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**DATE:** March 2, 2016

**TO:** Finance and Government Operations Committee

**FROM:** Sylvia Gallegos, Deputy County Executive

**SUBJECT:** Semi-Annual Sustainability and Climate Action Report (September 2015 – February 2016)

**RECOMMENDED ACTION**

Receive semi-annual report from the Office of Sustainability relating to sustainability and climate action programs for period September 2015 through February 2016.

**FISCAL IMPLICATIONS**

There are no fiscal implications in accepting this report.

**REASONS FOR RECOMMENDATION**

The Semi-Annual Report updates the Finance and Government Operations Committee (FGOC) and the Board of Supervisors (Board) on internal and community programs, policies, and projects that advance the County's sustainability and climate action objectives and goals. The report also describes the integration of sustainability principles and measures across the County organization, departments, and offices. **This Report also includes activities supporting launch of the County's Sustainability Master Plan Initiative.**

**PART I - SUSTAINABILITY/CLIMATE ACTION – INTERNAL**

In collaboration with other County offices and departments, the Facilities and Fleet Department (FAF) is the lead on the Board's sustainability goals, policies, and objectives, and reports the following regarding progress, implementation, and status of internal government operations projects:

## **Renewable Energy, Energy Efficiency and Storage**

The following renewable energy and energy conservation efforts are underway, or were recently completed at County facilities:

- On October 6, 2015 (Item No. 9b), the Board approved a Master Purchasing and Services Agreement with SunPower Corporation for the construction and servicing of six solar PV systems under the Renewables for Revenue Project. The Board had previously approved this project under a Power Purchase Agreement (PPA) acquisition structure, but opted to purchase the systems after the successful obtainment of the New Clean Renewable Energy Bonds allocated to the County by the Treasury Department. The purchase of the systems (vs. the PPA) provides the County an additional \$19 million in savings over the initial 25 years of the systems' operation.
- The Board approved (BOS October 20, 2015 Item No. 65) Energy Savings Services Agreements with Opterra Energy Services, Inc. (Opterra). FAF and Valley Medical Center (VMC) are working with the vendor to initiate energy and water audits at County's VMC campus facilities.
- The Board approved Energy Audit Agreements with Ameresco (BOS June 23, 2015 Item No. 20) and Siemens (BOS August 11, 2015 Item No. 94).
- FAF is working with SunPower on a Phase II Solar PV project that will potentially bring solar PV to several County sites, including County Communications, Fleet Garage at Junction, South County Airport, Vector Control, and Mariposa Lodge.

Additional information regarding FAF energy projects are available in the Renewable Energy Biannual Report to the Finance and Government Operations (FGOC) Committee (FGOC October 16, 2015 Item No. 5; and the Renewable for Revenue Quarterly Report (FGOC, January 22, 2016 Item No. 7.

## **Zero Waste Program for County Facilities**

As of December 2015, the Republic Services diversion rate for the County facilities Zero Waste Program (ZWP) is reported to be 75 percent for planned services; see the semi-annual Zero Waste Report (FGOC January 22, 2016 Item No. 9), which covers updates to the County Facilities ZWP, diversion rate, outreach, internal composting, and program expansion.

## **Bicycle Lockers**

FAF was awarded a grant (July 2014) through the Bay Area Air Quality Management District's (BAAQMD) Transportation Fund for Clean Air Program (TFCA) Regional Fund Program, to partially fund the installation of electronically operated bicycle lockers at four County locations. Installations have been completed at the four County locations: Charcot Campus (2310 North First Street), Berger Campus (1555 Berger Drive), and Downtown

Health Center (777 East Santa Clara Street) in San Jose and Elmwood Correctional Complex (701 South Abel Street) in Milpitas. The 16 new bicycle locker spaces provide secure bicycle parking to both employees and visitors with a registered BikeLink access card.

