



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lori Mitchell

SUBJECT: See Below

DATE: July 21, 2025

Approved

Date:

7/28/25

COUNCIL DISTRICT: Citywide

SUBJECT: Third Amendment to the CALeVIP Grant Agreement with Center for Sustainable Energy to Extend Through 2025

RECOMMENDATION

Adopt a resolution authorizing the Director of Energy or her designee to execute a Third Amendment to the Services Agreement by and between the City of San José and the Center for Sustainable Energy, extending the term dated July 8, 2020 through December 31, 2025, with no additional funds.

SUMMARY AND OUTCOME

The California Electric Vehicle Infrastructure Project (CALeVIP) is a statewide program to incentivize the installation of electric vehicle chargers at workplaces, apartments, condos, and public places, co-funded by the California Energy Commission (CEC) and local governments. As part of the \$55 million Peninsula-Silicon Valley Project, \$14 million in charger incentives was available for San José, \$4 million of which was provided by San José Clean Energy. The program implementer, the Center for Sustainable Energy (Center), closed the program to new applications in San José on June 30, 2023. The Center originally required applicants to complete installations and submit documents for final payment by April 30, 2025, to allow the final closeout to conclude by September 30, 2025. However, the CEC is allowing extensions until October 31, 2025 for certain applicants, including six in San José. The agreement currently in place with the Center is set to expire on September 30, 2025. The Energy Department is seeking a resolution extending the agreement from September 30, 2025 through December 31, 2025, to allow completion and funding of the remaining applications. No additional funds would be added.

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As of June 30, 2025, 265 Level 2 and 70 Direct Current Fast Chargers (fast chargers) have been installed in San José. Up to 80 Level 2 and 70 fast chargers could be additionally installed if the agreement is extended. The Center will return to the City any unspent City grant funds committed at the time of the original agreement and provide a final invoice for the close-out work and report. Unused funds that are returned to the City will be directed toward advancing future electrification goals.

BACKGROUND

On October 22, 2019, the City Council adopted a resolution approving the implementation of the CALeVIP in San José. City Council also authorized the Director of Energy or her designee to negotiate and execute an agreement with the Center to administer San José Clean Energy funds as part of the implementation of CALeVIP in an amount not to exceed \$4 million through December 31, 2023.

On April 20, 2023, the Center informed the Energy Department of the closeout process for the CALeVIP. Final close out for the program is expected to conclude by September 30, 2025, after the current pipeline of projects are installed or expire and incentive payments are made.

On January 17, 2025, the Center informed the Energy Department of the CEC's intent to extend the CALeVIP 1.0 Grant Agreement from September 30, 2025, through December 31, 2025 to allow qualified applicants who meet the October 31, 2025 extension requirements to complete their projects and submit all final documents to the CEC.

ANALYSIS

The CALeVIP is a statewide program to incentivize the installation of electric vehicle chargers at workplaces, apartments, condos, and public places co-funded by the CEC and local governments. As part of the \$55 million Peninsula-Silicon Valley Project, \$14 million in charger incentives was available for San José, \$4 million of which was provided by San José Clean Energy. The program provides rebates for Level 2 and fast chargers with an emphasis on sites located in low-income and communities of concern. In December 2020, the Center launched the application for projects to reserve funding. All funding was reserved within six minutes. As of June 26, 2025, 265 Level 2 and 70 fast chargers have been installed across San José, totaling \$4.40 million in incentive payments. Six remaining projects with reserved funding are in process totaling \$2.34 million in reserved incentive funds. Both the number and pace of installations are below expectations due to several factors, including suboptimal program design, long permitting timelines, the COVID-19 pandemic, and equipment shortages.

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The Center closed the program to new applications in San José on June 30, 2023. It allowed applicants to complete installations until September 30, 2024 but granted extensions due to delays outside of the installer's control. On March 25, 2025, the CEC extended the CALeVIP 1.0 Grant Agreement with the Center from September 30, 2025 through December 31, 2025. During this extension, the CEC will allow qualified applicants who meet extension requirements until October 31, 2025, to complete their projects and submit all final documents. San José's six remaining projects qualified for extensions.

The Center will return to the City any unspent City grant funds committed at the time of the original agreement and provide a final invoice for the close-out work and report. In May 2024, the Center returned \$1.56 million in unspent rebate funds to the City. This funding and any additional unused funds that are returned to the City will be directed toward advancing future electrification goals.

Staff recommends amending the Service Agreement with the Center, extending the agreement from September 30, 2025, through December 31, 2025, to allow continued work between the Center and the City.

EVALUATION AND FOLLOW-UP

No further follow-up is expected.

COST SUMMARY/IMPLICATIONS

Funding of \$1.0 million for the CALeVIP Program remains and is budgeted in the 2025-2026 Energy Department's non-personal/equipment allocation in the San José Clean Energy Fund (Fund 501). The extension of this agreement through December 2025 will not increase program costs. Future returned funds will be redirected toward advancing electrification goals.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 12, 2025 City Council meeting.

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
LORI MITCHELL
Director, Energy

For questions, please contact Kate Ziemba, Senior Environmental Program Manager, at kate.ziemba@sanjoseca.gov.