



DATE: July 25, 2018

TO: Energy Council

FROM: Wendy Sommer, Executive Director

BY: Karen Kho, Principal Program Manager
Jennifer West, Program Manager

SUBJECT: Heat Pump Water Heater Grant

SUMMARY

Staff is requesting Energy Council approval to enter into a contract with ABAG for the implementation of a heat pump water heater regional market development project.

DISCUSSION

In February 2016, the Energy Council adopted fuel switching from natural gas to electricity as its newest priority area for grant seeking. As the electricity supply in Alameda County becomes cleaner through higher levels of renewable energy generation, the largest source of greenhouse gas emissions in the energy sector will come from natural gas usage. In consultation with the Energy Council Technical Advisory Group, staff identified heat pump water heaters as a promising technology for fuel switching, also called electrification, in buildings.

Through the Bay Area Regional Energy Network (BayREN), staff developed and submitted a regional proposal to the Bay Area Air Quality Management District (BAAQMD), under its Climate Protection Grant Program. BAAQMD has awarded the BayREN a \$400,000 grant for the proposal entitled Heat Pump Water Heater Regional Market Transformation. BAAQMD's 2018 Climate Protection Grant Program is a one-time funding program that prioritizes projects that make progress towards achieving the Air District's 2030 and 2050 Green House Gas targets and accelerates the implementation of local climate protection efforts. The duration of the grants is from one to two years.

ABAG is the prime grant recipient, but Energy Council is the lead agency for project implementation. The project will address barriers to greater market adoption of energy efficient Heat Pump Water Heaters in order to produce significant, long lasting benefits. With this funding, staff will engage market actors in the supply chain; coordinate with municipal utilities, CCAs and local governments for regional consistency; and

develop and implement workforce development activities to support the market. ABAG will be issuing a contract of \$390,000 for this scope of work, summarized in Attachment A.

RECOMMENDATION

Adopt the attached Resolution authorizing the Executive Director to enter into a 2018 contract agreement of \$390,000 for implementation of the BAAQMD grant and other related actions.

Attachment A: HPWH Grant Scope of Work

**ENERGY COUNCIL
RESOLUTION #EC 2018 –**

**MOVED:
SECONDED:**

AT THE MEETING HELD JULY 25, 2018

**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT FOR THE HEAT PUMP
WATER HEATER GRANT AND OTHER RELATED ACTIONS**

WHEREAS, the Energy Council recognizes that it is in the interest of the local, regional, state, and federal agencies to reduce fossil fuel emissions; and reduce total energy usage and improve energy efficiency; and

WHEREAS, the Energy Council was formed to seek funding to develop and implement programs and policies that reduce energy demand, increase energy efficiency, advance the use of clean, efficient and renewable resources, and help create climate resilient communities; and

WHEREAS, Energy Council adopted fuel switching as a priority area for external grant seeking; and

WHEREAS, in consultation with the Energy Council Technical Advisory Group (TAG), staff identified heat pump water heaters as a promising technology; and

WHEREAS, the Bay Area Air Quality Management District (BAAQMD) released a 2018 Climate Protection Grant program to accelerate local climate protection efforts; and

WHEREAS, Energy Council partnered with the Bay Area Regional Energy Network (BayREN) to submit a regional market development proposal for heat pump water heaters, and

WHEREAS, BAAQMD awarded BayREN a grant of \$400,000 for the proposal entitled Heat Pump Water Heater Regional Market Transformation;

WHEREAS, ABAG intends to provide the Energy Council with a contract of \$390,000 for the scope of work described in Attachment A;

NOW THEREFORE, BE IT RESOLVED, that the Energy Council hereby authorizes the Executive Director to:

1. Enter into all necessary contracts and agreements with ABAG in order to accept additional funds in the amount of \$390,000, and make any necessary changes to the FY 2018/19 budget to add Project 1311: HPWH Grant.
2. Approve any required time extensions, modifications, or amendments thereto.
3. Allocate the necessary resources to implement and carry out the scope of work.

BE IT FURTHER RESOLVED that the Executive Director as the Board President's designee, is hereby authorized to execute on behalf of the Energy Council all grant-related documents, including, but not limited to, applications, payment requests, agreements (including the hiring of temporary staff), and amendments necessary to secure grant funds and to implement the approved grant projects;

ADOPTED this 25th day of July 2018, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAINED:

I certify that under the penalty of perjury that the foregoing is a full, true and correct copy of Resolution #EC 2018 –

WENDY SOMMER
Executive Director

Attachment A
Heat Pump Water Heater Scope of Work

Strategies	Budget	Description
1. Supply Chain Engagement	\$31,500	Conduct outreach to HPWH equipment manufacturers and distributors serving Bay Area.
		Enroll trained contractors in Trade Pro Connect platform, which streamlines multiple bids for owners and midstream rebate processing for utilities.
2. Midstream Program Design	\$90,563	Provide assistance to municipal utilities and emerging CCAs in establishing midstream incentive programs.
		Coordinate among local initiatives to create standardization and support regional/statewide scalability. Share lessons and best practices from early adopters.
3. Workforce Development	\$118,124	Host trainings in conjunction with manufacturers and local distributors, Sunshares, PACE providers. Coordinate topics with Sonoma Clean Power & PG&E. Trainings delivered by subconsultants.
		Develop modules on leveraging financing, building departments, cross-selling HPWH with Solar PV or EVs.
		Work with industry outreach partners, including Passive House California, PACE providers to recruit contractors
4. Marketing	\$23,150	Establish regional, homeowner-oriented website explaining the benefits of building electrification.
5. MF pilot	\$110,000	Screen BayREN MF project pipeline for low-income and CARE households, and install fuel switching measures as part of energy upgrade in 250 units.
6. Admin	\$16,663	Prepare and submit reports as required by BAAQMD.
Total budget	\$390,000	