentives available
  - PCE Fleet EV charging technical assistance ~$40K
  - PG&E Fleet EV charging - tbd
  - Willdan GK12 heat pump water heater replacement program $110K
  - PCE solar for public buildings – tbd
  - PCE new loan and additional incentive program to electrify city operations
- Likely to continue in order to advance the transition to electric equipment

DISCUSSION STRUCTURE FOR CAP NO.5 2025-2030



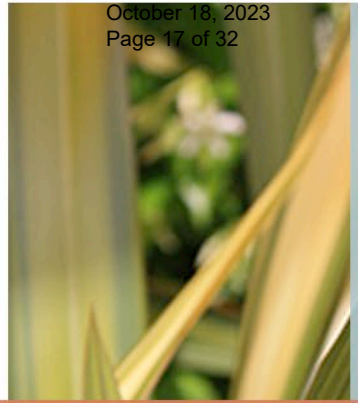
GETTING THE MOST WITH CURRENT RESOURCES AND BUDGET

- Focus on high impact remaining fleet/facility electrification between 2025 and 2030
- Determine where the City has influence, tools, or ability/authority to reduce emissions, operating costs and establish infrastructure for future electrification/resilience
- Aim for highest value of staff resources and city budget that would result in greater GHG reductions

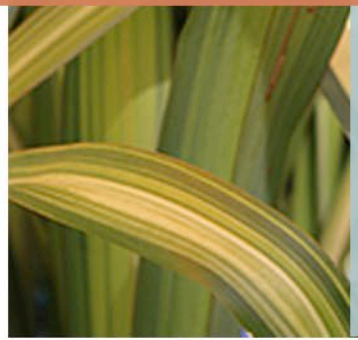


POSSIBLE IDEAS FOR EQC DISCUSSION

- Facility electrification and resilience
- Fleet electrification
- Employee commute
- Landfill flare reductions



THANK YOU



PENINSULA CLEAN ENERGY SOLAR FOR PUBLIC FACILITIES OVERVIEW

October 18, 2023 Environmental Quality Commission Meeting

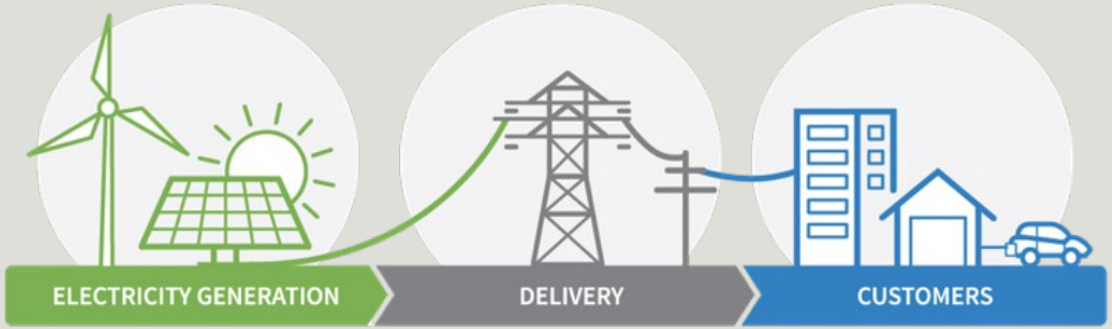
AGENDA

- PCE program overview
- Comparative economics
- City facilities overview
- Program sequence
- Discussion

CITY OF MENLO PARK

PENINSULA CLEAN ENERGY OVERVIEW

- Peninsula Clean Energy (PCE) is San Mateo County's not for profit locally led electricity provider
- Mission: To reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions



Source: Peninsula Clean Energy

PCE SOLAR FOR PUBLIC BUILDINGS PROGRAM

Goal:

- Accelerate renewable energy at local government facilities to reduce energy costs and meet sustainability goals (Starting cohort #2)

Benefits:

- No upfront cost
- PCE handles design, procurement install, and maintenance
- Solar PV systems for city buildings through a power purchase agreement (PPA)
- The PPA term will run for 20 years, the City will have the option to extend, purchase the system, or have the panels removed
- Aggregation of projects brings vendors to the table
- Transparent with agency on financing details

