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# Integrated Decarbonization Roadmap: Pathways, Targets, and Priorities

March 27<sup>th</sup>, 2026



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# Discussion Objectives

1. Review program budget projections.
2. Review progress towards electrification goals and SVCE's impact.
3. Discuss prioritization strategy for program budget scenarios.



# SVCE is developing two interdependent strategic frameworks: Financial Levers & Decarb Roadmap.

**Dec 2025: Board Workshop**  
Values and Priorities

- SVCE core values
- Decarb program tradeoffs

**March 2026: Financial Levers**  
Context Setting and Scenarios

- Revenue projections
- Budget prioritization options (levers)
- Example levers strategy

★ **Today: Decarb Roadmap**  
Context, Modeling, and Allocation

- Program budget projections
- Progress toward goals
- Example re-prioritization and impacts

**June 2026: Financial Levers**  
Board Direction

- Board provides direction on changes in budget trajectory

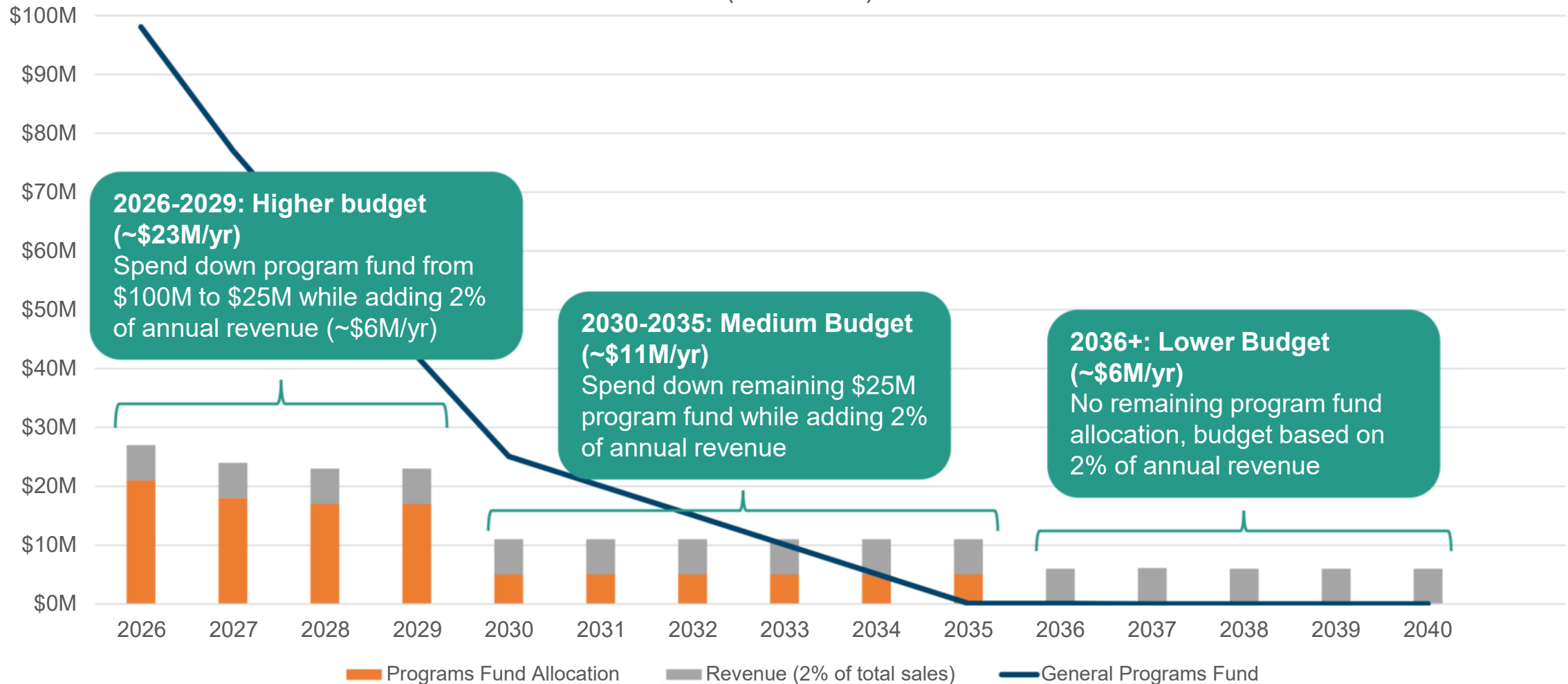
**August 2026: Decarb Roadmap**  
Strategic Recommendations

- Decarb targets
- Budget priorities and guiding principles
- Short-to-long term strategic recommendations



# Program budget – current planning forecast.

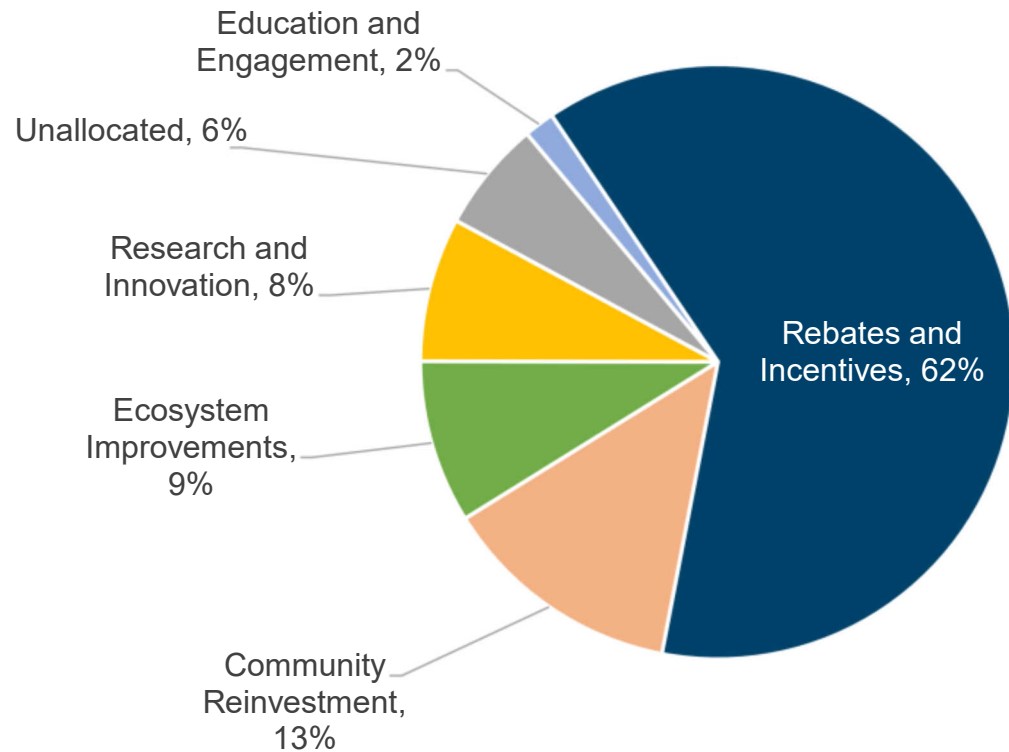
Current Program Budget Plan (2026-2040)  
(illustrative)





# SVCE's holistic program portfolio delivers a variety of benefits.

Average Annual Program Budget Allocation  
(2026-2030)



