

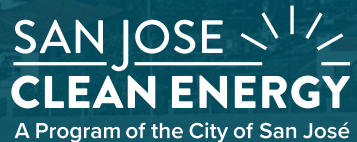
SAN JOSE CLEAN ENERGY PROGRAMS ROADMAP UPDATE

City Council

Lori Mitchell, Director

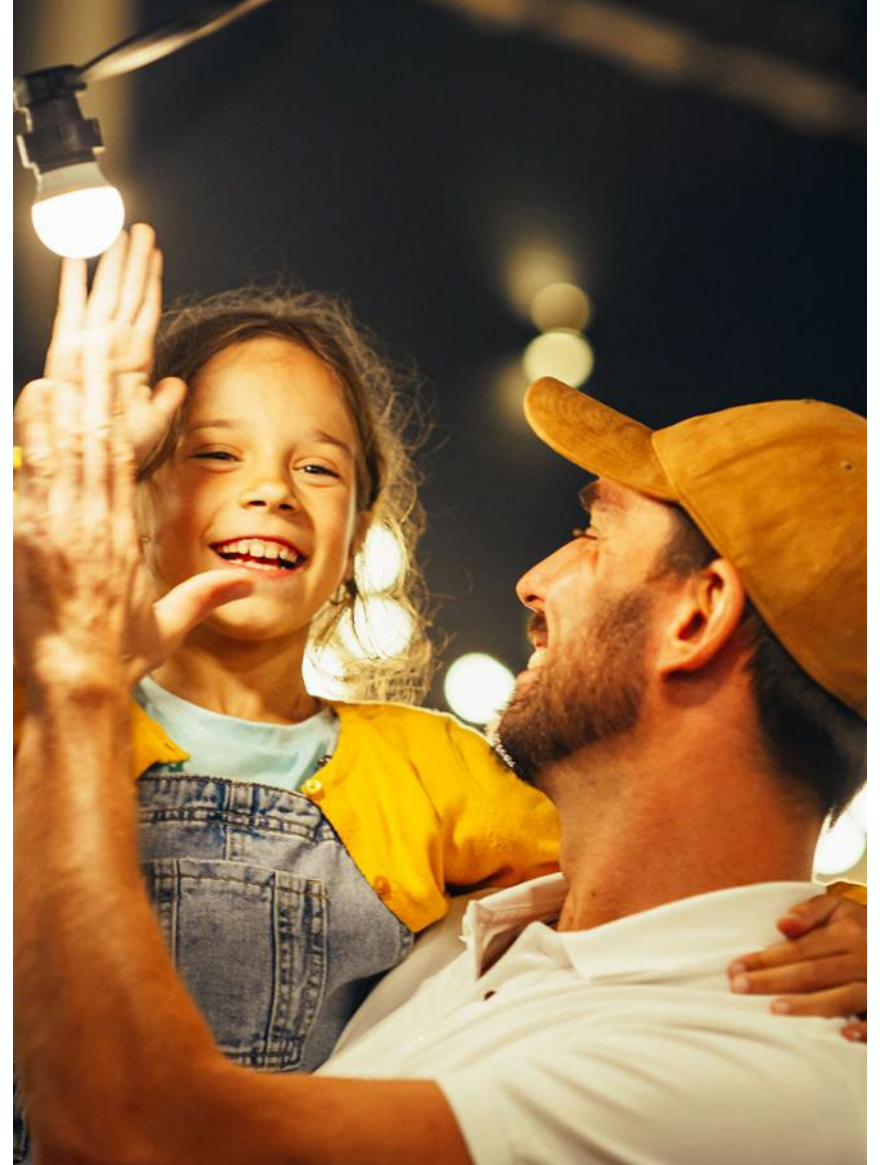
Kate Ziemba, Deputy Director

May 19, 2026



AGENDA

- 1 Background
- 2 Current Programs
- 3 Recommended Fiscal Year (FY) 26-27 programs
- 4 Recommended 2026-2031 Programs Roadmap



PROGRAM GUIDING PRINCIPLES

Adopted by City Council in 2021

We create customer programs that:

- Reduce greenhouse gas emissions
- Promote equity, increase affordability, and support environmental justice (EJ) communities
- Benefit customers and community
- Maintain or improve financial status of SJCE
- Align with Climate Smart San José



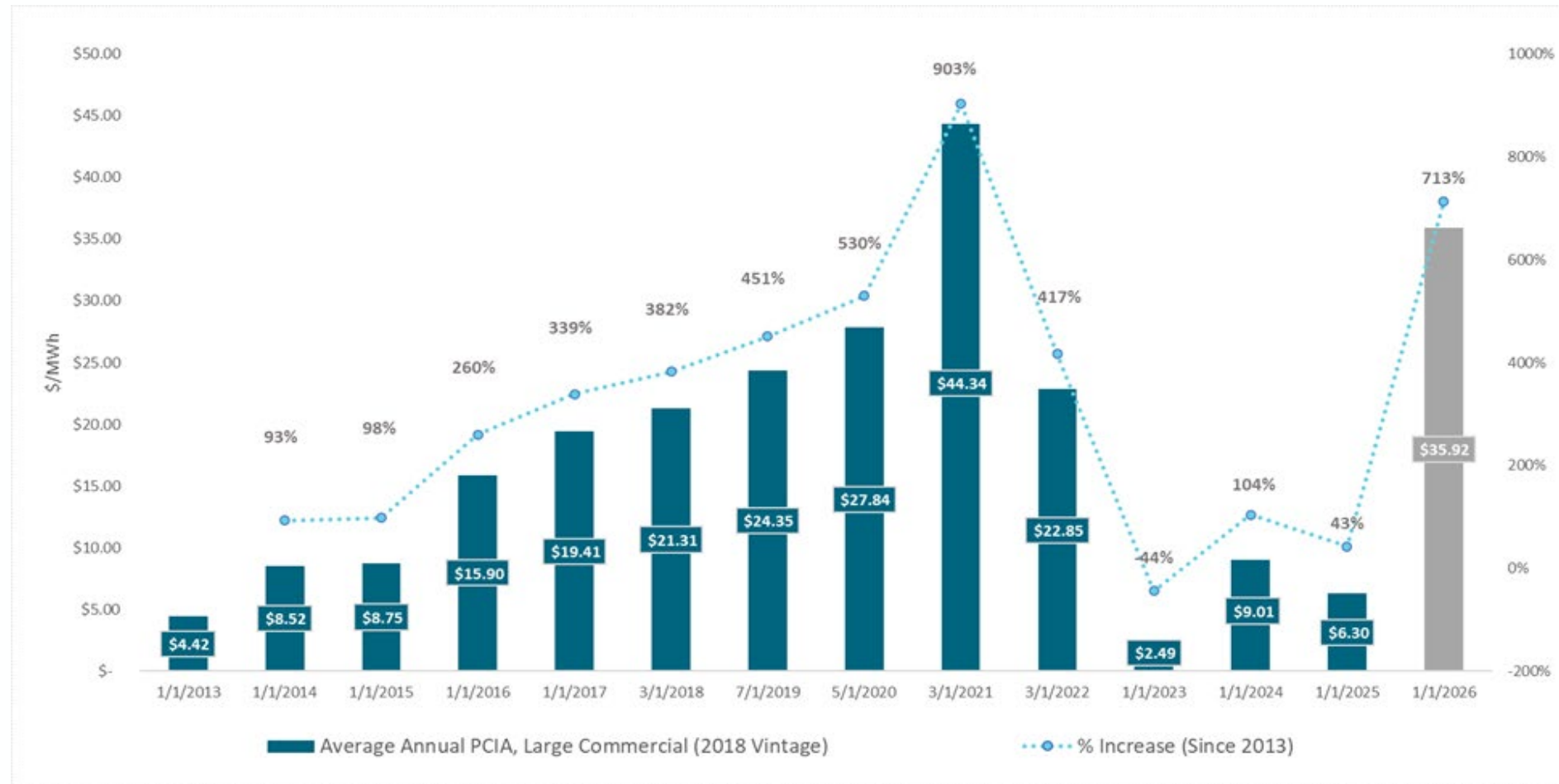
POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) COSTLY AND UNPREDICTABLE

