



Honorable Mayor and Members of the Hermosa Beach City Council

APPROVE AN AGREEMENT WITH CLEAN POWER ALLIANCE FOR BUILDING ELECTRIFICATION ASSISTANCE PROGRAM

(Environmental Programs Manager Douglas Krauss)

Recommended Action:

Staff recommends City Council:

1. Approve the Building Electrification Assistance Program Participation Agreement with the Clean Power Alliance (CPA) (**Attachment 1**);
2. Add estimated revenue of \$250,000 in the Capital Improvement Fund; and
3. Authorize the City Manager to execute and the City Clerk to attest the agreement subject to approval by the City Attorney.

Executive Summary:

Clean Power Alliance of Southern California (CPA) recently launched its Energized Communities Program to assist member agencies with implementation of building and transportation electrification measures to reduce dependence on fossil fuels and reach sustainability and decarbonization goals by providing financial and technical support.

As part of the program offerings, CPA is further offering the Building Electrification Assistance with up to \$250,000 in reimbursement for each of its member agencies. Staff recommends City Council approve the Building Electrification Assistance Program Participation Agreement (**Attachment 1**) to help offset costs for Capital Improvement Program (CIP) Project 689 Clark Building Renovations.

Background:

On September 28, 2022, City Council approved the City of Hermosa Beach joining CPA, California's largest community choice aggregator, serving 35 agencies across Los Angeles and Ventura counties. CPA operates a Joint Powers Authority (JPA) and each member agency has a representative on the Board of Directors. On March 14, 2023, Council appointed Councilmember Justin Massey as the City's representative to the CPA Board, which determines the CPA's programs, rates, and policies with guidance from CPA staff.

After transitioning to CPA, customers continue receiving bills from SCE, but they now include CPA charges. CPA offers three energy options: Lean Power (40 percent clean

energy, similar to SCE’s base product), Clean Power (50 percent clean energy), and 100 percent Green Power (100 percent renewable energy). On October 25, 2022, Council approved the 100 percent renewable Green Power as the City’s default option.

In addition to providing more renewable energy options for customers, CPA provides several incentive programs for its customers and member agencies. One such program is its Energized Communities Program to assist member agencies with implementation of building and transportation electrification measures to reduce dependence on fossil fuels and reach sustainability and decarbonization goals by providing financial and technical support. As part of the program offerings, CPA is further offering the Building Electrification Assistance with up to \$250,000 in reimbursement for each of its member agencies.

Past Board, Commission, and Council Actions

Meeting Date	Description
November 18, 2014	Hosted Study Session and approved Feasibility Study to Explore formation of a CCA
February 24, 2015	Accepted Carbon Neutral Municipal Plan
August 22, 2017	Adopted Plan Hermosa
November 6, 2021	Hosted Council Retreat to discuss emissions reductions strategies and directed staff to return to Council with CCA options and recommendations
January 25, 2022	Approved funding a feasibility study with CPA and transitioned City facilities to SCE’s 100 Green Rates
September 28, 2022	Introduced an Ordinance Approving a JPA to join CPA
October 11, 2022	Adopted Ordinance Approving JPA to join CPA
October 25, 2022	Approved the 100 Percent Renewable Energy Default Rate
March 14, 2023	Appointed representative to serve on CPA Board
July 9, 2024	Councilmember Saemann requested, and Councilmember Justin Massey supported, directing staff to return to City Council with an update regarding the City’s transition to CPA

Discussion:

Although available for any municipal building electrification projects in the City, staff recommends CIP Project 689 Clark Building Renovations as the best opportunity to utilize this available funding. By providing up to \$250,000 in reimbursements for gas-to-electric alternatives, this program would help offset the project’s Fiscal Year 2024–25 budget of \$3,601,067.

Eligible expenses for project funding include the purchase of electric equipment and appliances to replace fossil fuel-powered equipment such as furnaces, water heaters, pool heating, water pumps wastewater treatment, and kitchen appliances; electrical equipment for major renovations or new construction replacing fossil fuel-fired equipment;

and energy management devices. Subject to CPA approval, funding may also cover warranties, service contracts, subscription fees for energy management software, installation costs for electric equipment and energy management devices, removal and disposal of existing equipment, and construction costs for electrical panel or energy infrastructure upgrades. The program also includes the services of third-party experts to help design and oversee the electrification measures, as needed.

Staff recommends City Council approve the Building Electrification Assistance Program Participation Agreement (**Attachment 1**) to secure up to \$250,000 in reimbursement funds to help offset costs for Capital Improvement Program (CIP) Project 689 Clark Building Renovations.

General Plan Consistency:

This report and associated recommendations have been evaluated for their consistency with the City's General Plan. Relevant Policies are listed below:

Sustainability and Conservation Element

Goal 1. Hermosa Beach is a low-carbon municipal organization, reducing greenhouse gases at a rate that meets or exceeds 80% below 2005 levels by 2030.

Policy:

- ***Low-carbon municipality.*** Demonstrate environmental leadership and reduce greenhouse gas emissions from municipal facilities and operations by at least 80% below 2005 levels by 2030.

Goal 2. Hermosa Beach is a low-carbon community meeting State greenhouse gas reduction goals by 2040

Policy:

- ***2.1 State targets and goals.*** Reduce greenhouse gas emissions at a rate that meets long-term State targets and goals to reduce emissions by at least 66% below 2005 levels by 2040.

Fiscal Impact:

Funding would be distributed to the City on a reimbursement basis up to \$250,000 based on eligible expenses determined upon project completion. Staff recommends City Council add estimated revenue of \$250,000 to the Capital Improvement Fund for the Building Electrification Assistance Program agreement.

Attachment:

Draft Agreement

Respectfully Submitted by: Douglas Krauss, Environmental Program Manager

Concur: Joe SanClemente, Public Works Director

Noted for Fiscal Impact: Brandon Walker, Administrative Services Director

Legal Review: Patrick Donegan, City Attorney

Reviewed by: Angela Crespi, Deputy City Manager

Approved: Suja Lowenthal, City Manager