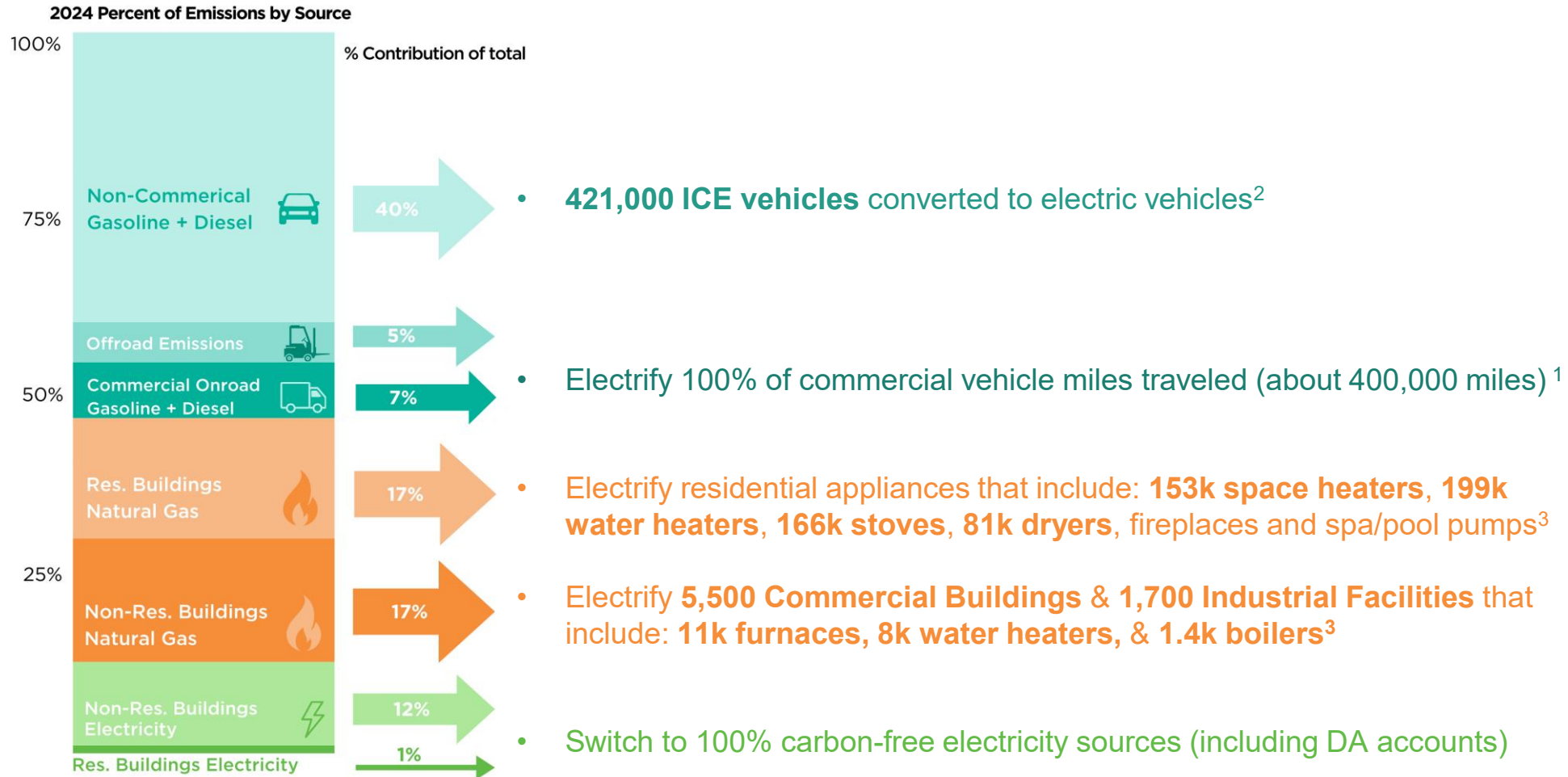
Program Category	Example Programs
Rebates and Incentives	Home Rebates, Full-Service Home Upgrades
Community Investments	Member Agency Grants, Income-Qualified Home Upgrades
Ecosystem Improvement	Reach Codes, Contractor Training, Permit Streamlining
Research and Innovation	Innovation Onramp, Rate Pilot Programs, Demand Flex pilots
Education and Engagement	Dream Home, eHub



# **Progress towards electrification targets and SVCE's Impact**



# Climate targets require electrifying >1M machines by 2045.



Sources:

1. SVCE 2024 GHG Inventory
2. SVCE's Vehicles Dashboard
3. SVCE Market Segmentation Study

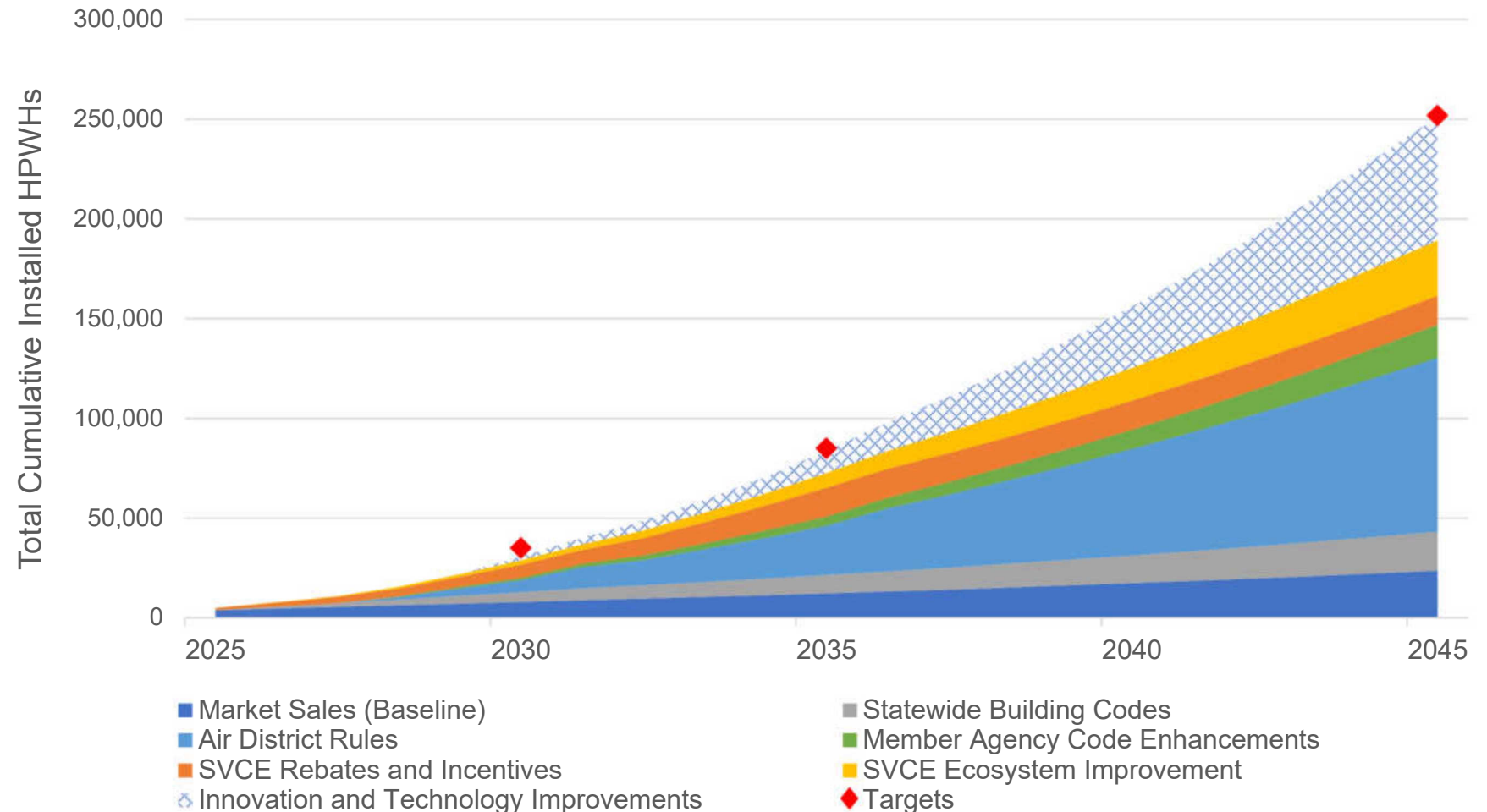


# HPWH requires more innovation or funding, growth driven by policy; SVCE plays critical role.

## HPWH Pathway:

- Based on best available market studies, forecasts, and program data.
- Conservative Air District compliance (starts at 20%) grows slowly.
- Current SVCE program budget.

Projected SVCE Territory HPWH Installs by 2045





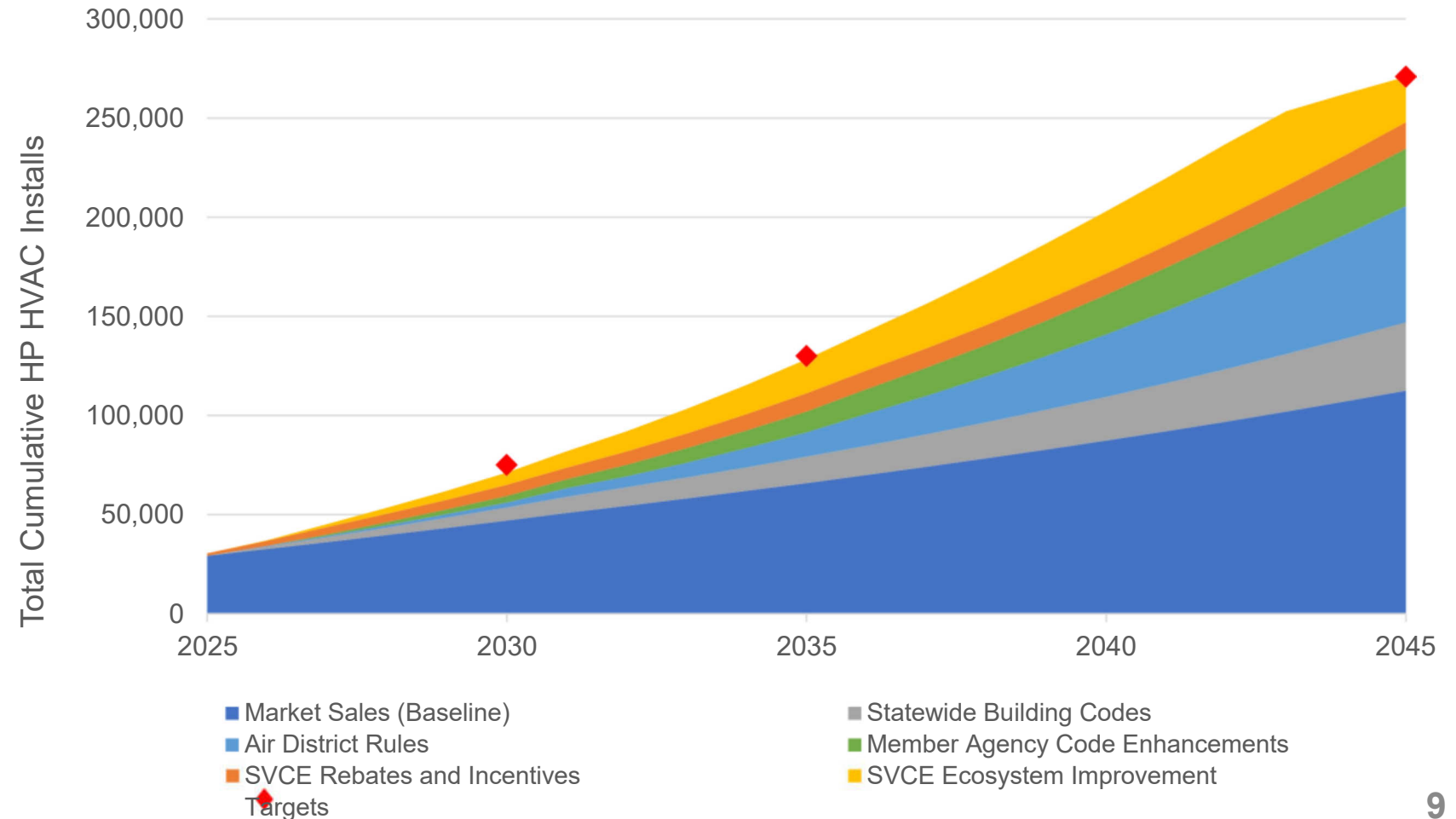
# HP HVAC is on track; policy + AC demand key driver; SVCE support can phase out sooner.