### **County Operations Water Utilization Database**

FAF was a project sponsor for one of San Jose State University's Business School's Management Information Systems Practicum information technology projects. The students worked with FAF to develop a water usage utilization database to assist with recording the County facilities' water usage. The project provided the students with real world experience in which they practiced applying their business and technical skills learned in their academic courses. The students created a database using Microsoft Access, which was later refined with assistance from internal departments.

### **CalRecycle Tire-Derived Product (TDP) Grant**

FAF was awarded a TDP Grant through the California Department of Resources Recycling and Recovery (CalRecycle). CalRecycle offers the TDP Grant Program to promote markets for recycled-content products derived from waste tires generated in California and decrease the adverse environmental impacts created by unlawful disposal and stockpiling of waste tires. The TDP Grant program is a reimbursement grant designed to use TDPs for repurposing projects. FAF is utilizing this grant to help partially fund weed abatement projects at appropriate County properties. These landscaping projects support the Integrated Pest Management Program in reducing weed propagation, minimizing maintenance costs, and suppressing herbicide use.

## **PART II – SUSTAINABILITY/CLIMATE ACTION – EXTERNAL**

In collaboration with municipalities, non-profit organizations, the private sector and other partners, the Office of Sustainability serves the Board's sustainability goals, policies, and objectives, and reports the following regarding progress, implementation, and status of multi-jurisdictional and community programs and projects:

### **Silicon Valley 2.0 (SV 2.0)**

The Office of Sustainability has completed the Silicon Valley 2.0 *Platform*, which provides the region a suite of significant resources, including:

- A 9-Sector Climate Adaptation Implementation Guide, providing strategies and a collaborative framework for the following sectors: Transportation, Energy, Water and Waste Water, Telecommunications, Shoreline Assets, Ecosystems, Public Health, Solid and Hazardous Waste, and Building and Property, as well as local community

assets such as schools and universities, emergency and law enforcement resources, libraries, hospitals, etc.

- The SV 2.0 Geo-Economic Decision Support Tool, which allows users to:
  - Select from the region's 5 key climate variables
  - Choose a timeframe of either 2050 or 2100
  - Scale the analysis for countywide, a specific municipality or group of municipalities
  - Select a single or multiple set of assets (e.g., buildings, parcels, transportation infrastructure)
  - Fiscal/Financial Impact Assessment (vulnerability/risk assessment) – the Tool then utilizes commercial, (re)insurance, economic methodologies to provide a set of 4 risk calculations (the cost of inaction): replacement value, increase in operational costs, loss of revenue (e.g., property tax), and interruption of economic activity
- Leadership and collaborative frameworks for each sector-based strategy
- A full literature review; and
- A full Regional Gaps Analysis, which identifies existing and parallel programs that impact adaptation outcomes, and defines gaps in planning and implementation

In addition to external infrastructure owners and operators, municipalities, academic institutions, national research centers and other regional stakeholders, the Silicon Valley 2.0 Platform has been designed to cross-support internal agencies, including: Planning and Development, Emergency Services and Hazard Mitigation Planning, Capital Projects Management, Facilities and Fleet, Parks, Roads and Airports, Consumer and Environmental Protection, and Public Health.

The Office of Sustainability website is under reconstruction, and all Office Programs, including Silicon Valley 2.0, should be complete and accessible (with resources) by March 1, 2016.

### **Silicon Valley Community Choice Energy Partnership (SVCCEP)**

Since the last Sustainability and Climate Report, the Office of Sustainability performed a number of actions, including:

- Reviewed initial and final Draft Technical Studies produced by the Partnership's Technical Advisor, Pacific Energy Advisors (PEA). The final Draft Technical Study (November 25, 2015) assessed three scenarios, designed for escalating renewable content and reduced greenhouse gas (GHG) emissions, and compared them to Pacific

Gas & Electric projected rates and environmental performance. PEA found that, in all three scenarios, the SVCCEP would offer customers rate savings (or in the most extreme case, rate parity), and more robust environmental performance.