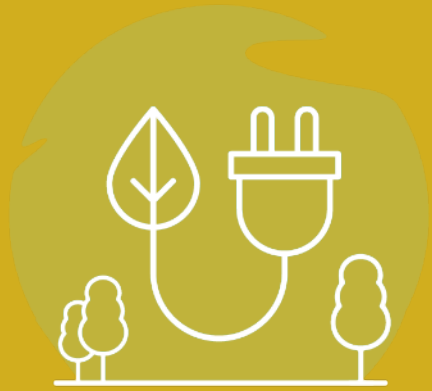
SJCE actively offsets PCIA costs to keep customer rates lower

In 2026, SJCE customers will pay \$132 million to PG&E.

SJCE anticipates using \$108 million in reserves in 2026 to offset higher PCIA.

Given 2027 PCIA uncertainty, a cautious fiscal approach is warranted.





CURRENT PROGRAMS

CURRENT PROGRAMS

T= transportation
 B= buildings
 D= distributed energy resources
 A= affordability

Area	Program	Description
T	EV Instant Rebates	Rebates for income-qualified customers to buy new/used EVs
T	Multifamily EV Charger Incentive	Rebates for Level 1 & 2 chargers at multifamily properties
T	Fast Charging Hubs Pilot	5 hubs (8 DCFC ports each) at libraries and community centers in charging deserts; retail charging rates estimated to be below market rate; energizing spring 2027
T, B, D	Go Electric Advisor	Free trilingual phone/email support on EVs, home electrification, energy efficiency, solar/storage, etc. Free audits and home electrification plans.
B, D	EcoHome Rebate	Rebates for heat pump HVAC and water heaters, prewiring for future electrification, panel upgrades, circuit pausers/splitters, and battery storage
B, D	EcoHome Payment Plan	Interest-free on-bill financing for above home upgrades
B, T	Workforce development	3 initiatives: contractor incentives, training equipment grants, scholarships
D, A	Solar Access	CPUC-funded community solar program for 915 participants
D	Peak Rewards	Demand side resource with behavioral and automated demand response
A	Electricity Bill Relief	Partnership with Sacred Heart to help households avoid disconnection
A	SJ Cares	10% discount on SJCE charges for CARE, FERA, and affordable housing customers
T, B	Education	Trilingual educational programming on EVs and heat pumps

IMPACT OF CURRENT PROGRAMS

Measure/program	Count to date
Electric vehicle (EV) chargers (CALeVIP*)	82 direct current fast chargers, 267 Level 2 chargers
EVs (EV Instant Rebates)	113 EVs
Heat pumps (EcoHome)	838 heat pump HVAC 262 heat pump water heaters
Residential batteries (EcoHome)	107 battery storage systems
Peak Rewards	5,260 participants, 1.75 megawatts of flexible load

*California Electric Vehicle Infrastructure Project

Through 2025



\$29.4M lifetime customer savings



46,500 metric tons of CO₂ avoided



35,000,000 kilowatt-hours saved
(same as the annual usage of 7,200 homes)



RECOMMENDED FY 2026- 2027 PROGRAMS

PROGRAM INPUT & SCORING

- Staff receives input from the Climate Advisory Commission and has a staff dedicated to community engagement and listening to community needs
- Staff utilizes a scoring framework to help prioritize programs
- Weighted metrics tied to Council-approved guiding principles (highest to lowest):
 - Greenhouse gas emissions reductions,
 - Prioritizing electrification in communities where incentives will have the most impact,
 - Customer savings,
 - Peak demand reductions, and
 - Fiscal impact for SJCE



RECOMMENDED FY 2026-2027 PROGRAMS

Maximum cost: \$10 million

- Continue to offer 12 current, proven programs
- Add two new programs to fill gaps:

Program	Description
Commercial Technical Assistance	Provide free technical assistance from an external consultant to commercial customers, including foodservice, to help them electrify their buildings and implement energy efficiency
Direct-to-Renter Portable Heat Pump Pilot	Offer low to no cost portable heat pumps to renters, working with equipment manufacturers, distributors, and community-based organizations to test equipment delivery models

