Customer Relief and Community Resiliency
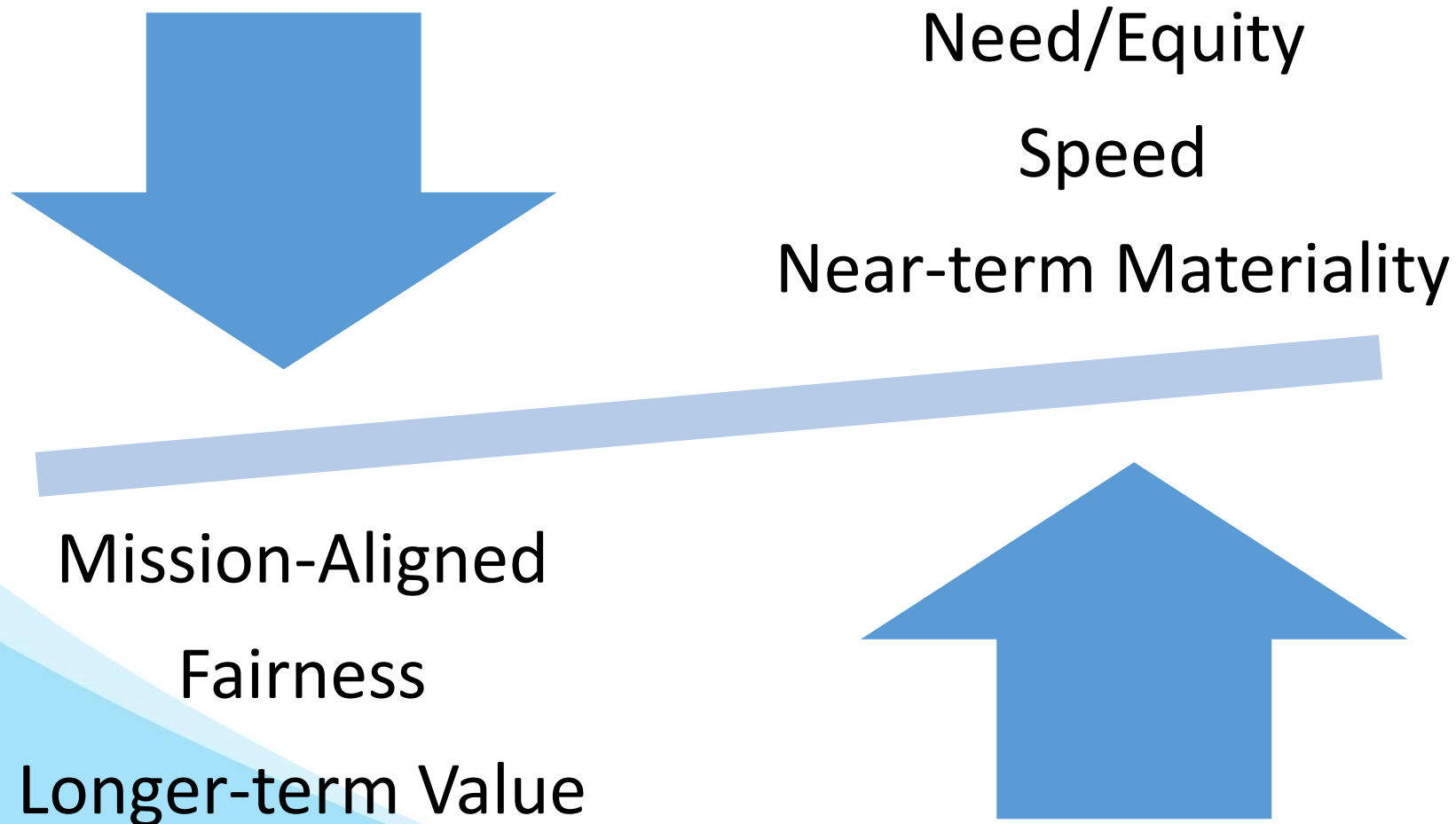
Discussion of Draft Program Outlines