- Reported to the Housing, Land Use, Environment, and Transportation (HLUET) Committee (HLUET October 15, 2015 Item No. 5, and HLUET November 19, 2015 Item No. 4) with technical, legal, organizational, and risk/risk mitigation analyses and updates; including an additional directed analysis of the structure and functional opportunities under a single-jurisdiction CCE (County-specific) that might leverage procurement and other activities with other CCEs.
- Conducted key public meetings (October 29 and December 14, 2015) in the San Martin and Alum Rock communities (pre- and post- Technical Study) to drive public awareness and early positive momentum for a local Community Choice Energy (CCE) Program.
- Presented (BOS February 9, 2016, Item Nos. 18-20) actions to join the Silicon Valley Clean Energy Authority (SVCEA); and a risk assessment addressing consequences of future voluntary withdrawal from the SVCEA, as well as a Worst Case Scenario. The Board approved/adopted all actions. As of entry of this Report, 11 of the 12 Sponsoring Partners and Participating Cities have joined SVCEA.

Activity now pending includes recruitment of an Interim Director of the SVCEA, and analysis of funding options for initial energy procurement and operations. In addition, the Office of Sustainability is active in CPUC proceedings relating to:

1. Continuation, form and scale of future Power Customer Indifference Adjustment (PCIA) charges
2. The authority and duties of CCEs as Program Administrators under the CPUC's Energy Efficiency Portfolio (and funding); and
3. Actions as a member of a statewide Executive Committee developing an organizational, technical, operational, funding, and evaluation framework for transitioning the CPUC's Energy Efficiency Portfolio to a "rolling portfolio" (or 10-year cycle) from the existing 2-year cycle. This also impacts the County's participation and funding under the Bay Regional Energy Network (below).

### **Bay Regional Energy Network (BayREN)**

Under the Office of Sustainability, the County continues to be an implementer among the nine San Francisco Bay Area counties in the Single Family Energy Efficiency Residential Program, and the top performer among the nine counties in the Multi-Family Energy Efficiency Program. Further, the Sustainability Office manages a high-performing community outreach program that is modeled in other counties, and serves as the Statewide

Energy Efficiency Marketing, Education and Outreach representative for the entire BayREN. Under the BayREN Program, the County has completed nearly 600 single family home upgrades, and installed energy efficiency improvements to nearly 4500 multi-family units, with another 3,382 projected for 2016. These programs have delivered nearly \$5 Million in rebates to homeowners and building owners.

In addition, the Office of Sustainability is again serving as the Single Family Residential Program Lead for all nine BayREN Counties, as well as the BayREN Representative in the CPUC's Statewide Energy Efficiency Marketing, Education and Outreach Program.

The Regional Energy Network model was co-developed by the Sustainability Office, which also worked to secure approval and funding of two REN pilots (the BayREN and the SoCalREN) by the California Public Utilities Commission (CPUC) in 2012. These were the first non-utility program administrators recognized and funded by the CPUC. Since 2013, the two RENs have administered nearly \$140 million in energy efficiency residential, commercial, water-energy nexus, codes and standards and public facilities upgrades programs. The County's participation in the BayREN, including staff, is grant-funded.

### **Driving to Net Zero: Decarbonizing Transportation in Silicon Valley**

The Office of Sustainability secured this Project through a \$536,729 grant from the California Strategic Growth Council. The Project Launch Meeting occurred February 11, 2016, attended by the Project Participants: the Bay Area Climate Collaborative, Joint Venture Silicon Valley, and the Cities of Cupertino, Morgan Hill, Mountain View, Palo Alto, San Jose, and Sunnyvale.

*Driving to Net Zero* will integrate policy development, siting and feasibility studies, cost-benefit analyses for charging installation, and emissions savings projections. In addition, the Project will develop Working Groups for Planning, Zoning/Permitting, and Fleet Departments to develop training and resource toolkits for all departments involved in policy, installation, and operation of electric vehicle, plug-in hybrid, and alternative fuel infrastructure, plus fleet purchase strategies and options. The project will also develop private sector, local government, and state agency frameworks to advance market penetration and identify funding and other resources.