Consumer demand is stronger for HVAC compared to HPWH as HP HVAC is more cost competitive and delivers real individual value today.

Statewide, Air District, and local polices key to adoption.

Pathway reflects rebates ending after 2033.

Projected SVCE Territory HP HVAC Installs by 2045





# EVs have high uncertainty due to recent policy changes; SVCE's role is important but less influential.

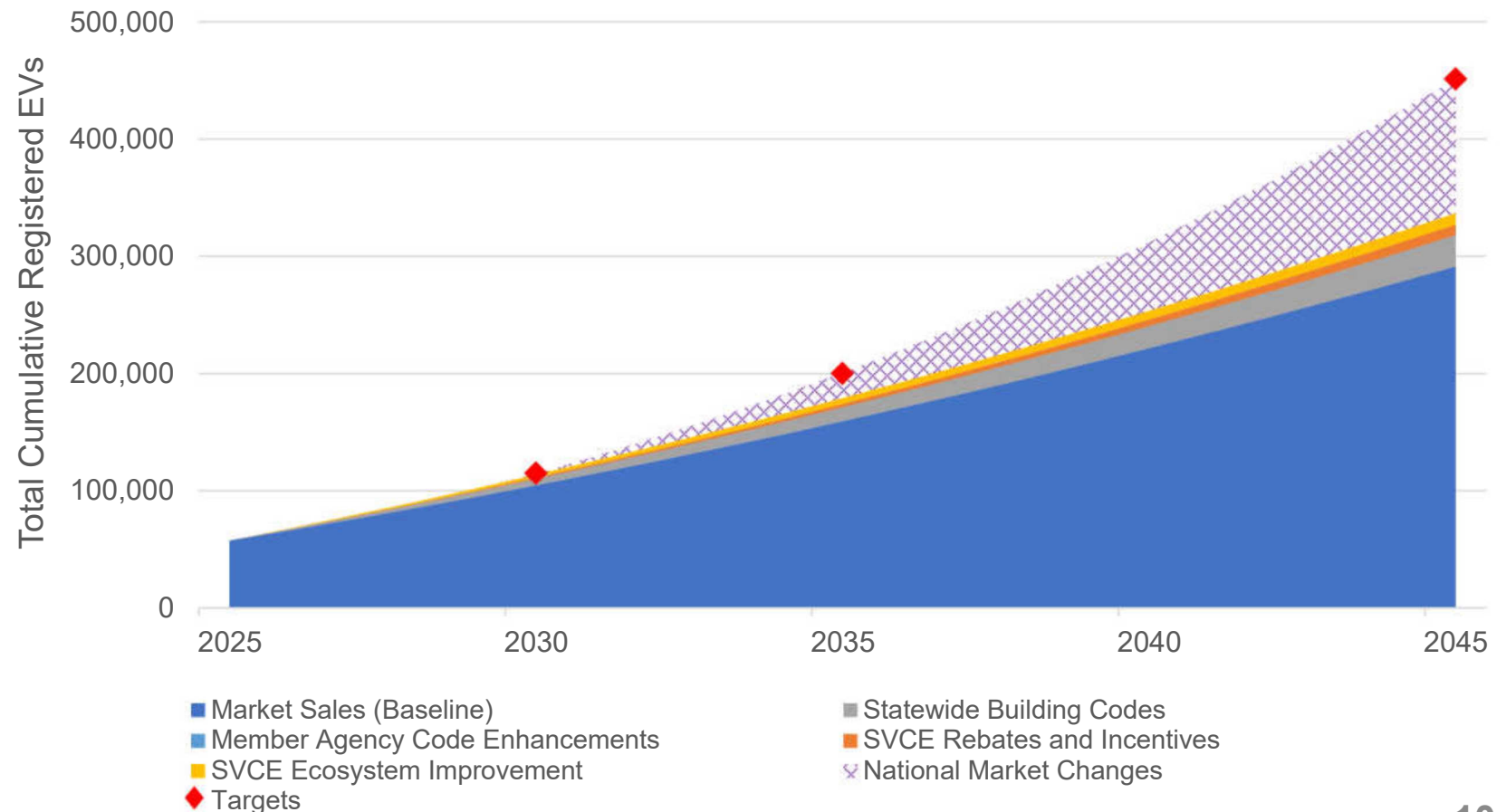
Consumer demand supported by policies are the main driver in EV adoption.

Statewide building code and SVCE programs help grow adoption by increasing access to charging.

Recommitments to EVs at a federal level are likely necessary to meet 2045 targets.

Pathway based on current budget.

Projected SVCE Territory Light-duty Electric Vehicles by 2045



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**Looking ahead:**

**How could SVCE prioritize investments under different conditions?**



# SVCE: Local, leading-edge, pragmatic, and decarbonization focused.

## At the December 2025 Special Board of Directors Workshop:

Directors leaned into the story of SVCE as local agency responsible for catalyzing the region's decarbonization. The agency should embody an **innovative spirit** to provide creative solutions, while remaining **pragmatic and focused** on efforts that lead to cost-effective results.

When deciding between programs that lead to rapid electrification and those that might be slower, the attendees leaned towards **focusing more on rapid results**. (This is a trade-off we will grapple with in more detail through the roadmap.)

Attendees recognized that not everyone in SVCE's territory has the same decision-making agency when it comes to decarbonization, and suggested SVCE **focus more on groups in a position to act**, such as property owners compared to renters and tenants.

This is initial input that staff are building early recommendations on. We will continue to grapple and discuss tradeoffs in more detail as we develop the roadmap.



# Three workshops help inform scenarios: community leaders, member agency staff, and SVCE staff.



## Key Takeaways from program prioritization discussions:

- All groups put majority of funds into incentives and rebates.
- Strong support for maintaining local policy support and ecosystem improvements.
- Less clarity on innovation and % of incentives focused on low-income vs. market-rate customers.

