



November 24, 2020

Mayor Sam Liccardo & Council Members
City of San Jose
200 E Santa Clara Street
San Jose, CA 95110

Re: SUPPORT OF THE SUPPLEMENTAL MEMORANDUM FOR ORDINANCE OF THE CITY OF SAN JOSE AMENDING CHAPTER 17.845 OF TITLE 17 OF THE SAN JOSE MUNICIPAL CODE TO AMEND SECTIONS 17.845.010, 17.845.020, 17.845.030, 17.845.040, 17.845.050, AND 17.845.060 AND ADD SECTION 17.845.045 TO PROHIBIT NATURAL GAS INFRASTRUCTURE IN NEWLY CONSTRUCTED BUILDINGS

Dear Mayor Liccardo & Councilmembers:

Bloom Energy supports the Supplemental Staff Memorandum from November 16, 2020, "to allow for exemptions for facilities with distributed energy resources that meet Section 94203 of Title 17 California Code of Regulation requirements and are necessary for the public health, safety or economic welfare in the event of the ever-increasing electric grid outages facing our state, until December 31, 2023, or until low- or zero-carbon fuels are commercially available for the supply pipeline. The Director will report to Council no later than December 31, 2023, on low- and zero-carbon fuel availability." This supplemental staff memo will allow customers to continue making investments in their own energy resilience and continue investments in the infrastructure to deliver renewable energy long term.

About Bloom Energy

Bloom Energy is a San Jose-based company with more than 700 employees locally and more than 1,200 worldwide. Bloom Energy manufactures unique distributed fuel-cell power systems, which are among the most energy-efficient on the planet; which virtually eliminate local air pollution like NOx, SOx and particulate matter that disproportionately impact disadvantaged communities.

The company, founded with the mission of making clean, reliable energy affordable for everyone on earth, has both altruism and innovation in its DNA. Its technology, invented in the U.S., continues to evolve and progress. Bloom Energy Servers can now use both biogas and renewable hydrogen, in addition to natural gas. Bloom Energy's technology is the most advanced on the market today to create electricity from natural gas – the reformation of which is one of the most efficient ways to derive hydrogen fuel today.

Why Bloom Energy Supports Staff Recommendation

The fact of the matter is that the health and environmental impacts of combustion-related pollutants are both very significant and readily quantifiable – and have become even more apparent in the age of COVID. The economic and health benefits associated with reducing NOx, SOx and particulate matter emissions outweigh the same benefits of reducing carbon emissions on a per-ton basis.



Moreover, there is a steadily growing body of evidence indicating that local combustion-related air pollution has far more serious and harmful consequences to human health and the environment than previously understood, including recent findings that combustion-related air pollution:

- May be as harmful to your lungs as smoking cigarettes
- Increases preterm birth risk
- Causes dementia; and that
- Particulate matter is the largest environmental health risk factor in the nation, and the resulting health impacts are borne disproportionately by disadvantaged communities.

Beyond health concerns (which should be reason enough), in the age of COVID, climate change, increasingly severe weather incidents, wildfires, extreme heat and the like, resiliency and reliability are more critical than ever before. Without reliable energy to power our essential services, a grid outage may result in dire consequences for businesses and communities alike.

In early August, Bloom microgrids powered customers through Hurricane Isaias, preventing 25 power outages for customers in various areas in the Northeast, including a 911 call center in Huntington, New York. And, examples like this abound. Microgrids can save businesses hundreds of thousands of dollars in downtime costs and keep essential community services like grocery stores, telecoms operators, and hospitals powered through severe weather events and outages.

Bloom Energy response to the pandemic

In the nearly 10 months since the onset of the COVID-19 pandemic, Bloom Energy Servers have been continually delivering power to facilities around the globe that are providing essential services. More than 20,000 fuel cell modules are currently deployed across more than 700 sites, sending power to hospitals, healthcare manufacturers, biotechnology, grocery stores, hardware stores, banks, telecom facilities, and other critical infrastructure.

Beyond continuing to run its core business throughout the COVID-19 pandemic, Bloom Energy has been rapidly deploying microgrids to pop-up and field hospitals handling COVID patient overflow through contracts with both the State of California and the private sector. As the case counts continue to rise, the company's services are ever-more critical: Bloom Energy Servers can reduce smog-forming pollution and particulate matter by more than 99% compared with existing combustion-based power generation sources, especially relevant as COVID-19 patients typically experience respiratory distress. Bloom's Energy Servers – which can be deployed and installed in as little as three days – are also quiet, so vibrations do not disrupt sensitive medical equipment or disturb surrounding residential communities, and they are compact, typically occupying the equivalent of three parking spaces.



Bloom has also been fighting the pandemic on yet another front. As the U.S. faced a critical shortage of ventilators, a medical device used to treat respiratory failure in COVID-19 patients, Bloom leveraged its expertise and capabilities in product end-of-life management to refurbish hundreds of out-of-service ventilators across the U.S. The company worked with state agencies and customers – many of which are hospitals and medical device companies – to identify supplies of unused, out-of-service ventilators for repair. To date, the company has refurbished more than 1,300 ventilators across California, Delaware, and Pennsylvania

Finally, as heat waves and wildfires engulfed California, Bloom Energy launched an initiative to export excess megawatts of power generation from our customers across the State to help relieve the strain on the aging and overtaxed grid. With the generous support and unwavering commitment from customers, partners, and civic leaders, we were able to take megawatts of that excess power generation and return it to the grid to provide relief to centralized capacity limitations in California.