SVCE Executive Committee Meeting
April 24, 2020

Background

- SVCE BOD recently approved $10M allocation for COVID customer relief and longer-term community resiliency

- At BOD direction, staff has drafted program outlines for:
    o Preliminary discussion with MAWG (yesterday)
    o Exec Committee review and input (today)
    o Subsequent update, BOD review and approval

- Currently in DRAFT

Seeking to Balance Multiple Goals

Need/Equity

Speed

Near-term Materiality

Mission-Aligned

Fairness

Longer-term Value

Summary of Draft Program Outlines

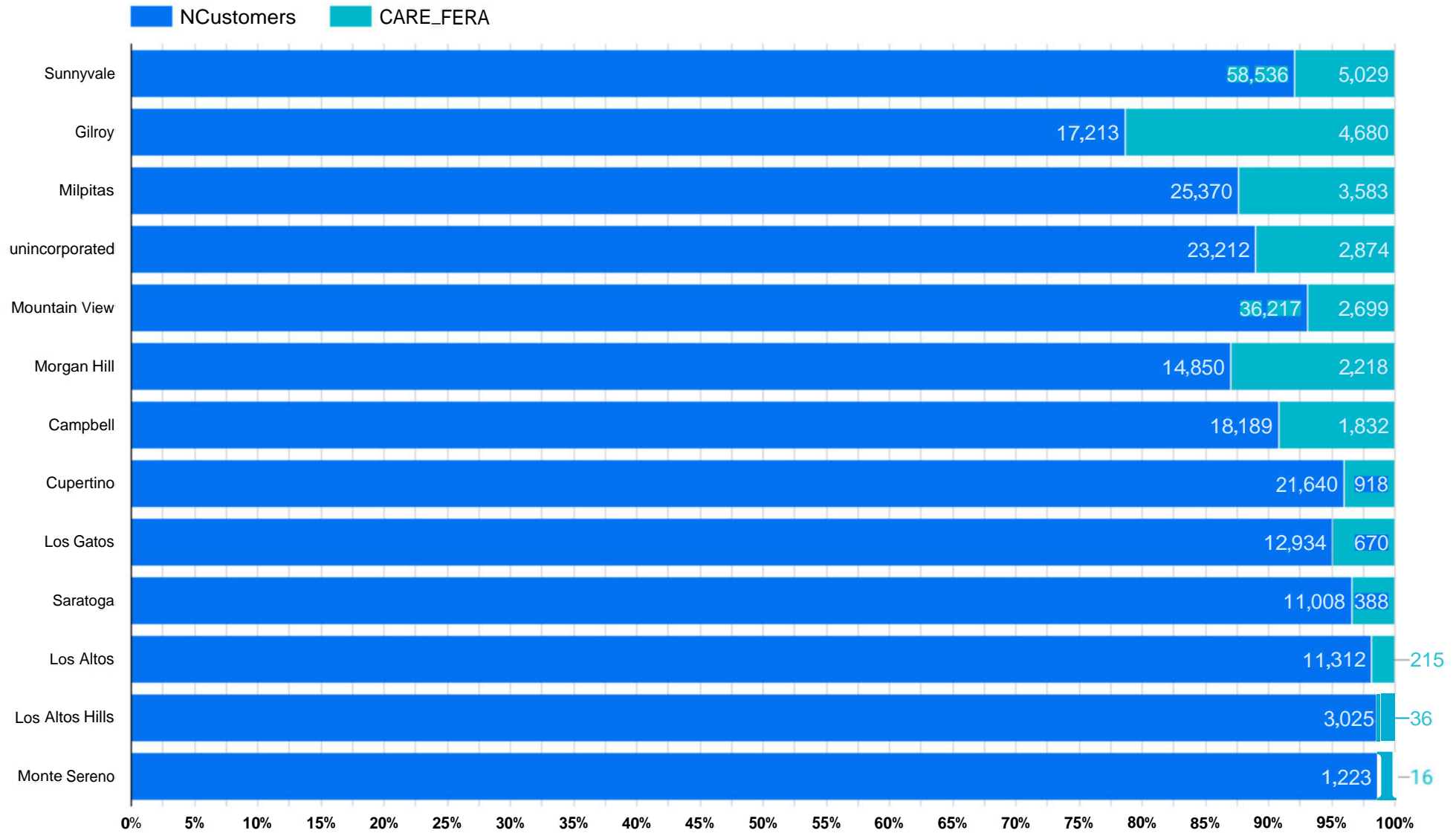|	Program	Est $	$ spent by
Customer Relief	1a) $100 bill credit to all residential CARE/FERA customers	$2.5M	July 2020
	1b) $250 bill credit to qualifying/responding small business customers	$1.0M	August 2020
Workforce Relief	2a) Workforce Electrification Training with $500 Stipend	$1.0M	August 2020
	2b) Workforce Home Electrification Installation	$0.5M	March 2021
Community Resiliency	3a) Resiliency Infrastructure Planning Support	$1.0M	December 2020
	3b) Resiliency Infrastructure Capital Project Support	<u>$4.0M</u>	December 2021