- Decrease overall budget due to high PCIA and market conditions causing lower adoption of EVs, batteries, and heat pumps

Estimated impacts



\$16M lifetime customer savings



33,400 metric tons of CO₂ avoided



2026-2031 PROGRAMS ROADMAP

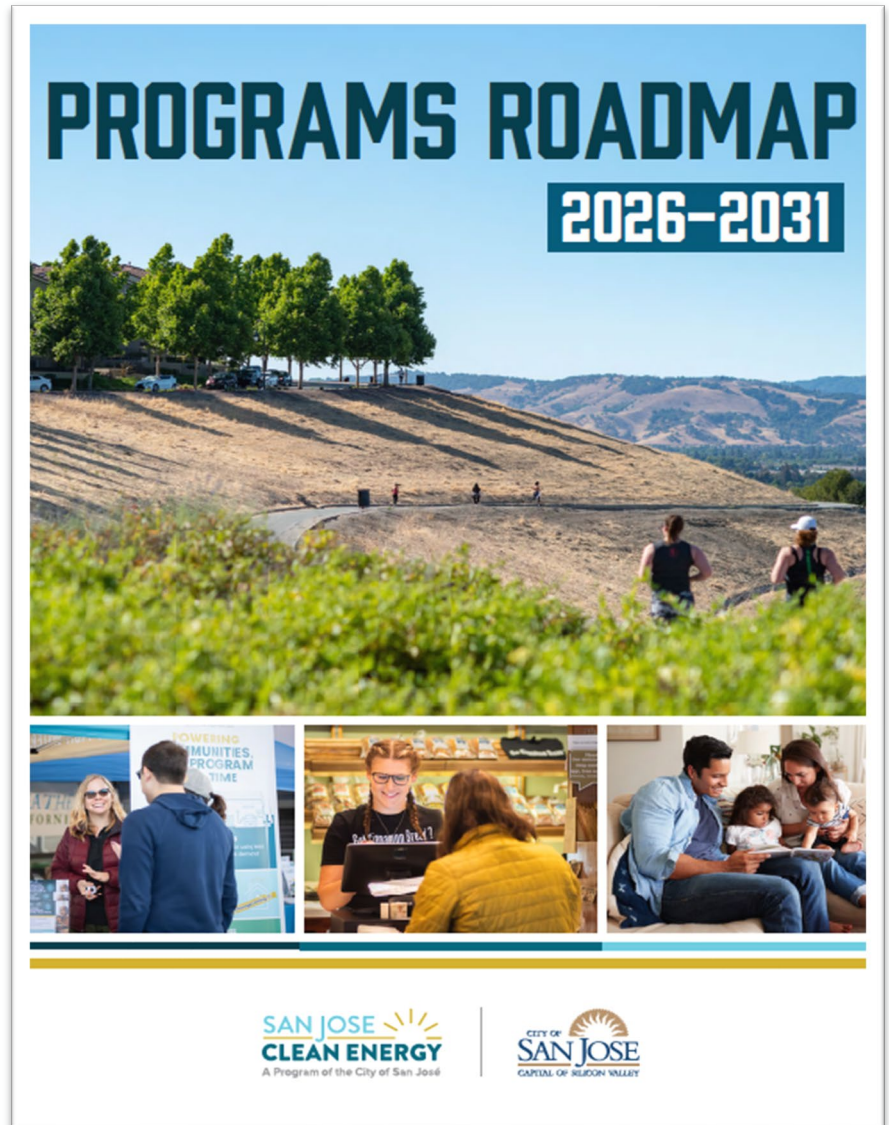
DIRECTION FOR THE NEXT 5 YEARS

Process

- First SJCE Programs Roadmap in 2021 outlines the types of programs SJCE may pursue over the coming years
- Updated every 5 years
- Detailed prioritization, program design, and recommendations are evaluated annually and brought forward to Council for consideration

Community Engagement

- Robust engagement (Aug 2025-Feb 2026)
 - 1,400 responses to two customer surveys, three residential listening sessions, and 80+ stakeholder interviews with businesses, community-based organizations, labor, environmental groups, City departments
- Broad, inclusive reach
 - Engaged renters and homeowners across income levels, with multilingual formats