Bloom Energy Servers produce reliable electricity using a fuel-flexible, non-combustion process that significantly reduces or eliminates carbon dioxide emissions while virtually eliminating criteria pollutants (SOx, NOx and PM 2.5) and water usage. The result is an alternative option for energy infrastructure that combines increased electrical reliability and improved energy security with significantly lower environmental impact. Bloom's fuel cell systems were invented in California and are manufactured in California and are being deployed throughout California to help the State meet its energy, environmental and economic objectives.

Consequence of Negative Action

As noted above, California's electric grid is facing unprecedented challenges as a result of wildfire risk and extreme heat, and the areas served by Pacific Gas & Electric have been specifically impacted. An uninterrupted supply of electricity is an indispensable element of business continuity, the State's post COVID economic recovery, and the protection of our most vulnerable citizens. The costs of both Public Safety Power Shutoff (PSPS) events and blackouts are borne disproportionately by those who already carry economic and environmental burdens, including the elderly and working families who are now forced to deal with issues of food insecurity, non-functioning medical devices, and employment disruption.

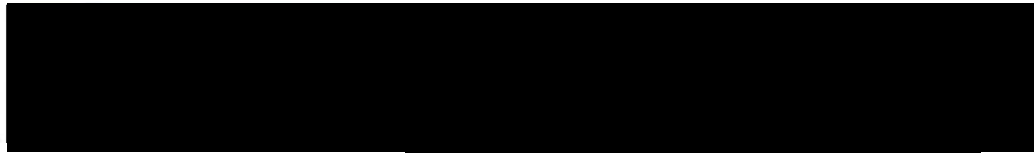
The decision to prohibit gas infrastructure in new facilities can be expected to lead to community and business impacts that include widespread use of diesel backup generators, compounding local air quality problems disproportionately impacting the same vulnerable populations. Presently, diesel generators are used in San Jose to allow companies to protect their critical operations. Without access to resilience exemptions, companies may need to reimagine where to locate their critical facilities, including data centers and precision manufacturing facilities.



Utilizing the existing gas infrastructure with low- to no-carbon fuels will increasingly enable cost-effective, reliable, resilient, and renewable power generation to complement intermittent resources like wind and solar. Hydrogen provides a promise of a zero-carbon fuel that can and should be leveraged to de-carbonize the gas system. Banning the pipeline infrastructure, will limit the State's ability to fully decarbonize. The roadmap to meeting the State's carbon-reduction goals should include a variety of policies and technologies to enable a clean, reliable and affordable transition. Intermittent renewable resources must be paired with reliable generation to keep the lights on and business running.

The modifications called for in the Supplemental Staff Memorandum balance the environmental integrity of the underlying ordinance by ensuring that our mid- and long-term climate goals are obtained while also providing short-term resiliency needs. As a clean, technology developer, manufacturer and employer in California, Bloom Energy supports the Supplemental Staff Memorandum from November 16, 2020.

Sincerely,



Carl Guardino
Executive Vice President

Shawn Soderberg
Executive Vice President
General Counsel

Cc: Mayor Sam Liccardo, sam.liccardo@sanjoseca.gov
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P

Fw: Public Letters on Gas Ban

Agendadesk <Agendadesk@sanjoseca.gov>

Mon 11/23/2020 7:41 PM

To: Rules and Open Government Committee Agendas <rulescommitteeagenda@sanjoseca.gov>

📎 1 attachments (248 KB)

Sample Gas Ban Email Message 111720.pdf;

Agenda Desk

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agendadesk@sanjoseca.gov

Live updates of City Council Meetings can be found on [Facebook](#) and [Twitter](#).

From: Nadia Palton Celestin [REDACTED]
Sent: Monday, November 23, 2020 10:33 AM
To: Agendadesk <Agendadesk@sanjoseca.gov>
Subject: Public Letters on Gas Ban

[External Email]

Dear Council Administrator,

I have attached a letter as a citizen in support of the clean energy gas ban.

Thank You,

Nadia Palton Celestin

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

SAMPLE EMAIL MESSAGE FOR SAN JOSE GAS BAN ORDINANCE

Subject: Support gas ban ordinance at 11.17.20 City Council Meeting

Adjust your salutation for Mayor or Council Member

Dear Council Members.

As a member of Climate Reality: Santa Clara County, I ask you to vote in favor of the updated *Natural Gas Infrastructure Prohibition Ordinance*.

I was so proud of San Jose when you passed the important reach code for All Electric/gas ban in 2019. This next phase of the ordinance is an incredibly important step to creating a safer and healthier world for us and our children. I urge you to stand by our community and on November 17th approve this gas ban ordinance update that will include almost all new building construction.

The facts are undeniable that eliminating natural gas significantly reduces climate-disrupting methane emissions, improves our indoor and outdoor air quality to support better health, increases safety, lowers construction costs, and leads to on-going energy cost reductions from more efficient heat pump and sustainable energy generation technology.

Our welfare rests in your hands and will be demonstrated by a YES vote for the 2020 new construction gas ban ordinance update.

Thank you so much for your support,

Your Name

Nadia Palton Celestin