~$10M

1. Customer Relief Options - Overview

		Indicator	Avg Monthly Elec Bill	# Customers	Est Bill Credit	Est Total Cost	
Residential		CARE/FERA	$80	~24,000	$100	$2.5M	⭐
		DAC	TBD	3,548	$100	$0.4M	
		Other Socio-economic Community Indicators (SEVI, AMI)	TBD	(scalable)	TBD		
Small Business		CARE		33			
		A1 (less than 5 A1 accounts only)	~$250	~11,000	$100	$1.1M	
		A1 by application	~$250	(scalable – cap at 4,000)	$250	$1.0M	⭐

1. Customer Relief – CARE/FERA

Legend: NCustomers, CARE_FERA

City	NCustomers	CARE_FERA
Sunnyvale	58,536	5,029
Gilroy	17,213	4,680
Milpitas	25,370	3,583
unincorporated	23,212	2,874
Mountain View	36,217	2,699
Morgan Hill	14,850	2,218
Campbell	18,189	1,832
Cupertino	21,640	918
Los Gatos	12,934	670
Saratoga	11,008	388
Los Altos	11,312	215
Los Altos Hills	3,025	36
Monte Sereno	1,223	16

2. Workforce Relief Overview

Objective:
Provide opportunity for building industry professionals to gain electrification skills and experience, and earn extra money in the near-term

Recommended Funding: ~$1.5M

Program Components:

2a) Provide $500 stipend for local contractors, trades, building officials and design professionals who complete ~5-6 hours of online building electrification training
- Electrification 101   - HP Hot Water Systems   - Appliances + Outdoor
- HP HVAC   - Solar + Battery Storage

2b) Provide $4-5K in support for local contractors or trade professionals to install HPWH, HP HVAC, or battery storage at their primary residence

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3. Community Resiliency Overview

Objective: Provide near term economic stimulus through support of direct investment in improved energy resilience at critical facilities in our communities over the next 12-18 months.

Recommended Funding: $5M

Program Components:

3a) Infrastructure Planning Support: $500K—$1MM
  - site planning or energy-related community resilience planning as needed (spend by 12/31/2020)

3b) Capital Project Support: $4.0MM—$4.5MM
  - for storage and solar + storage projects (spend by 12/31/2021)

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3. Community Resiliency – Draft Approach

Funding Allocation

- Funds allocated to member agencies by % of overall SVCE load
- For each agency up to 20% of allocation for planning, 80+% for capital projects