Source: Peninsula Clean Energy

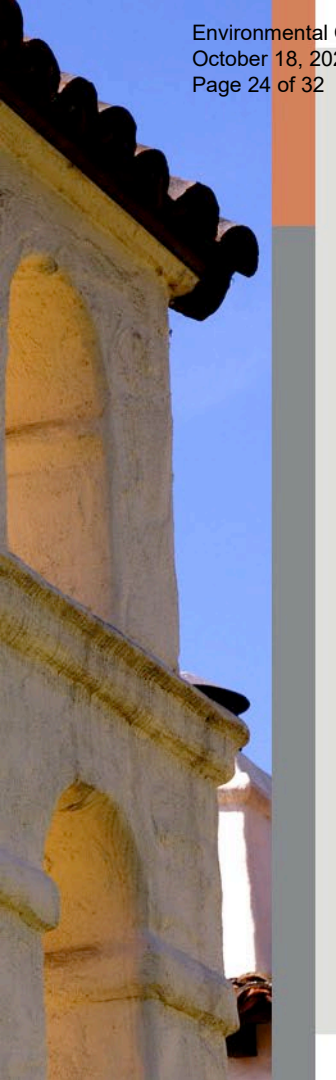
HOW IT WORKS

- PCE installs and owns solar PV systems on city buildings/carports
- The electricity is sent to PCE customers through the grid
- The City buys electricity from PCE
- PCE discounts the electricity price for the amount produced by the systems on City property

COMPARATIVE ECONOMICS: GRID VS SOLAR PPA

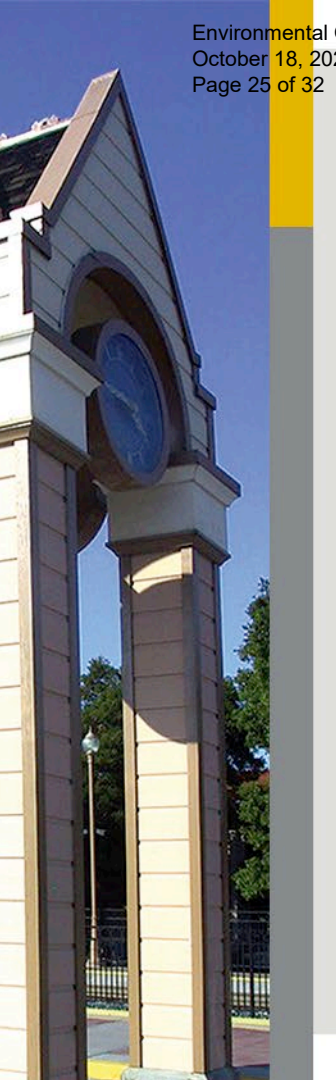
- PCE projecting a 4% annual electricity cost increase for current energy charges
- CPUC study in 2019 projected annual rate of escalation of 3.7% between 2020-2030
- In 2023, PG&E announced an **18% rate increase, and 5% annual increases through 2026**
- Additional factors that might drive up rate of escalation:
  - Power capacity constraints
  - Investment in grid infrastructure to support vehicle and building electrification
  - Grid hardening and underlining for wildfire mitigation
- Solar PPAs offer a hedge against rising energy rates