### **Sustainability Master/Implementation Plan**

On August 25, 2015 (Item 12), the Board issued a Referral to the Sustainability Office to report back to the Board on the budgetary resources necessary to create an Integrated Sustainability Master Plan, including a draft framework for the Master Plan; approved with further direction by the Board (BOS September 29, 2015 Item No. 28). The Board clarified its position that the Plan should form a comprehensive, cohesive, forward-facing government and community portfolio for cross-implementation of economic, environmental, and

environmental sustainability strategies and measures, which are trackable, measurable and reportable; and specifically incorporate existing County policies and programs, such as, the Environmental Stewardship Goals (created in 2009).

Under the proposed schedule for creation of the Implementation, the Office of Sustainability is currently conducting department-specific meetings to map:

- Existing projects, programs and initiatives.
- What indicators, goals and metrics are being tracked.
- Update departmental referrals, activities and duties.
- Initial review of preferred measures and strategies, best management practices, on-ramping technologies, and other factors relevant to creation of near-, mid-, and long-term objectives that are trackable, measurable, and reportable.
- Discuss potential benchmarking/dashboard software.
- Cross-departmental interdependencies and potential.
- Recommendations for a central service/resource hub for County departments and partners.

The Office of Sustainability anticipates a meeting of the existing Sustainability Executive Committee, and development of a Steering Committee to support development of the implementation framework in early second quarter 2016.

### **EFLIC Energy Efficiency Financing Pilot for Low and Moderate Income Customers**

Under the CPUC Statewide Energy Efficiency Financing Program, the Energy Financing Line Item Charge (EFLIC) Project was developed with Pacific Gas & Electric (PG&E). The County of Santa Clara is one of three regions to pilot this program (in addition to Yolo County and the City of Fresno), in partnership with PG&E and Union Bank to offer low and moderate income households the opportunity to finance energy efficiency upgrades through a special loan product that is repaid through a line item charge on customer energy bills. The project features competitive interest rates, flexible pay-back terms (up to 10 years), and the added consumer protection that default will not result in interruption of energy service.

Previously scheduled for an early 2015 launch, the EFLIC Program has been delayed by processes at the state level, and is now **expected to launch in July 2016**. The Sustainability Office is presently working with PG&E to develop strategic market profiling, contractor engagement and enrollment plans, program messaging, and tracking/reporting protocols.

### **Residential PACE (Property Assessed Clean Energy)**

Concurrent with the last Semi-Annual County Sustainability and Climate Action Report in September 2015, the Board issued a Referral (BOS September 29, 2015 Item No. 11), which initially directed Staff to circulate a proposal for a Residential PACE Program that would include mandatory Contractor Standards, Indemnifications, and insurances for any PACE Program Administrator seeking to implement within the unincorporated county. During its discussion, the Board also directed Staff to track and report back regarding Residential PACE guidelines being developed by the Federal Housing Authority (FHA).

Staff presented to FGO (February 11, 2016, Item No. 13):

- A summary of the draft FHA Guidelines, which are pending without adoption to-date;
- Recommendations from third party PACE Administrators to consider extensive programmatic guidelines (including contractor obligations), developed by the California Statewide Communities Development Authority (CSCDA) for statewide adoption by all PACE Administrators; and
- Updates on additional programs and existing third-party Administrators interested in securing authorization in the unincorporated county.

Staff will return to FGO's March Agenda with a report that: 1) identifies risks to County of acting as own PACE administrator (with authority to stipulate standards); and 2) provides a summary update of the County of Los Angeles self-administered PACE Program.

### **CHILD IMPACT**

Sustainability, energy and climate action programs, projects, and activities are undertaken by the County to serve the economic, environmental and social interests of the community, including those impacting children and youth.