WHAT WE HEARD

- Affordability is the top driver
 - Customers prioritize lower bills over environmental benefits; upfront costs and bill uncertainty are key barriers
- Barriers are structural, not behavioral
 - Housing constraints (renters, multifamily, infrastructure gaps) limit participation
- Programs must deliver practical value
 - Strong support (91% positive) for SJCE programs
 - Must provide direct bill savings, renter access, and simple participation



FUTURE PROGRAMS: STRATEGIC DIRECTION

- Make clean energy affordable and accessible
 - Examples: bill-neutral solar + storage + electrification, direct-to-renter pilots
- Accelerate adoption of EVs, heat pumps, and efficient buildings
 - Examples: EV incentives & financing, multifamily electrification, fleet support
- Invest in charging, especially for multifamily and underserved areas
 - Examples: fast charging hubs, virtual submetering for apartments
- Leverage distributed energy and flexibility to reduce costs and support the grid
 - Examples: batteries, Peak Rewards expansion, midday rate
- Test integrated, high-impact solutions
 - Example: aggregated, neighborhood scale electrification projects



ACKNOWLEDGMENT FOR STAKEHOLDERS

We appreciate the time, expertise, and feedback we received.

Ava Community Energy
Balance Insurance LLC
Bay Area Council
Bay Area Regional Energy Network
Bidgely
Breathe California of the Bay Area
Building Electrification Institute
Building Power Resource Center
California Solar and Storage Alliance
ChargePoint
Cinnamon Energy Systems
Clean Power SF
Climate Reality Project Silicon Valley
Climate Smart San José
Construction Trades Worker Initiative
Ecology Action of Santa Cruz
Emerald Cities Collaborative
Energy Solutions
Eguana Technologies
Flexenergi
Forth
FUSE Service

GoodLeap
GRID Alternatives
Haven Energy
Infinium
International Brotherhood of Electrical Workers 332
International Children's Assistance Network
Irbis HVAC
Jazet Makeup Salon
Latino Business Foundation of Silicon Valley
Lattice Semiconductor
Lunar Energy
MCE
Metropolitan Transportation Commission
Mothers Out Front Silicon Valley
Mujeres Empresarias Tomando Acción LLC
Optiwatt
Origin Energy
Pacific Gas & Electric
Peninsula Clean Energy
Rainforest Automation
Resource Innovations
Rising Sun Center for Opportunity
Sacred Heart Community Services
Samsung Semiconductor
San Diego Community Power
San Jose City College

San Jose Climate Advisory Commission
San Jose Community Energy Advocates
San José Department of Transportation
San José Environmental Services Department
San José Housing Department
San José Mineta International Airport
San José Public Works Department
San José State University
Santa Clara County
Santa Clara County Housing Authority
Santa Clara Valley Water District
Self-Help Climate
Sheet Metal Workers' Local Union 104
Sierra Club Loma Prieta Chapter
Silicon Valley Clean Energy
Sonoma Clean Power
TECH Clean California
Tortas Ahogadas
Tropicana Foods
United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 393
Uplight
Work2Future
Working Partnerships
Zuniga's Restaurant

QUESTIONS?

- Recommendation:

- (a) Accept the status report on the San José Clean Energy Programs Roadmap

- (b) Adopt a resolution:

- (1) Approving the proposed programs presented in the San José Clean Energy Programs Roadmap update;

- (2) Authorizing the City Manager or her designee to negotiate and execute contract(s) with consultant(s) to implement the Commercial Technical Assistance services for up to four years starting in Fiscal Year 2026-2027 and up to \$650,000 from the San José Clean Energy Operating Fund (funding for subsequent years will be subject to the appropriation of funds); and

- (3) Authorizing the City Manager or her designee to negotiate and execute contract(s) with consultant(s) to implement the Direct-to-Renter Portable Heat Pump Pilot services for up to two years starting in FY 2026-2027 and up to \$300,000 from the San José Clean Energy Operating Fund (funding for subsequent years will be subject to the appropriation of funds).

- Staff

- Lori Mitchell, Director

- Kate Ziemba, Deputy Director