Scope of Planning Grant Funds

- Funds could be used for site identification or wider communication and coordination efforts that support energy resilience
- Staff meeting with member agency staff to more fully assess needs

Next Steps

- Confirm initial direction on broad program parameters
- Investigate potential for linkage/leverage with current Resilience RFP
- Flesh out full program details over next month

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Resilience RFP Update

**Executive Committee
April 2020**

RFP Background

- On Nov 5, four public agencies jointly released RFP to support community resilience in response to PSPS events

- RFP to spur >30MW of batteries at homes and businesses

- Batteries form a "virtual power plant" to provide grid services when not in use for back-up power

- SVCE target: 10MW (5MW each for resi & C&I)

East Bay Community Energy, Peninsula Clean Energy, Silicon Valley Clean Energy & Silicon Valley Power

Distributed Resource Adequacy Capacity

Request for Proposal (RFP)

Issuance Date: November 5, 2019

Due Date: December 23, 2019 (5 p.m. PST)

Results from the Evaluation

- Received 19 proposals and 36 unique bids
- Top reasons for low scores:
  - Non-compliant bid
  - Price
  - No/inadequate RA experience
  - Absent/incomplete go-to-market plan

- Observations from evaluation process:
  - Huge policy/regulatory uncertainty & barriers for behind-the-meter storage for RA
  - Many C&I respondents hyper-focused on specific industries (groceries, multifamily)
  - Significant collaboration and data analysis with vendor necessary to develop effective go-to-market plan
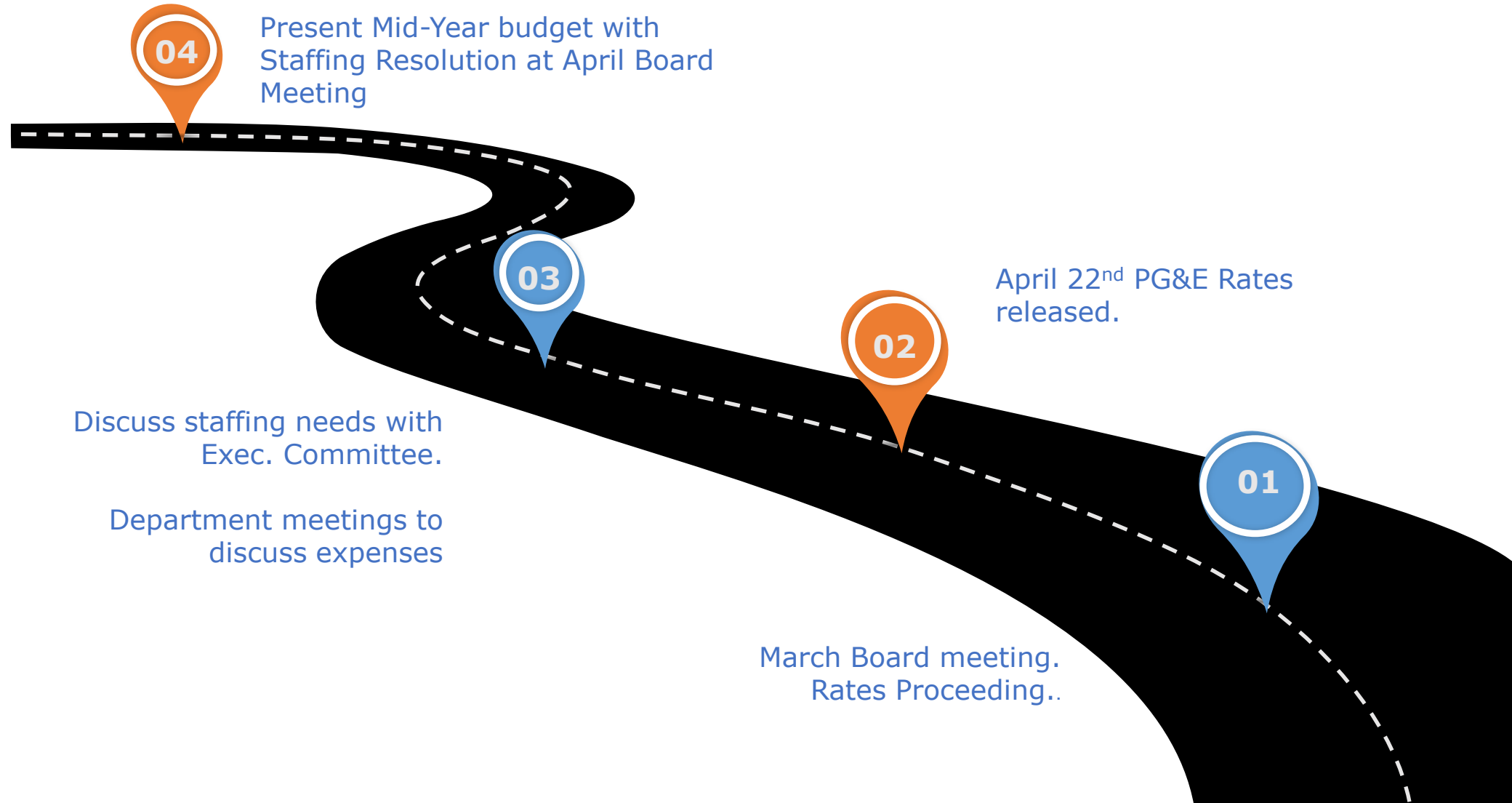
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Current Steps