Source: Peninsula Clean Energy



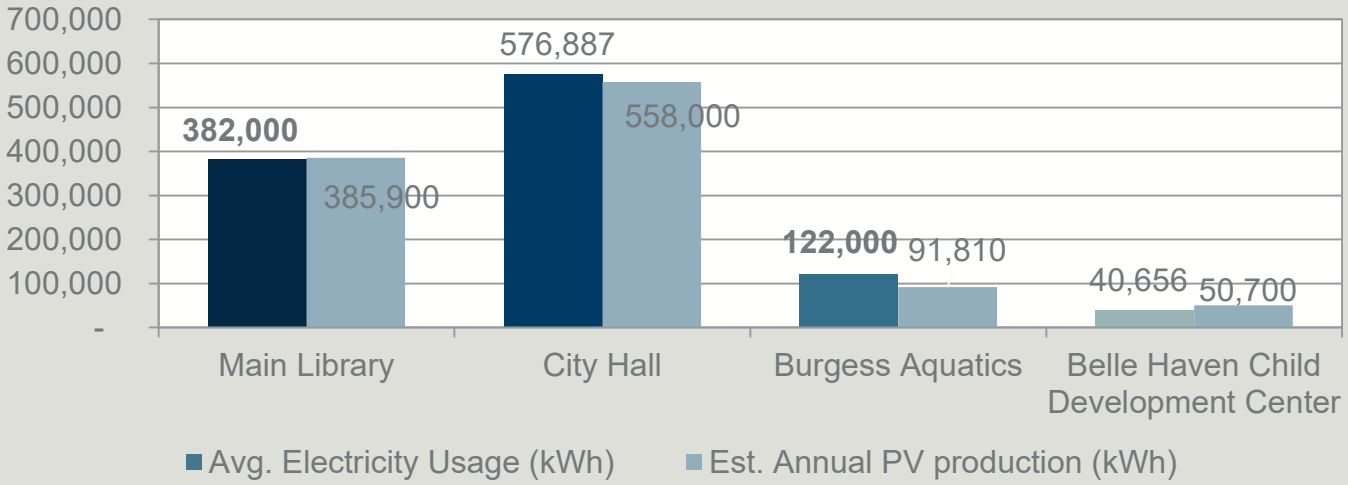
CITY FACILITIES

Facility	System Size
Main library	229.1 kW
City hall	379.0 kW
Burgess aquatic center	54.3 kW
Belle Haven child development center	33.1 kW



ESTIMATED SOLAR PV PRODUCTION

- Preliminary system sizes would generate enough electricity to offset most city usage
- Electricity would be sent to the grid, and purchased from PCE



CURRENT STATUS

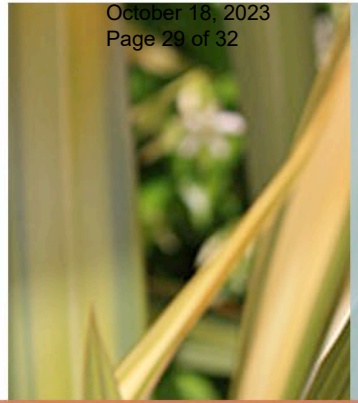
- PCE submitted preliminary interconnection applications ahead of the NEM 3.0 start date (April 2023)
  - Three years to complete the projects to stay under NEM 2.0 (April 2026)
- The City included budget for this fiscal year CIP to reroof facilities to improve solar PPA rate
  - Main Library, City Hall, City Council Chambers, Belle Haven Child Development Center
  - City must complete projects ahead of solar installations
- PCE selected vendor will work to modify preliminary designs to roof-mounted systems
- City will consider carport system if roof-mounted not possible

PROGRAM SEQUENCE

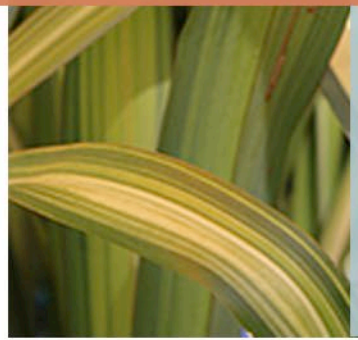
- ~~City submitted application (Jan 2023)~~
- ~~PCE consultant came for 16 site assessments (Feb 2023)~~
- ~~PCE submitted 4 preliminary interconnection applications ahead of the NEM 3.0 start date (April 2023)~~
  - ~~Three years to complete the projects to stay under NEM 2.0 (April 2026)~~
- ~~City included budget for this fiscal year CIP to reroof facilities to improve solar PPA rate (July 2023)~~
  - ~~Main Library, City Hall, City Council Chambers, Belle Haven Child Development Center~~
  - ~~City must complete projects ahead of solar installations~~
- **Program discussion with Environmental Quality Commission (Oct 2023)**
- City evaluates general PPA terms (Nov 2023)
- PCE to select vendor to design, build and maintain systems (Dec 2023)
- Provider vendor to confirm final design (Jan 2024)
- City to review and approve final pricing (Feb 2024)
- If approved, construction of reroofs and system (April 2024)
- Operation begins (2025)