# Disclosure Notice: SVCE can't do it all.

## 1. Limited financial resources (SVCE doesn't have the budget)

Example: Rebate cost for residential water heaters = \$30M per year

## 2. Limited influence (SVCE doesn't directly control many of the most powerful levers)

Example: Types of EVs manufactured





# SVCE investments play a critical role in market transformation.



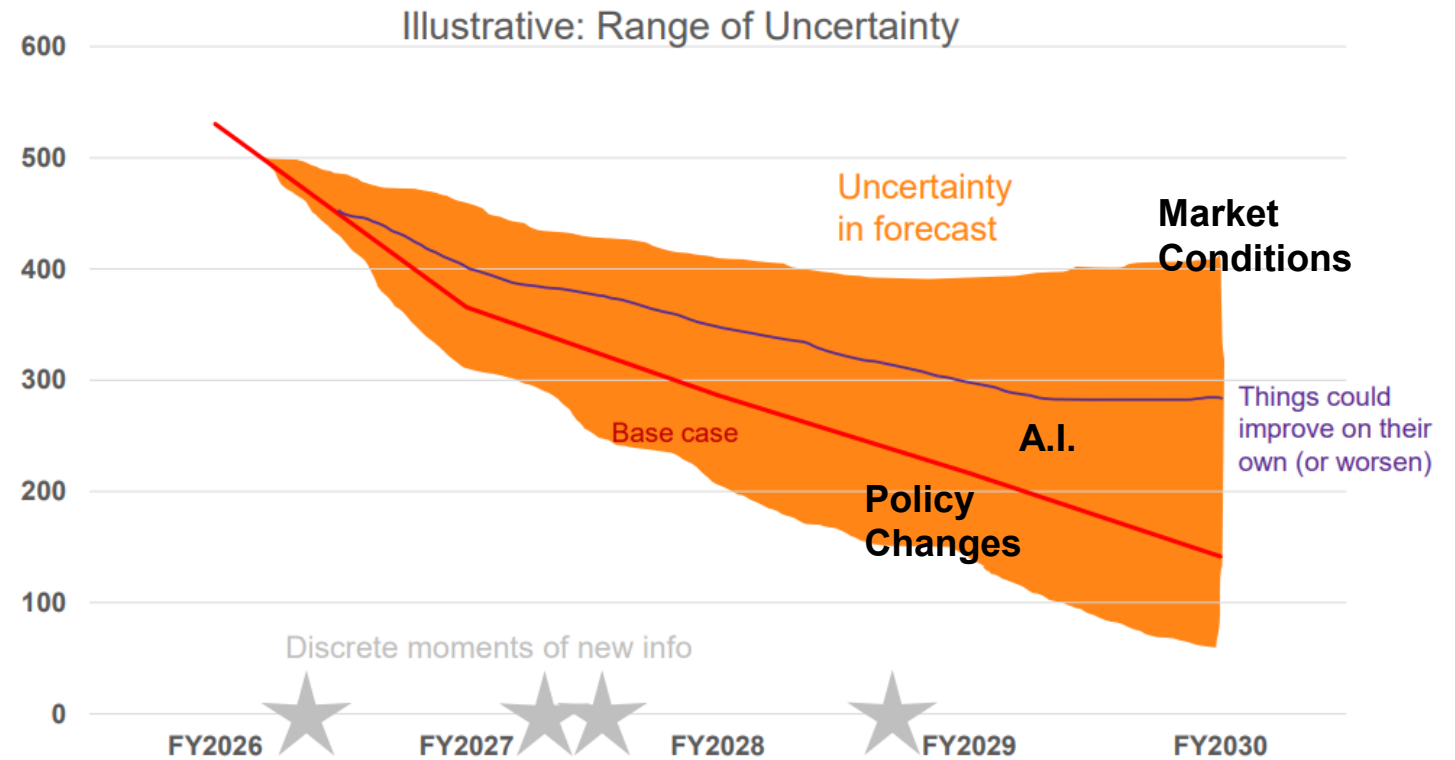
## **SVCE Investments:**

1. Catalyze adoption by reducing friction.
2. Serve as a force multiplier to maximize beneficial impacts of electrification.
3. Deliver tangible community benefits.



# Given high uncertainty, SVCE needs to ensure an adaptable structure that delivers impact under all conditions.

- Maximize electrification under any conditions.
- Some programs have growth limits (e.g. local policy investments).
- A balanced portfolio allows SVCE to pivot, adapt, expand, and contract.





# Fluctuating budget is status quo for SVCE and scenario planning is a key rationale for the decarb

*As part of the financial levers, the Board could decide to make changes to programs budget between 2026 and 2030. The following slides explore impact of three possible changes to inform later decision-making.*

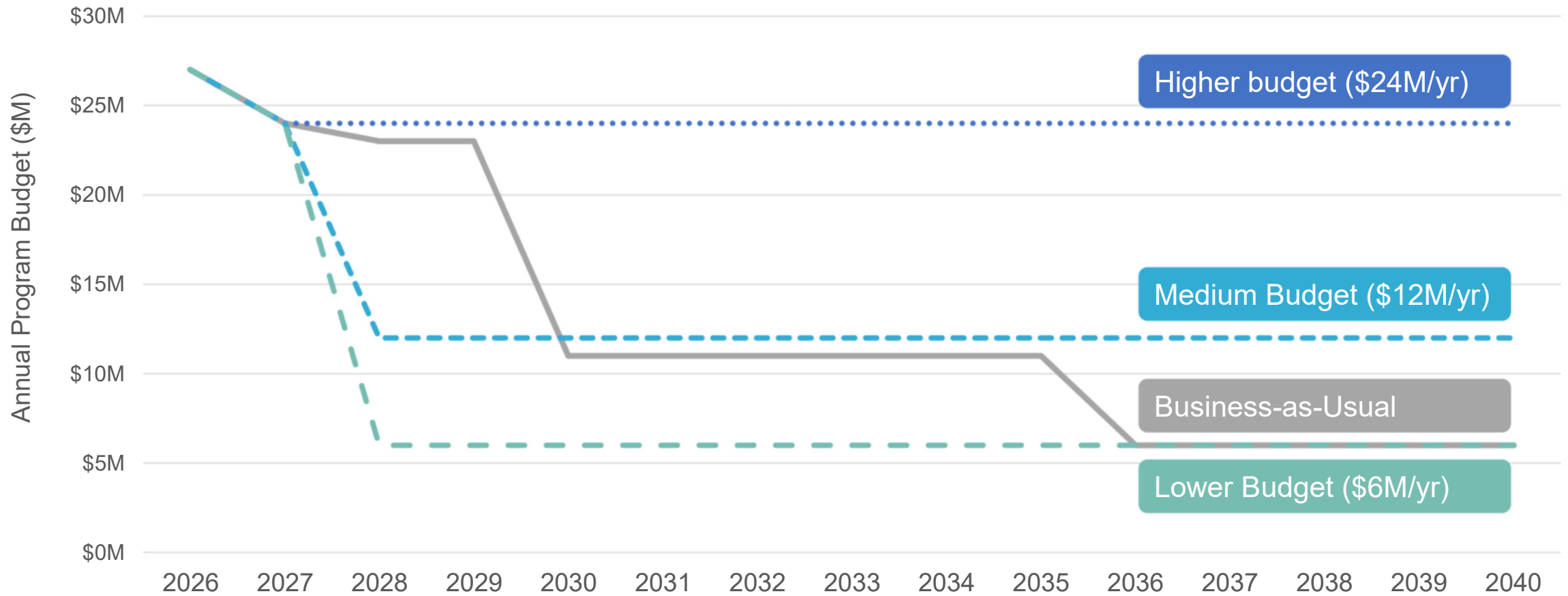
- **Business-as-Usual (BAU)** – Starts with high budget and slowly decreases to low budget over ~10 years (as currently planned)
- **High Budget** – Maintain today's spending levels (e.g. result of unexpected revenue influx)
- **Medium Budget** – Decrease today's budget by half starting in 2027 (e.g. slower rate of program reserves spending and no new funding added from revenues)
- **Low Budget** – Decrease today's budget by 3/4 starting in 2027 (e.g. much slower rate of program reserves spending and no new funding added from revenues)

**Today's discussion is about impacts of budget changes and program priorities, NOT about mechanisms to change budget or impact to SVCE reserves. The June financial levers conversation will focus on organizational impact of changing program funds.**



# Program budget – current planning forecast.

Comparison of Program Budget Scenarios (2026-2040)





# Direct financial support remains the cornerstone of SVCE's programs portfolio in all budget scenarios.

Program Categories	High Budget	Medium Budget	Low Budget
Rebates and Incentives	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	\$ \$ \$ \$ \$ \$ \$ \$	\$ \$ \$ \$
Community Investments	\$ \$ \$	\$	-
Ecosystem Improvement	\$ \$ \$	\$ \$	\$
Research and Innovation	\$ \$	\$	\$
Education and Engagement	\$	\$	\$

Note: Each \$ equates to \$0.5M–\$1M per year.