### **SENIOR IMPACT**

Sustainability, energy, and climate action programs, projects, and activities are undertaken by the County to serve the economic, environmental and social interests of the community, including those impacting seniors.

### **SUSTAINABILITY IMPLICATIONS**

The recommended actions review, approve and support programs, projects, and activities that balance public policy and program interests, and which advance the Board of Supervisors' sustainability objectives to foster a healthy environment, protect resources and public health and safety, promote a diverse economy, and advance social equity and safety.



## **BACKGROUND**

The Sustainability Office was established by the Board on August 24, 2010, commenced operations on November 8, 2010. Among its directives, the Sustainability Office was tasked with promoting sustainability approaches, policies and programs throughout the County's departments and offices, as well as enhancing the County's regional, state and national leadership in climate mitigation, adaptation, and all other sustainability resource, equity, and economic sectors.

The Semi-annual and Annual Sustainability and Climate Action Reports are a means of recording and reporting progress back to FGOC and the Board, and to serve as a public reference source.



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**DATE:** October 6, 2016

**TO:** Finance and Government Operations Committee

**FROM:** Sylvia Gallegos, Deputy County Executive

**SUBJECT:** Semi-Annual Sustainability and Climate Action Report (March – September 2016)

**RECOMMENDED ACTION**

Receive semi-annual report from the Office of Sustainability relating to sustainability and climate action programs for period March 2016 through September 2016.

**FISCAL IMPLICATIONS**

There are no fiscal implications in receiving this report.

**REASONS FOR RECOMMENDATION**

The Semi-Annual Report updates the Finance and Government Operations Committee (FGOC) and the Board of Supervisors (Board) on internal and community programs, policies, and projects that advance the County's sustainability and climate action objectives and goals. The report also describes the integration of sustainability principles and measures across the County organization, departments, and offices.

**PART I - SUSTAINABILITY/CLIMATE ACTION – INTERNAL**

In collaboration with other County offices and departments, the Facilities and Fleet Department (FAF) is the lead on the Board's organization-wide sustainability goals, policies, and objectives, and reports the following regarding progress, implementation, and status of internal government operations projects:

**Renewable Energy, Energy Efficiency, and Storage**

The following renewable energy and energy conservation efforts are underway, or were recently completed at County facilities:

### *Renewables for Revenue Project (Item No. 9b October 6, 2015)*

The solar panels and their supporting structures have been constructed at the Hellyer Landfill, Malech Road, and Guadalupe Parkway sites. Pending interconnection electrical work and work for which PG&E is responsible, these three systems are expected to be completed and operating by the end of 2016. The Holden Ranch system is currently under construction and is expected to be completed by end of 2016. The Facilities and Fleet Department is working with the Federal Aviation Administration to obtain the land releases necessary to start construction on the Reid Hillview Airport and San Martin Airport sites. For more information on the Project, see the Renewables for Revenue Quarterly Report legislative file, submitted to the November 3, 2016 Finance and Government Operation Committee.

### *Energy and Water Projects*

The Facilities and Fleet Department (FAF) continues to operate, monitor and maintain the County's portfolio of solar, fuel cell, battery storage and energy efficiency systems. Projects in development include:

#### *Energy Services Companies (ESCO) Project*

The two ESCO vendors FAF is working with completed Preliminary Energy and Water Audits of County facilities in September 2016. Based on recommendations and findings from the Preliminary Audits, the ESCOs have started conducting more detailed, Investment Grade Energy and Water Audits (IGAs), which are expected to be complete in late Q2 / early Q3 2017.

#### *Utility Data Management System (UDMS)*

As of late September 2016, FAF is in the process of finalizing selection of a vendor to provide the County a UDMS. A UDMS will allow the County to more efficiently track, manage, and analyze usage and cost of energy, water, waste, and other utilities.

For more information on the County's energy projects, see the Bi-Annual Energy Report legislative file, submitted to the November 3, 2016 Finance and Government Operation Committee Meeting.

