

A photograph of a modern building with large glass windows and a courtyard. The building has a brick facade and a dark roof. The courtyard is paved with stone tiles and features a large evergreen tree in the center. The interior of the building is visible through the glass windows, showing people in a gymnasium or dance studio. The sky is a soft, warm color, suggesting dusk or dawn.

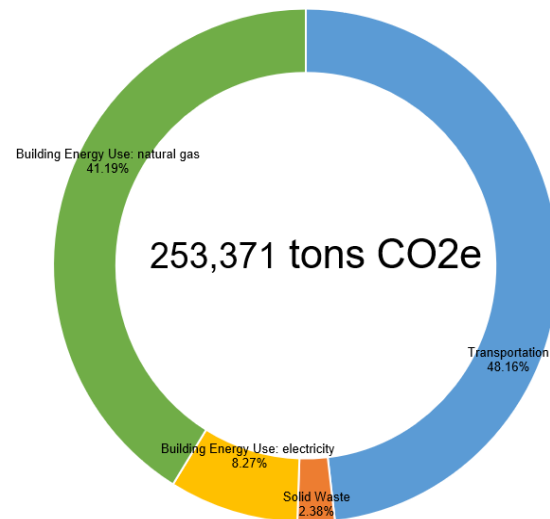
MENLO PARK PROCESS AND FEEDBACK ON RESIDENTIAL ELECTRIFICATION POLICIES

Rebecca Lucky, Sustainability Manager

BACKGROUND

- 2019 electrification requirements for new construction (commercial and residential)
- 2030 Climate Action Plan
- CAP strategy goal No.1 to electrify existing buildings by 2030

City of Menlo Park communitywide greenhouse gas emissions 2019



2021 SCOPE OF WORK AND PROCESS

- Direct staff to undertake a cost effectiveness and policy options analysis (April-July)
 - Formed a technical team
 - Peninsula Clean Energy
 - TRC and DNV consulting
 - Building Official

- Environmental Quality Commission Review (July- August)
 - Two public meetings
 - EQC provided recommendations

- City Council study session (August)

RESULTS OF THE ANALYSIS

- Short term bill increases, but long term bill savings for residential customers
- Energy efficiency appliances/ equipment is still important
- Installing solar on buildings can protect customers from future rate increases and provide resiliency
- Current incentives help customers transition and increase payback savings over the long term
- Limitations
 - Worst case scenarios and equipment efficiencies
 - Quantifying total societal cost of climate change and inaction
 - Other technologies and potential advancements
 - Still evaluating commercial results

POLICY OPTIONS AND CONSIDERATIONS

- Policy options focus on single family and some multifamily opportunities:
 - Education and outreach
 - Generate funds to develop additional incentives and financing
 - Time certain building performance standards
 - Permitting regulations
 - Electric ready, voluntary replacements, end of life, additions and alterations
 - Electrification ready at the time of sale

- Implementing all would reach almost half of CAP No.1 goal for residential sector.

- Environmental and financial equity

EQC RECOMMENDATIONS

1. Allow UUT to be collected at voter-approved levels (council action required) and establish a dedicated fund to support building decarbonization
2. Identify partners for funding and financing programs, including a specific low-income turnkey program
3. Develop program proposals to reduce "hassle factor" for building owners
4. Begin outlining ordinance to prohibit the installation of new gas appliances that require permits
5. Begin formal public engagement immediately
6. Develop long term plan/roadmap to meet CAP #1 goal

COMMUNITY FEEDBACK

- Over 130 comments supported the EQC recommendations

- Concerns raised
 - Start with commercial first
 - Space constraints and noise
 - Electrical upgrades needed
 - Increases to rent as a result of upgrades
 - Prefer to have a choice
 - Energy resiliency and whether energy delivered is clean

- Feedback is still being received

NEXT STEPS

- Electrify city owned BMR rentals
- Support coordination of PCE's Home Energy Upgrade Program
- Addressing barriers in the permitting process
 - Expedite permits?
 - Incentivize?
- Community outreach and education
 - Hiring staff
 - Website
 - Local events



THANK YOU