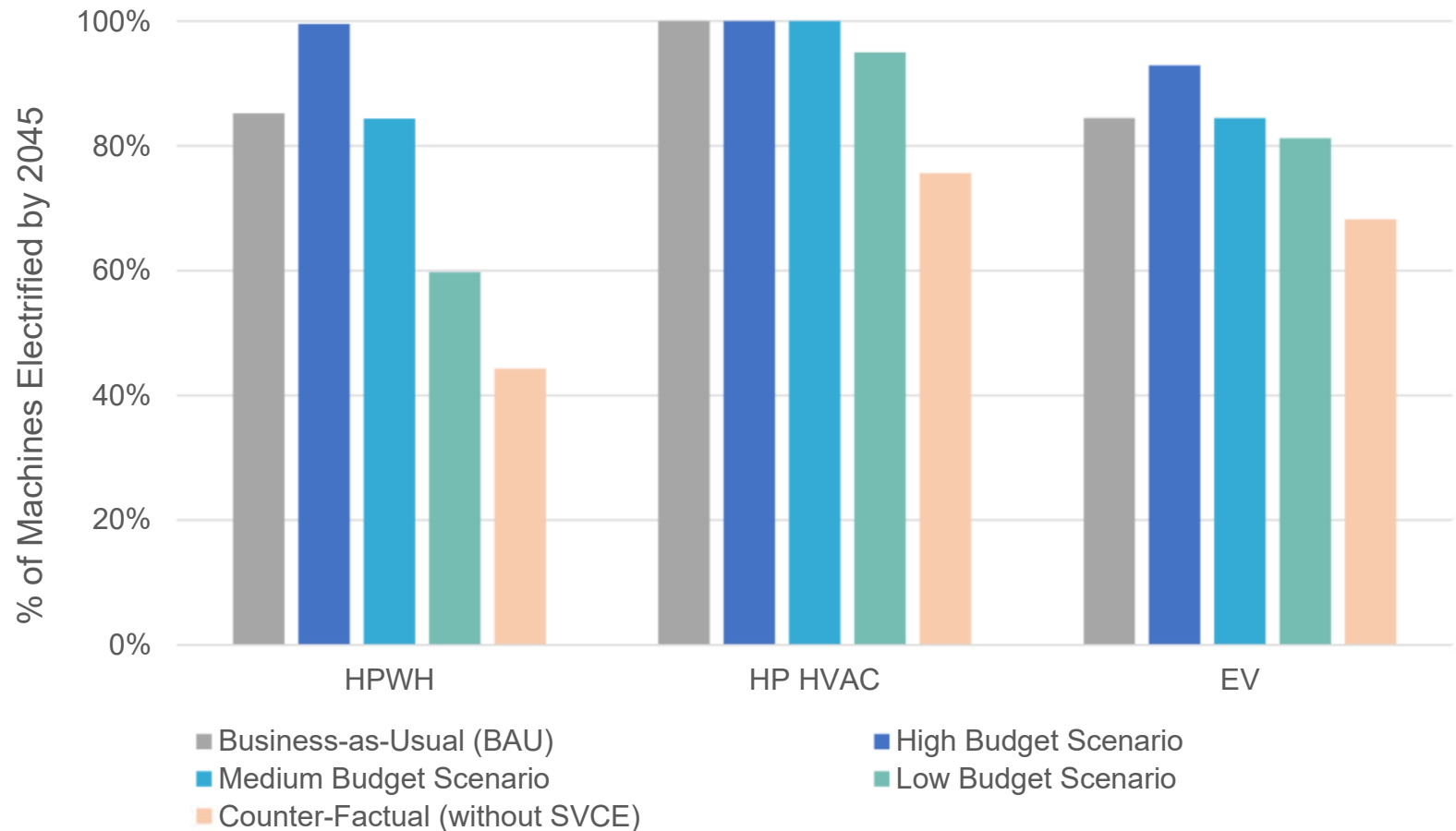


# HP HVAC hits targets under all but low investment scenario, HPWH only in the high scenario, EV never.

## Key Takeaways:

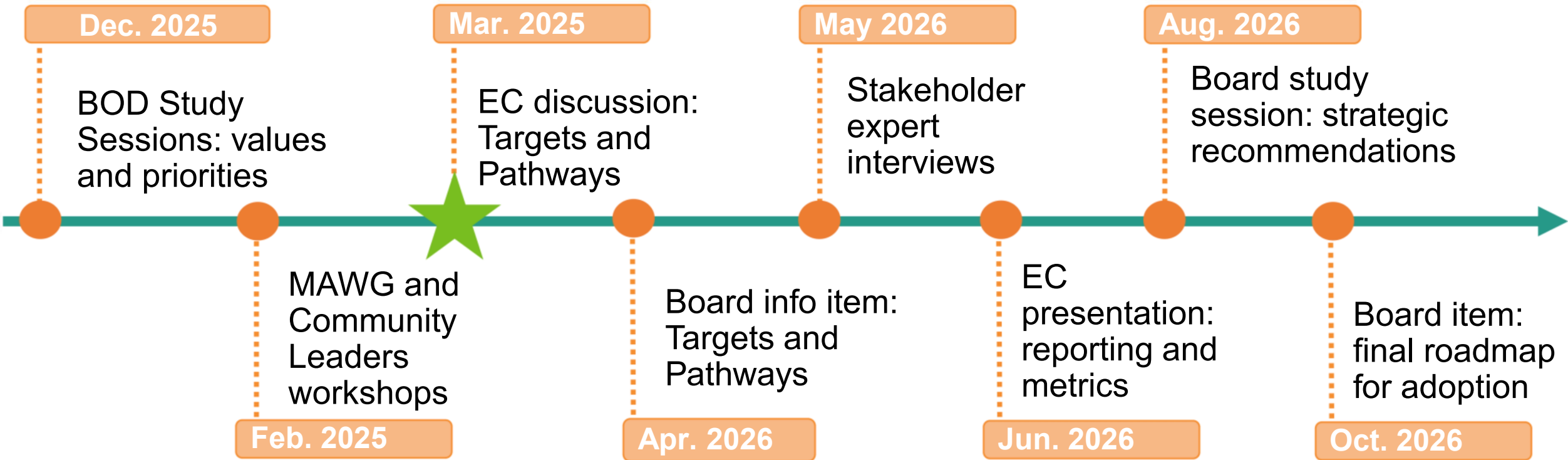
- SVCE can have significant impact by maintaining focus on direct incentives and ecosystem improvements in all scenarios.
- Higher budget means more electrification over time.

Technology Pathway Comparison: Proximity to Hitting 2045 Target





# The content we're developing now will be presented to the Board in April.



\*Timeline subject to change



# Discussion Questions

- Questions about key numbers?
- Reactions to example prioritization?
- What additional info/data you would want to see?

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# APPENDIX



# Rebates, incentives, and ecosystem improvements remain the portfolio's core offerings under all conditions.

SVCE Program Category	Current Budget (\$23M/yr)	High Budget (\$24M/yr)	Medium Budget (\$12M/yr)	Low Budget (\$6M/yr)
Rebates and Incentives	\$14.5M	\$16.0M	\$8.0M	\$4.0M
Community Investments	\$3.1M	\$2.5M	\$0.6M	-
Ecosystem Improvement	\$2.1M	\$3.0M	\$1.5M	\$1.0M
Research and Innovation	\$1.8M	\$1.5M	\$0.7M	\$0.6M
Unallocated	\$1.4M	-	-	-
Education and Engagement	\$0.4M	\$1.0M	\$0.7M	\$0.5M

**Total: \$23.3M**



# SVCE's holistic program portfolio delivers a variety of benefits.

SVCE Program Category	Example Programs	Benefits
<b>Rebates and Incentives</b>	Home Rebates, Full-Service Home Upgrades	Direct reduction in upfront cost of electrification
<b>Community Investments</b>	Member Agency Grants, Affordable Housing DI	Delivers investments into community priority areas, creates tangible
<b>Ecosystem Improvement</b>	Reach Codes, Contractor Training, Permit Streamlining	Reduces friction, improves cost effectiveness, transforms the market
<b>Research and Innovation</b>	Innovation Onramp, Rate Pilot Programs, Demand Flex pilots	Identifies and test solutions to key barriers to catalyze adoption; sometimes big win, sometimes no win
<b>Unallocated</b>	-	-
<b>Education and Engagement</b>	Dream Home, eHub	Spreads the word about electrification, clarifies misconception, builds energy



# What is “Ecosystem Improvement”?

*As a public agency with technical knowledge and expertise, SVCE is uniquely positioned to support building code compliance and reduce friction points in project implementation.*

## **SVCE Ecosystem Improvement investment includes:**

- Education and training for building officials and permitting staff.
- Rebates and incentives supporting customer compliance with Air District rules.
- Contractor training to increase workforce, lower upfront project costs, and increase code compliance.
- Permit streamlining to help reduce unpermitted equipment installs and lower total project costs.
- Supporting Member Agencies in customer and contractor education and resources leading to increased awareness and likelihood of compliance with Building codes and Air District rules.



# Key Assumptions and Methodology Overview

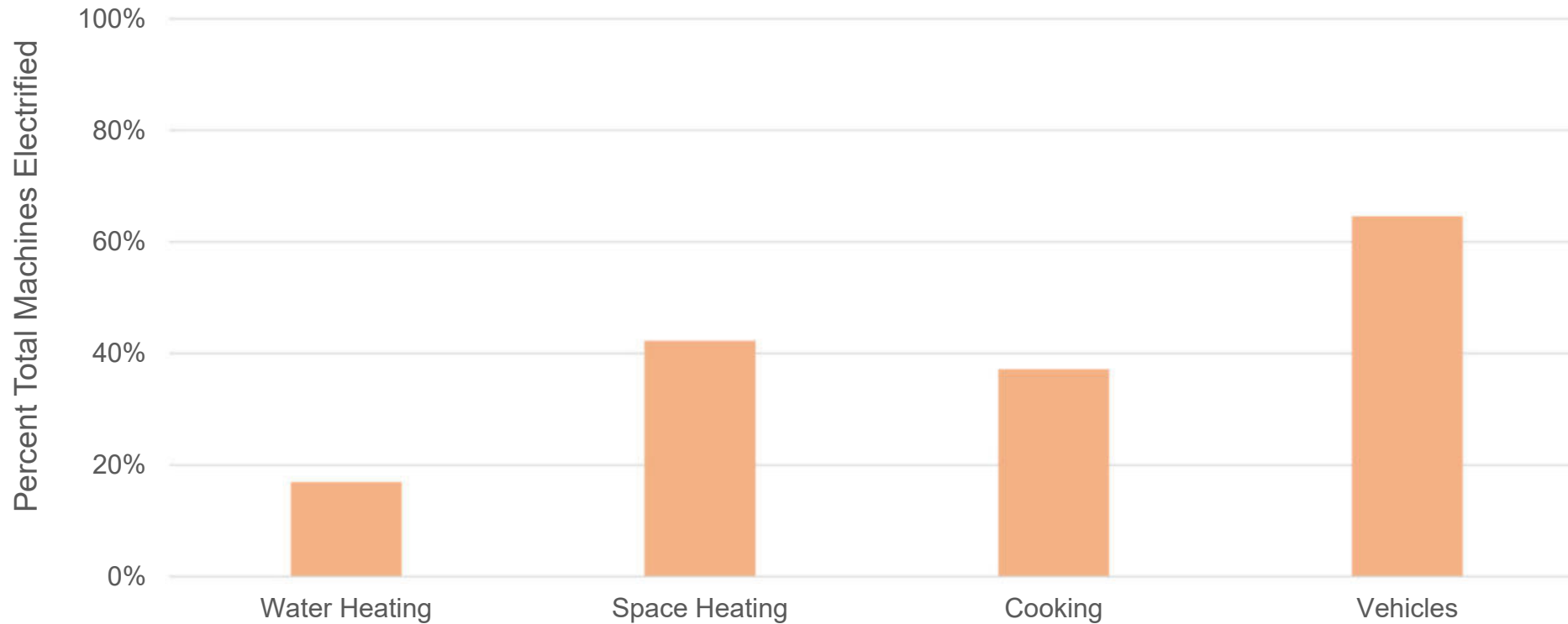
**Methodology was built on data and published studies whenever possible, and conservative but realistic estimates where needed.**