#### *Facilities Benchmarking Efforts*

FAF is working with Silicon Valley Energy Watch to benchmark major County Facilities using Energy Star Portfolio Manager. Priority on this effort has been given to all facilities within the Civic Center Master Plan boundary. The purpose of this project is to effectively

evaluate the existing conditions of the facilities and identify sustainability priorities for the Civic Center Master Planning process.

### **Ridesharing Pilot**

Under advisement from May 12, 2016 (Item No. 6): Consider recommendations relating to ride share vendors and sharing vehicles with other agencies. (Referral from March 2, 2016, Finance and Government Operations Committee meeting, Item No. 7) (ID# 81485), the Board of Supervisors directed FAF to conduct a competitive solicitation to select a vendor for a ridesharing platform, in an amount not exceed \$10,000 for a period of six months (BOS June 7, 2016 Item No.25).

An informal competitive procurement was conducted and service agreement was signed on September 16, 2016 with Scoop Technologies. The program is set to roll-out in October 2016 to all County employees, with focused on-site marketing efforts to take place at Civic Center campus, Valley Medical Center, and 333 Julian campus. Initial marketing execution will occur October 2, 2016 – October 31, 2016. Monthly detailed reporting meetings will take place between the Administration and Scoop Technologies to determine effectiveness of the program.

### **Zero Waste Program for County Facilities**

As of June 2016, the Republic Services diversion rate for the County facilities Zero Waste Program (ZWP) is reported to be 73 percent for both scheduled and on-call services; see the semi-annual Zero Waste Report (FGOC August 11, 2016 Item No. 12) for additional details. A summary of the County's facilities and operations waste stream and waste reduction efforts in Calendar Year 2015 is available in the FGOC report.

## **PART II – SUSTAINABILITY/CLIMATE ACTION – EXTERNAL**

In collaboration with community partners including municipalities, non-profit organizations, the private sector and other partners, the Office of Sustainability serves the Board's sustainability goals, policies, and objectives, and reports the following regarding progress, implementation, and status of multi-jurisdictional and community programs and projects:

### **Silicon Valley 2.0 (SV 2.0)**

The Office of Sustainability has worked to close out the final administrative aspects of the Silicon Valley 2.0 project, and continues to share the program results with interested parties around the region and the country. The online Implementation Tool also continues to receive significant interest, and the Office is beginning to explore the resources necessary to make the tool easier to administer and to update the underlying data more frequently.

The Office of Sustainability website has been updated, and all Office Programs, including Silicon Valley 2.0, are complete and accessible (with resources) as of May 2016.

### Silicon Valley Clean Energy Authority (SVCEA)

Since the last Sustainability and Climate Report, the SVCEA Joint Powers Agreement was approved by the Sponsoring Partners and Participating Cities. The SVCEA Board was convened in April, with one representative of each of the twelve agencies, and now meets regularly on the second Wednesday of the month.

Since April, the SVCEA Board has:

- Hired a CEO, approved an organizational structure, recruiting plan, job classifications, and a compensation schedule for prospective employees. The first three positions are open for recruitment, with interviews anticipated to begin during October 2016. A permanent office location for the SVCEA has been identified in Sunnyvale, and final lease negotiations are underway.
- Approved key policies that define program roll-out in three phases beginning on April 1, 2017 and concluding October 1, 2017; with a goal of offering default rates at 1% below PG&E; acquiring 100% carbon free energy supplies to meet the needs of the SVCE customers; and setting aside 6% of operating revenues for a rate stabilization fund and establishing programs to promote renewable resources locally.
- Issued an RFP for banking and credit services, to secure a \$2 million line of credit for pre-launch operations and a \$20 million line of credit for power purchases.
- Issued two RFPs, one for power supply and scheduling coordination services and another for data management services. It is expected that more than 95% of SVCEA revenues will be spent on these services.
- In November, staff will develop and seek Board approval of SVCE's first strategic plan, setting forth the goals, strategies, and tactics for the next five years. In December, once a power supply contract is signed, staff will present preliminary rates for the first two years of operation. These rates will be finalized and recommended to the Board for approval in January 2017, after PG&E's rates are set for the year.
- Customer notification (by launch phase, one segment at a time) of their enrollment options will begin in January 2017 and continue through November.

