



Date: November 12, 2024

Honorable Mayor and Council Members:

Author and title: Erin Brewster, Sustainability Program Manager

Title: **California Energy Commission Grant Agreement and Approval of New CIP**

Jen Callaway, Town Manager

Recommended Action:

1. Adopt Resolution 2024-64 Authorizing the Town Manager to Accept and Enter into a Grant Agreement with the California Energy Commission (Attachment 1)
2. Approve the creation of a new Capital Improvement Project, C2422: CEC Building Decarbonization Grant (Attachment 3)

Discussion: The California Energy Commission's Local Government Building Decarbonization Challenge grant is a competitive grant solicitation that was open to local governments for the following eligible project activities:

- Community building decarbonization planning
- Municipal building decarbonization planning
- Advancing municipal operations to support building decarbonization
- Developing local codes, ordinances, and voluntary decarbonization measures
- Building decarbonization related workforce development activities

The Town Council approved the submittal of an application for the LGBDC grant program on May 14, 2024, and staff submitted an application requesting approximately \$400,000 in grant funds. The CEC issued a Notice of Proposed Award on August 9, 2024, that included \$700,000 (the maximum amount allowed per applicant) in proposed funding for the Town of Truckee. This was more than the Town's initial funding request, so staff worked to identify \$300,000 in additional eligible projects to include in the final scope of work. This resulted in the addition of two new projects to the grant-funded scope of work, a Municipal Electric Vehicle Infrastructure (MuniEV) Plan and an Energy Resilience Plan, both described below. The final proposed Scope of Work (Attachment 2) will be presented to the California Energy Commission for approval at the November 13, 2024, Business Meeting.

The proposed scope of work for this grant includes six projects that will occur during the grant term of December 1, 2024 (or upon execution of the agreement with the CEC) through April 30, 2027:

- **Existing Building Decarbonization Analysis:** As part of the recently adopted Climate Action Plan Element, the Town of Truckee committed to developing and Existing Building Decarbonization Roadmap. Grant funds would support a consultant study to provide an in-depth cost and funding gap analysis based on local costs and appropriate cold-climate technologies, and develop an equitable decarbonization funding strategy to support implementation of several measures identified in the Roadmap.
- **Energy Resilience Plan:** Energy resilience is a key part of addressing building decarbonization in the Truckee-Tahoe region, as climate impacts are expected to result in more frequent and severe power outages due to wildfires and winter storms. Grant funds will support development

of an energy resilience plan to determine the combination of strategies at the community level, building level, and household level that can best support Truckee through various outage scenarios. The goal is to improve community resilience to grid outages, catalyze electrification of local residential and commercial buildings, and reduce reliance on GHG-intensive backup power sources like diesel generators.

- Municipal Building Decarbonization Plan: The Town has engaged a consultant (nZero) to develop a municipal GHG emissions dashboard that provides detailed insight into facility energy use. With this information in hand, the Town has identified the three most energy-intensive facilities. This project will fund development of a plan to reduce GHG emissions from these facilities, including recommending and prioritizing retrofit measures, estimating equipment and labor costs, and calculating expected GHG emissions reductions.
- MuniEV Plan: The Town's Municipal Electric Vehicle Infrastructure Plan is expected to reduce emissions by expanding electric vehicle (EV) charging infrastructure for the Town's municipal fleet, as well as for employees at the Town's municipal buildings. The MuniEV Plan will determine the most appropriate locations for and types of EV charging stations at the two major Town municipal facilities: Town Hall and the Public Service Center. The project will conduct site assessments for these locations, including but not limited to: site size and layout, site accessibility, assessment of existing electrical infrastructure capacity and load demands, estimation of required charger capacity and associated electrical demand for current and future charging needs, and any other data relevant to planning the increase of electric load in support of EV chargers. The site analysis will also evaluate potential for sites to reduce climate impacts and meet the Americans with Disabilities Act (ADA) accessibility standards. The Final MuniEV Plan will include preliminary site plans as well as a proposed phasing plan.
- Codes, Ordinances, and Voluntary Measures: The Town has been working with local stakeholders to investigate options for ordinances and voluntary programs to decarbonize new and existing buildings. Based on direction from the Town Council of which measures to pursue further, this project will fund consultant-developed feasibility studies, support additional stakeholder and community engagement, and develop ordinance language or a program scope of work.
- Workforce Development: One of the primary impediments to local building decarbonization in Truckee and the Tahoe region is a lack of local contractors skilled in performing electrification upgrades. Grant funds will be used to extend the current workforce education and training pilot program developed by Sierra Business Council as part of the Climate Transformation Alliance's Truckee Tahoe Building Decarbonization Pilot Program. The original pilot program was developed with private funding; CEC grant funds would be used to extend this training program beyond its current end date in Spring of 2025.

Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input checked="" type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: If approved, this grant agreement will provide up to \$700,000 in CEC grant funds to support the Town's building decarbonization planning efforts, including several items identified in the Town's adopted Climate Action Plan Element and Council Priorities Workplan. This grant funding would cover \$100,000 in FY 25/26 project costs included in the Five-Year Capital Improvement Project Budget adopted in June 2024 that were anticipated to be funded by the Town's General Fund.

One of the projects (the Energy Resilience Plan) would require an estimated \$110,000 in match funding (55% of the total cost) from the Town or another source, which will be included in the FY 25/26 budget

request. The scope of that project could not be fully covered by the CEC grant, as only a portion was directly related to building decarbonization planning. Staff will continue to explore additional grant funding opportunities and other external funding sources to cover the remaining project costs, if possible.

An estimated 2,300 hours of Town staff time will be needed to support these projects during the grant term (estimated at December 1, 2024 through April 30, 2027). The majority of these hours will be from Keep Truckee Green staff, with support from Public Works and Emergency Services. The majority of the proposed grant-funded projects are building decarbonization initiatives already included in the 2023-2025 Council Strategic Priorities Workplan, the adopted 2040 General Plan Climate Action Plan Element, or the Town's adopted climate change adaptation and resilience plan (Climate Ready Truckee).

Staff recommends creating a new CIP project, CEC Building Decarbonization Grant (C2422), for \$700,000 to track the six separate grant-funded projects. Because these projects span multiple departments and three fiscal years, creation of a new CIP will allow for better tracking of expenditures for grant reporting purposes across the full grant term.

Public Communication: Agenda posting, Notice of Proposed Award posted by the California Energy Commission on August 9, 2024, and email sent to community members that have signed up to receive updates on the Town's building decarbonization efforts.

Attachments:

1. Resolution 2024-64
2. Draft Grant Agreement Scope of Work
3. Proposed CIP C2422