Category	Source
Market Sales (Baseline)	California Heat Pump Partnership Blueprint (2025) CalMTA Induction Cooking Market Characterization Report (2024) BloombergNEF Vehicle Sales Outlook (2025) CalMTA Commercial Rooftop Units Market Characterization Report (2025)
SVCE Programs	SVCE 2025 Programs impact data
Statewide Building Code	Housing and Community Development (HCD) RHNA Data with SME assumptions for new construction compliance
Air District	Bay Area Air District Rules 9-4 and 9-6 with SME assumptions for starting compliance and annual compliance growth
Member Agency Codes	City of Mountain View reach code forecast Electric Readiness and 2-Way AC ordinances with SME assumptions for starting compliance and annual compliance growth
Policy Compliance Support	SVCE SME assumptions



# Consumer demand alone won't achieve targets.

Percentage of Total Machines Electrified by 2045 through Natural Market Adoption



Sources:

1. California Heat Pump Partnership Blueprint (2025)
2. CalMTA Induction Cooking Market Characterization Report (2024)
3. BloombergNEF Vehicle Sales Outlook (2025)

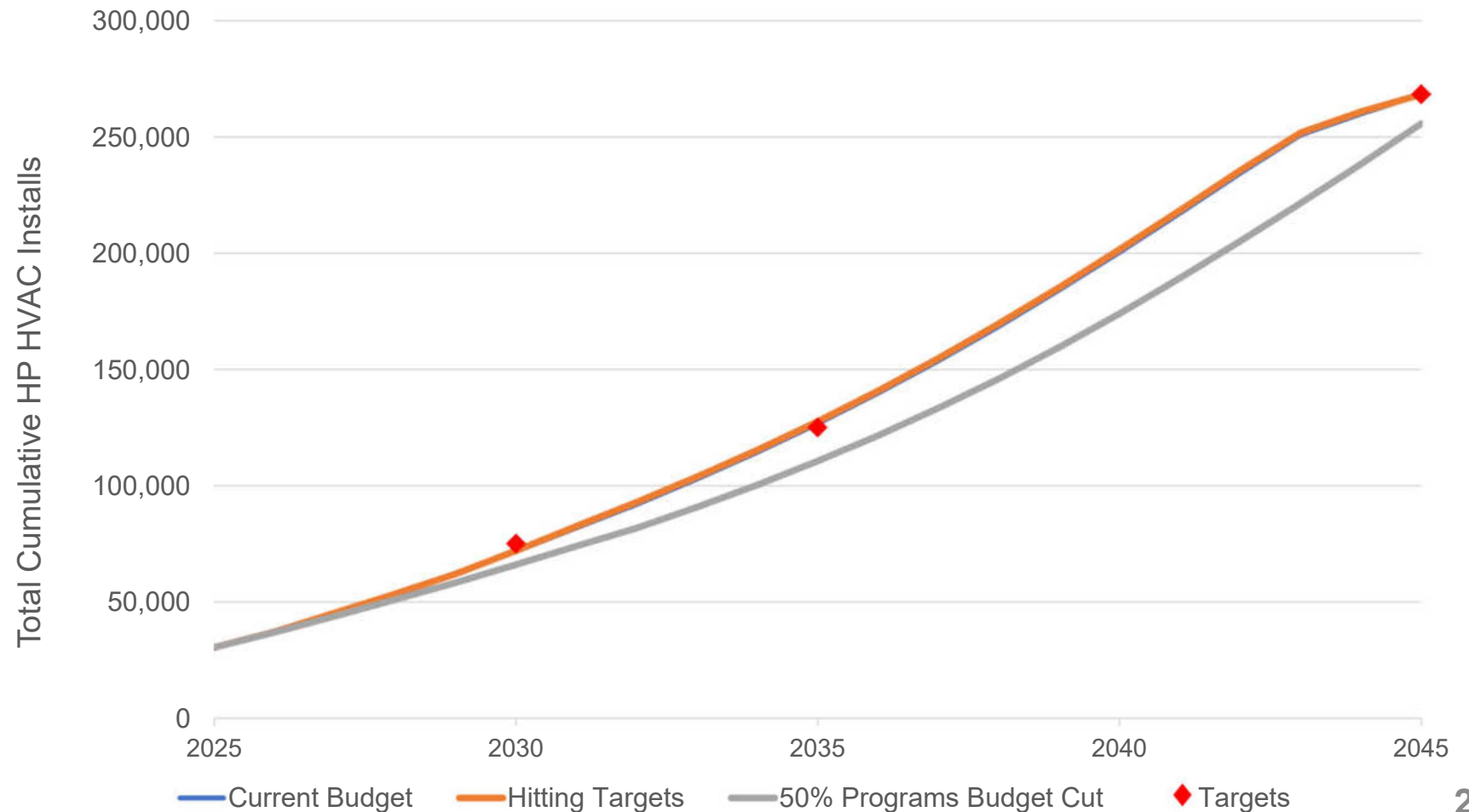


# HP HVAC Pathways Comparison

## Key Takeaways:

- 2045 target likely to be met by current program strategies due to strong market support and well-established technology.
- Continued rebate and incentive support needed through 2032 to support Air District rule implementation.

Comparison of Projected HP HVAC Pathways to 2045





# HPWH Pathways Comparison

## Key Takeaways:

- 2045 target could be met through increased program investment supporting on-time Air District rule implementation, research and innovation, and policy support.
- We are unlikely to reach our target without additional strategic investment.