More information, and updates, can be found on the SVCE website: [www.svcleanenergy.org](http://www.svcleanenergy.org).

In support of the SVCEA, the Office of Sustainability performed a number of actions, including:

- Presented (BOS May 24, 2016, Item No.) an agreement to host SVCEA board meetings (through 2016) at County Civic Center and receive reimbursement for total (including overhead) costs incurred.
- Attended all SVCEA Board meetings (April to September) to provide updates to the Administration on the development of the Community Choice Energy (CCE) Program and to support, as necessary, the County's representative to the SVCEA.
- Participated in the Communications Working Group, to identify outreach channels for introducing SVCE to residents and businesses throughout the participating areas of Santa Clara County. Palo Alto, Milpitas, Santa Clara, and San Jose are not participants in the SVCEA.

In addition, the Office of Sustainability continues to actively monitor CPUC proceedings relating to:

- Continuation, form and scale of future Power Customer Indifference Adjustment (PCIA) charges;
- The authority and duties of CCEs as Program Administrators under the CPUC's Energy Efficiency Portfolio (and funding); and
- Actions as a member of a statewide Executive Committee developing an organizational, technical, operational, funding, and evaluation framework for transitioning the CPUC's Energy Efficiency Portfolio to a "rolling portfolio" (or 10-year cycle) from the existing 2-year cycle. This also impacts the County's participation and funding under the Bay Regional Energy Network (below).

### **Bay Regional Energy Network (BayREN)**

Under the Office of Sustainability, the County continues to be an implementer among the nine San Francisco Bay Area counties in the Single Family Energy Efficiency Residential Program, and the top performer among the nine counties in the Multi-Family Energy Efficiency Program. Further, the Sustainability Office manages a high-performing community outreach program that is modeled in other counties, and serves as the Statewide Energy Efficiency Marketing, Education and Outreach representative for the entire BayREN.

Since the inception of the BayREN Program, the County has facilitated the completion of nearly 800 single family home upgrades, with another 140 in the pipeline, and has paid over \$1.1 million in incentives to Santa Clara County homeowners. In addition, BayREN has installed energy efficiency improvements in nearly 4,900 multi-family units, with another 3,000 projected through 2017. The multi-family program has delivered nearly \$3.6 million in rebates to building owners in Santa Clara County.

In addition, the Office of Sustainability continues to serve as the Single Family Residential Program Lead for all nine BayREN Counties, as well as the BayREN Representative in the CPUC's Statewide Energy Efficiency Marketing, Education and Outreach Program. The County's participation in the BayREN, including staff, is grant-funded.

### **Driving to Net Zero: Decarbonizing Transportation in Silicon Valley**

The Office of Sustainability secured this Project through a \$536,729 grant from the California Strategic Growth Council. The County is partnering with the Cities of Cupertino, Morgan Hill, Mountain View, Palo Alto, San Jose, and Sunnyvale, and has engaged ICF International as the consultant on the project. The Project has begun data-gathering among the participating jurisdictions, to establish best practices and policy gaps. These will be explored in more detail at an upcoming autumn infrastructure working group meeting. Subsequent working group meetings will focus on fleet deployment of alternative-fueled vehicles (AFVs), frameworks for encouraging greater market penetration of AFVs, and funding and financing strategies.

### **Sustainability Master/Implementation Plan**

On August 25, 2015 (Item 12), the Board issued a Referral to the Sustainability Office to report back to the Board on the budgetary resources necessary to create an Integrated Sustainability Master Plan, including a draft framework for the Master Plan; approved with further direction by the Board (BOS September 29, 2015 Item No. 28). The Board clarified its position that the Plan should form a comprehensive, cohesive, forward-facing government and community portfolio for cross-implementation of economic, environmental, and environmental sustainability strategies and measures, which are trackable, measurable and reportable; and specifically incorporate existing County policies and programs, such as, the Environmental Stewardship Goals (created in 2009).