- Entered into contract negotiations with 2 vendors: one C&I and one residential

- Working on data analysis to refine customer segmentation, go-to-market plan, and bid price/volume

- Evaluating how/whether to tie program to COVID community resilience efforts

- Contracts currently expected to be brought forward to BOD in June

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MID-YEAR BUDGET UPDATE

EXECUTIVE COMMITTEE
 April 24, 2020

MID-YEAR BUDGET

04 Present Mid-Year budget with Staffing Resolution at April Board Meeting

03 Discuss staffing needs with Exec. Committee.

Department meetings to discuss expenses

02 April 22nd PG&E Rates released.

01 March Board meeting. Rates Proceeding..

OPERATIONAL RISK

DATA & RESOURCE PLANNING

CURRENT STATE

GAP

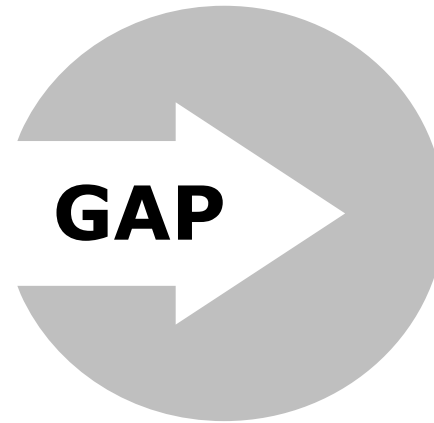**FUTURE STATE**

1. Small group of people managing multiple large transactions ($240MM)
2. Leveraging many consultants & outside experts
3. Adapting to new regulations continuously
4. Reacting to major events (ex. Wind Contract)
5. Regular complex long-term negotiations

Staff is recommending expansion of the Table of Organization to target specific needs in data and resource planning

1. Shared dispatchable (Solar + Storage)
2. Significant demand-side operations
3. Move to 24x7 Carbon-Free Goal
4. Managing large customer contracts
5. Increased variables and constraints in future state

PROPOSED T/O CHANGE

- Staff recommends increasing the T/O by 2 positions to 29 FTE's
- 1 Senior level Data Engineer
  - Programs Department
- 1 Senior level Resource Planner
  - Power Supply Department

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4

NEXT STEPS

- Incorporate staffing comments from Exec. Committee into budget

- Assuming permanent savings are identified in mid-year budget process
  - Discuss allocation of any projected surplus >$30MM