Comparison of Projected HPWH Pathways to 2045



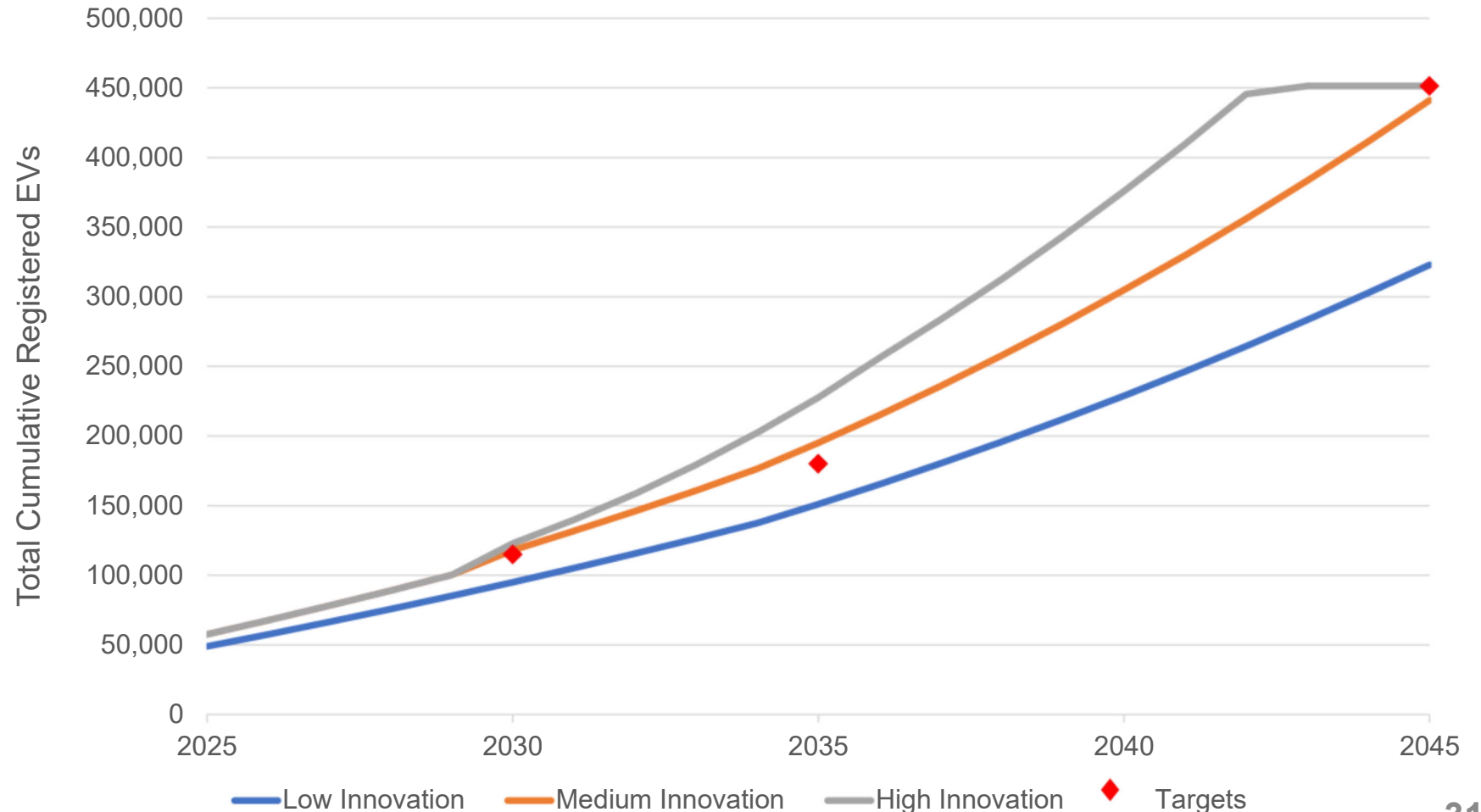


# EV Pathways Comparison by Innovation Level

## Key Takeaways:

- Customer demand and technology innovation are key drivers to EV adoption, creating high uncertainty in adoption projections.
- High innovation (such as import of cheaper EV models) could rapidly increase adoption.
- Low innovation and high tariffs could result in missing targets.

Comparison of Projected EV Pathways to 2045



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# Education Initiatives 2026 Update

Executive Committee Meeting  
March 27, 2026

*Juliette Pascual, Community Engagement Specialist*



# Information Item

Overview of existing education initiatives

Education Nonprofit Pilot Grant update

Student sponsorship approach

## 3 Initiatives to Highlight



EmPowerSV Scholarship Competition



Education Nonprofit Grant



Student Sponsorships



# EmpowerSV Scholarship Competition

- **2026 Art Competition**
  - Allow students to creatively express their passion for climate solutions
  - Art will be used for community engagement
  - Submissions due April 24
- **\$10k to be awarded across 3<sup>rd</sup> – 12<sup>th</sup> grades**
  - Elementary – sticker design
  - Middle – poster display
  - High – headquarters art feature





# Education Nonprofit Pilot Grant

Pilot grant program for education-focused nonprofits providing climate education

- **4 Nonprofits**
  - Supporting youth and educators on climate change solutions while incorporating the SVCE mission
- **\$96,490 committed**
  - \$39k spent
- **Projects in development**
  - Teacher support
  - Community workshops
  - Green career development



## 2025 YOUTH LEADERSHIP SUMMIT



SATURDAY, AUGUST 9, 2025 | APPROXIMATELY 9:00 AM - 2:30 PM

CAMPBELL HERITAGE THEATRE - 1 W CAMPBELL AVE, CAMPBELL, CA 95008



**CAPS**  
CLIMATE ACTION PATHWAYS  
FOR SCHOOLS



**MENTORSHIP**



**Acterra**

**ACTION FOR A  
HEALTHY PLANET**



# Student Sponsorships

Supporting student-led projects that address the SVCE mission in local community



- **Five cohorts since program began in 2020**
- **\$245k distributed**
  - Projects include student experiments, school events, art installations, and more
  - Projects must have an outreach component
- **Formerly Education Fund**



# Sponsorship Program Transition

How can we administer education funds better and create a clear process to evaluate impact?

- **Create one sponsorship program for schools and local nonprofits to receive funding for clean energy education**
- Unify metrics, timeline, and application process
- Focus projects on educator support, community workshops, and green careers



# Education Program Evolution

## Student Sponsorships

Student projects with teacher advisor or nonprofit fiscal sponsor support

SVCE mission-related projects with outreach component

Fall/winter application cycle

Approximately \$50k budget per year; up to \$10k per project

Est. 2020



# Education Program Evolution

Student Sponsorships	Education Nonprofit Pilot
Student projects with teacher advisor or nonprofit fiscal sponsor support	Nonprofits
SVCE mission-related projects with outreach component	SVCE mission-related educator support, community workshops, green careers
Fall/winter application cycle	Spring application cycle
Approximately \$50k budget per year; up to \$10k per project	\$100k pilot budget; \$20k - \$30k per project
Est. 2020	Est. 2025



# Education Program Evolution

Student Sponsorships	Education Nonprofit Pilot	Combined Program
Student projects with teacher advisor or nonprofit fiscal sponsor support	Nonprofits	School or nonprofit applicants
SVCE mission-related projects with outreach component	SVCE mission-related educator support, community workshops, green careers	SVCE mission-related educator support, community workshops, green careers
Fall/winter application cycle	Spring application cycle	Fall application cycle—at the beginning of the school year
Approximately \$50k budget per year; up to \$10k per project	\$100k pilot budget; \$20k - \$30k per project	\$150k pilot budget; up to \$20k per project
Est. 2020	Est. 2025	Launch in 2026



# Next Steps

- Education Nonprofit Grants—projects will finish this summer through October
- Solicit feedback from past SVCE education program participants on program timing, application, and challenges
- **Ask: Scholarship competition promotion—submissions due April 24**

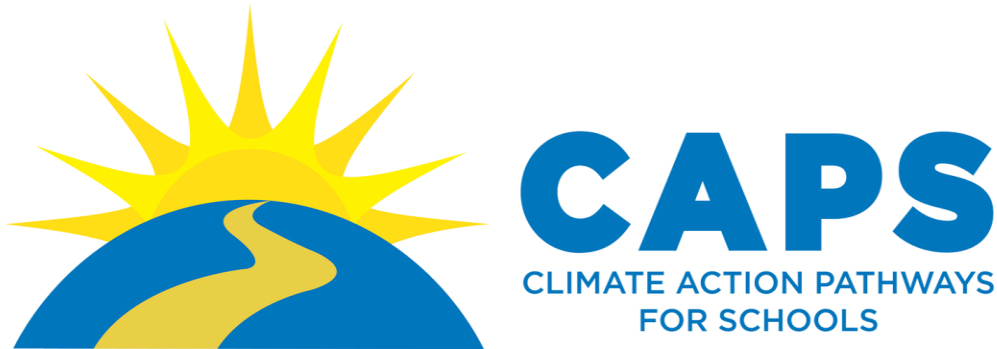
# Appendix





# Education Nonprofit Grant Recipients

Climate Action Pathways for Schools (CAPS) - Morgan Hill



- CAPS Internships
- Partnership with MHUSD
  - Design and implement a comprehensive building science training and workforce development program for up to 20 MUHSD high school students during the academic year 2025-2026.



# Education Nonprofit Grant Recipients

Acterra – Mountain View, Sunnyvale



- Acterra's Student Ambassador Program (ASAP)
  - Empowering high school students to address climate change impacts by providing them with after-school environmental education and building their leadership skills through trainings and community projects.



# Education Nonprofit Grant Recipients

Compass Point Mentorship (CP Mentorship) - Santa Clara County



- Sustainable Energy Youth Commission (SEYC) and Summer Camp Program for students (ages 7-18)
  - Conduct leadership training workshops for SEYC, pilot 4 week-long sustainable energy summer camps, organize a community-wide green transportation challenge, and organize a youth-led sustainable street food festival



# Education Nonprofit Grant Recipients

Silicon Valley Youth Climate Action (SVYCA) - Santa Clara County



**SILICON VALLEY  
YOUTH CLIMATE ACTION**

- SVYCA Summer Program – Leadership Academy and Youth Climate Summit (ages 13-22)
- Expand the Summit's impact and increase community climate education and leadership for SVYCA city action teams working on climate solutions and clean energy initiatives.