Under the original timeline for the creation of the Plan, the Office of Sustainability was scheduled to conduct department-specific meetings throughout the first half of 2016, with a focus on mapping existing efforts, determining goals and metrics, discussing benchmarking / dashboard software, and avenues for inter-departmental collaboration. While the Office has begun informal outreach to a number of departments, due to a lack of capacity caused by staff turnover and retirement, the full structured outreach effort has been delayed.

With an FY2017 budget inventory item funding an additional Management Analyst position, the Office is proceeding with that recruitment, and is currently interviewing candidates. The Office expects to complete the hiring process during October, and anticipates reconvening the Sustainability Executive Committee, and developing a Steering Committee to support development of the implementation framework early in 2017.

## **EFLIC Energy Efficiency Financing Pilot for Low and Moderate Income Customers**

Under the CPUC Statewide Energy Efficiency Financing Program, the Energy Financing Line Item Charge (EFLIC) Project was developed with PG&E. The program would offer low and moderate income households the opportunity to finance energy efficiency upgrades through a special loan product that is repaid through a line item charge on customer energy bills. Previously scheduled for an early 2015 launch, the EFLIC Program has been delayed by processes at the state level, and is on indefinite hold at the present time. The Sustainability Office continues to coordinate with PG&E on the program timeline and progress.

## **Residential PACE (Property Assessed Clean Energy)**

Staff continues to monitor developments surrounding Residential PACE, and presented to FGO (May 12, 2016, Item No. 11):

- An update on the release of the FHA Guidelines, which remained pending at that time;
- An update on continued discussions with PACE administrators, regarding the County's proposed supplemental Contractor Standards (including a Green Wage);
- A summary of the County of Los Angeles self-administered PACE Program;
- An overview of Ygrene, a newer PACE provider operating under the Golden State Finance Authority;
- An overview of the Fannie Mae HomeStyle Energy mortgage, which can explicitly take out a PACE assessment at time of property transfer;
- And an overview of the Association of Bay Area Governments (ABAG) Regional Collaborative Services Agreement (RSCA) which applies additional consumer protection standards across participating PACE providers.

On July 19, 2016, the FHA released guidance on Residential PACE. An off-agenda memorandum to the Board was issued on September 12, 2016, summarizing the requirements for utilizing PACE on properties with FHA mortgages, as well as the remaining risks of adopting Residential PACE in the unincorporated county.

Staff is preparing to return to the Board in October with a report on Residential PACE.

## **CHILD IMPACT**

Sustainability, energy and climate action programs, projects, and activities are undertaken by the County to serve the economic, environmental and social interests of the community, including those impacting children and youth.



## **SENIOR IMPACT**

Sustainability, energy, and climate action programs, projects, and activities are undertaken by the County to serve the economic, environmental and social interests of the community, including those impacting seniors.

## **SUSTAINABILITY IMPLICATIONS**

The recommended actions review, approve and support programs, projects, and activities that balance public policy and program interests, and which advance the Board of Supervisors' sustainability objectives to foster a healthy environment, protect resources and public health and safety, promote a diverse economy, and advance social equity and safety.

## **BACKGROUND**

The Sustainability Office was established by the Board on August 24, 2010 and commenced operations on November 8, 2010. Among its directives, the Sustainability Office was tasked with promoting sustainability approaches, policies and programs throughout the County's departments and offices, as well as enhancing the County's regional, state and national leadership in climate mitigation, adaptation, and all other sustainability resource, equity, and economic sectors.

The Semi-annual and Annual Sustainability and Climate Action Reports are a means of recording and reporting progress back to FGOC and the Board, and to serve as a public reference source.