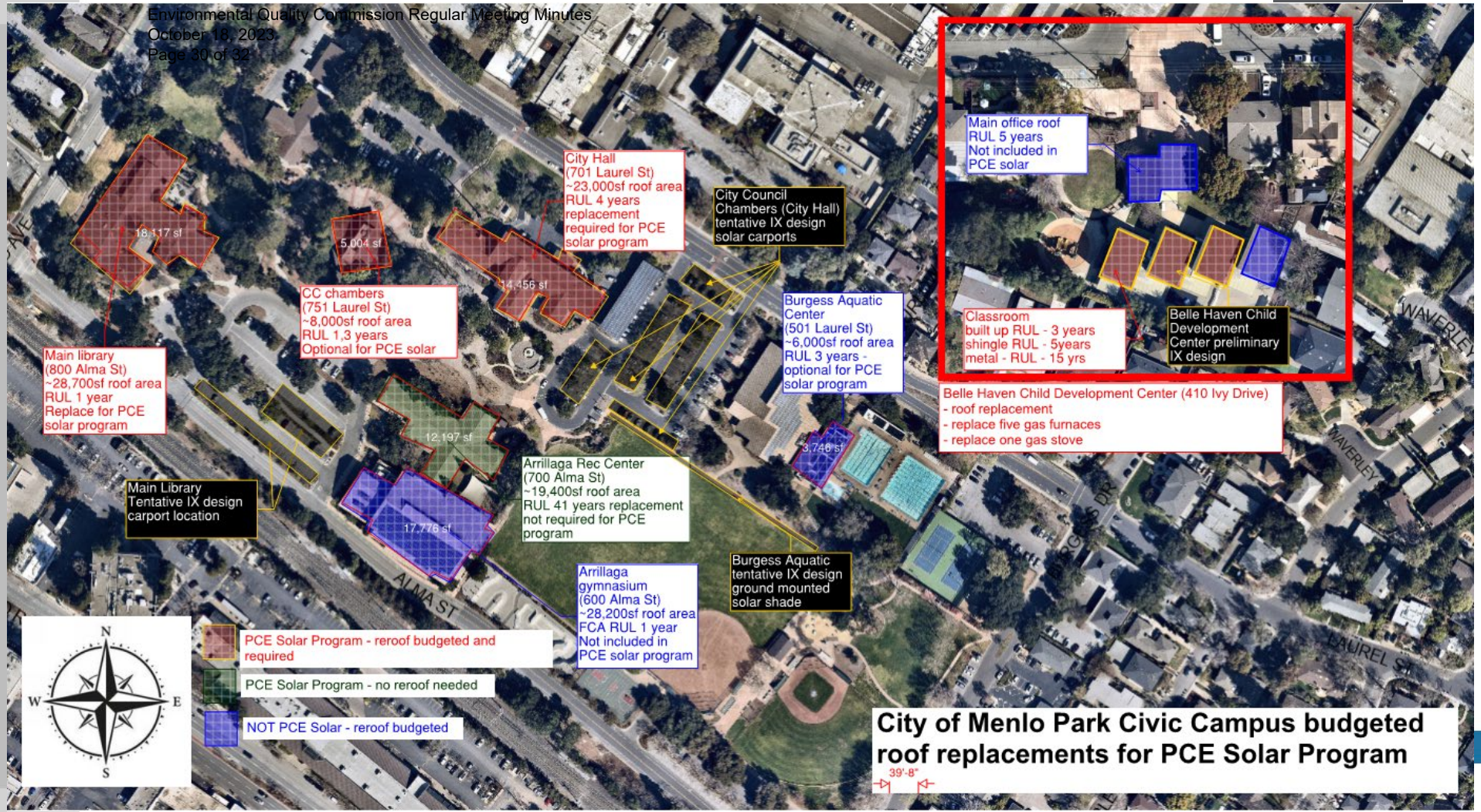
POSSIBLE ADVICE TO THE CITY COUNCIL

The EQC could recommend the City Council participate in the program.