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# HQ Update

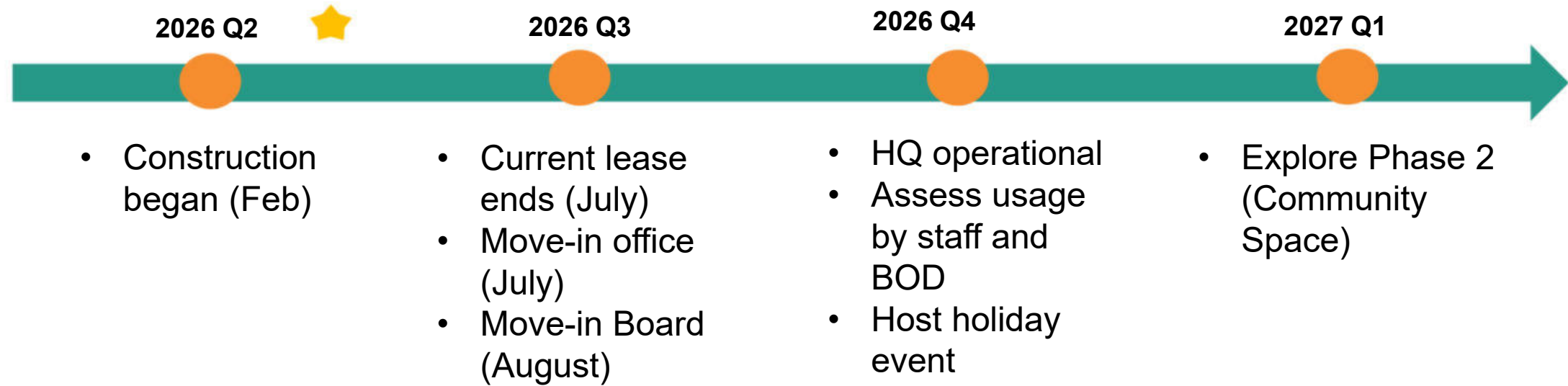
March 27, 2026





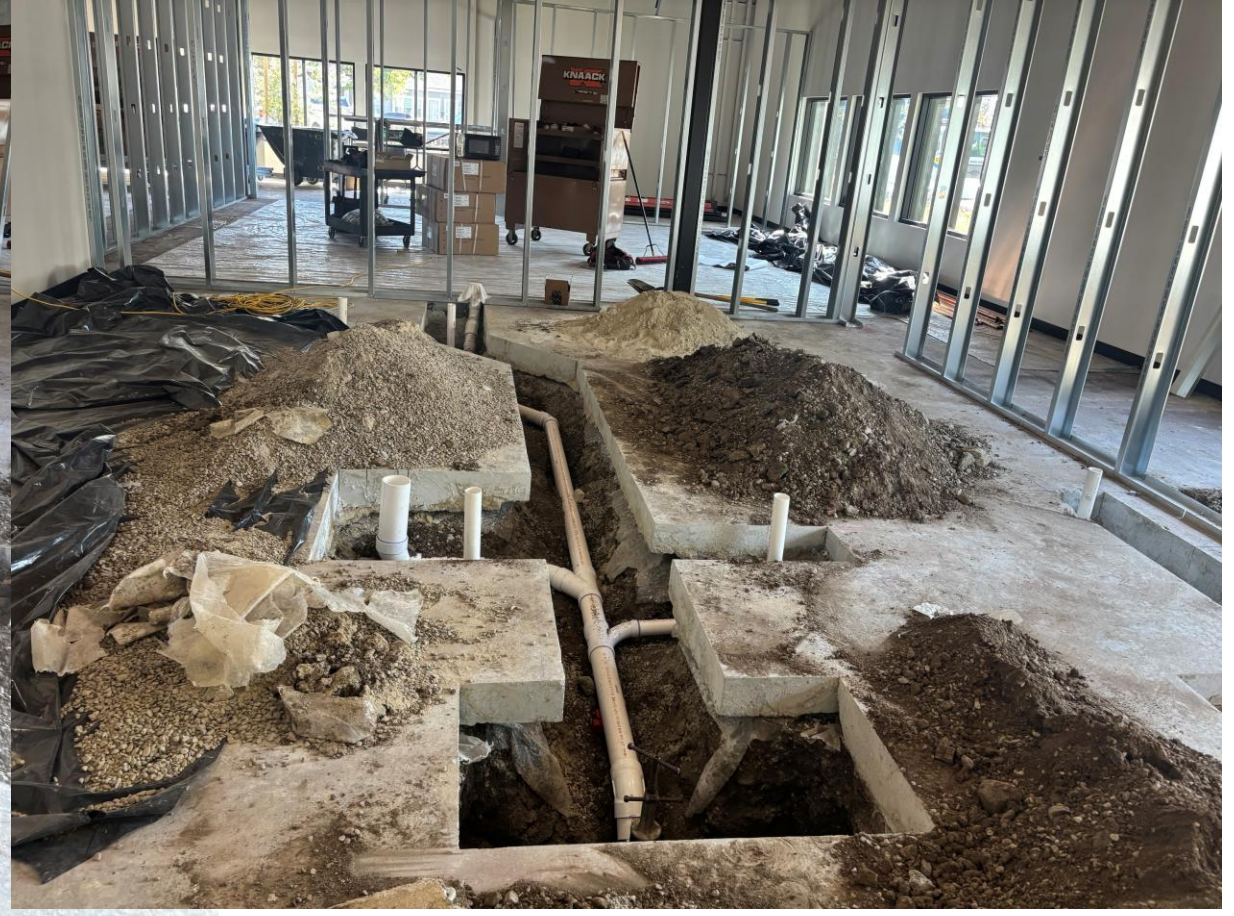
# Updated Headquarters Timeline (Subject to Change)

Outline of the building's next steps



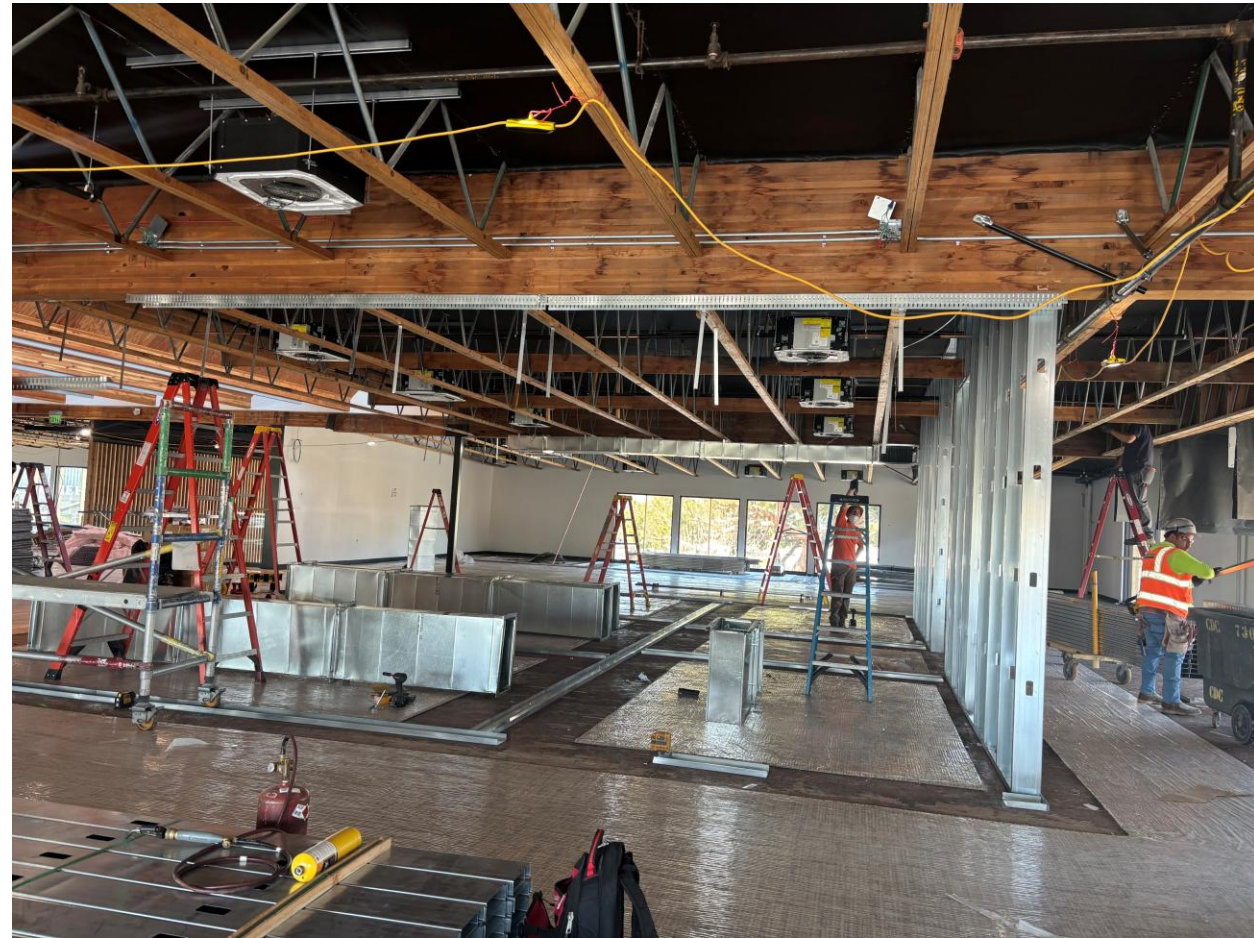


# Trenching Work





# Structural Work





# Structural Work





# Structural Work



# Floor Plans



Level 1



Level 2

- Conference
- Board Chamber & Support
- Warm Shell
- Office Amenity & Support
- Open Office
- Private Workstation



# Next Steps

While the building is under construction

- Furniture Purchase
  - Try to use all existing furniture with focus on workspaces and conference rooms
  - Buy new additional furniture for conference rooms and workspaces; common spaces
  - Seek to purchase used furniture for common spaces and low use areas
- Phase 2
  - Executive Committee agreed to move this decision to FY 2027