DISCUSSION




Main office roof
RUL 5 years
Not included in
PCE solar
Classroom
built up RUL - 3 years
shingle RUL - 5years
metal - RUL - 15 yrs
Belle Haven Child
Development
Center preliminary
IX design
Belle Haven Child Development Center (410 Ivy Drive)
- roof replacement
- replace five gas furnaces
- replace one gas stove
City Hall
(701 Laurel St)
~23,000sf roof area
RUL 4 years
replacement
required for PCE
solar program
City Council
Chambers (City Hall)
tentative IX design
solar carports
18,117 sf
5,004 sf
14,456 sf
CC chambers
(751 Laurel St)
~8,000sf roof area
RUL 1,3 years
Optional for PCE solar
Burgess Aquatic
Center
(501 Laurel St)
~6,000sf roof area
RUL 3 years -
optional for PCE
solar program
Main library
(800 Alma St)
~28,700sf roof area
RUL 1 year
Replace for PCE
solar program
12,197 sf
3,746 sf
Arrillaga Rec Center
(700 Alma St)
~19,400sf roof area
RUL 41 years replacement
not required for PCE
program
Main Library
Tentative IX design
carport location
17,776 sf
Arrillaga
gymnasium
(600 Alma St)
~28,200sf roof area
FCA RUL 1 year
Not included in
PCE solar program
Burgess Aquatic
tentative IX design
ground mounted
solar shade
ALMA ST
WAVERLEY
LAUREL ST
N
W
E
S
PCE Solar Program - reroof budgeted and required
PCE Solar Program - no reroof needed
NOT PCE Solar - reroof budgeted
City of Menlo Park Civic Campus budgeted roof replacements for PCE Solar Program
39'-8"

D4-ATTACHMENT

September/October EQC Meeting brainstorming ideas for CAP strategy No.1 scope of work 2025-2030

The commission had five votes to allocate to the brainstorming ideas below to prioritize the list. The ideas that are bolded below received the most support to date.

1. **Reconsider the burn-out regulation for adoption that meet legal constraints, feasibility and equity concerns for all building types (9)**
2. **Explore electrifying commercial buildings (9)**
    a. **861 commercial properties versus 9,448 residential (residential equals 10x the outreach for half the impact)**
    b. **Explore ways to obtain email addresses from property owners**
    c. **Define how much of the commercial building is electrified – common definition**
    d. **Turnkey installation, zero interest loans, and incentive package for commercial that is similar to residential offerings**
    e. **Track and communicate the results of reducing the 861 properties natural gas reduction**
3. **Instant permit process for same location water heater replacements that would involve mailing pre-approved permits to building owners in Menlo Park (4)**
4. **Explore a turnkey partner to electrify existing multifamily buildings (3)**
5. **Allocate funding and or support to improve building efficiency (3)**

6. Consider possible funding sources for electrification (2)
    a. Carbon tax for natural gas usage (e.g. City of Boulder) to support the community's transition from gas to electric that is equitable and progressive
    b. Priority based budgeting to support the community's transition from gas to electric
    c. Considering bonds to support the community's transition from gas to electric
    d. Rethink the carbon offsets in the Bayfront development area to support the community's transition from gas to electric
7. Explore commercial building regulations or standards (e.g. Reach Codes) with an emphasis on the buildings that have the largest emissions (e.g. life science buildings). (1)
8. Consider energy or GHG budgets for commercial sector that starts with voluntary reporting but options to require energy or GHG reductions in future years. Allows the city to collect data and contact information. (1)
9. Marketing and promotion of the direct install and incentive programs available (e.g. PCE direct install program, federal tax credits, etc.) using printed material to collect email addresses to facilitate ongoing communication (1)
10. Exploring rental protection policies to ensure that equipment upgrades keep rental rates affordable and do not displace residents (1)
11. Pilot a block by block electrification project (1)

    Not voted on
12. Permit and building inspection leniency and amnesty program given that there may be unpermitted work or code violations that are discovered through the building

electrification permit and inspection process; this would enable greater participation in electrification incentive programs that require building permit for eligibility

13. Bulk buy electrification equipment to reduce costs
14. Use the permitting counter as an education hub
15. Electrify community hubs where the public gathers (e.g. schools, retirement facilities, key grocery stores)