



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 9, 2026

MEETING DATE: January 22, 2026

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Rafael Reyes, Senior Director of Energy Programs

SUBJECT: Community Energy Programs Quarterly Report

BACKGROUND

The following programs are in progress, key metrics are provided in the table here and detailed information is provided below.

Buildings	
Home Upgrade Rebates (Appliance Rebates)	5,737 measures rebated (+169 M/M); 1,188 loans issued (+39 M/M)
Home Upgrade Full-Service Installations & Emergency Water Heater	2024- phase (new): 43 homes completed. Emergency Water Heater Installations: 11 2021-2014 phase (old): 305 homes completed. Closed.
Home Upgrade Personalized Support	197 support calls completed (55 in Q4 25)
GovBE	5 proposals selected in first round. 1 project completed. New round open. 3 applicants for schools
Reach Codes	1 city (Menlo Park) adopted existing building codes, San Mateo, Portola Valley, East Palo Alto in-progress.
Distributed Resources	
Residential Solar + Storage	244 customers submitted for state SGIP rebate. 120 installations are complete. 597 installs under prior general market program. Enrollment is currently closed.
FLEXmarket	Pending CPUC for next round. First round, all 11 commercial projects have finished tracking and final payment will be early August.

GovPV	Round 1: Full portfolio operational - 12 sites, 1.7MW solar. Round 2: 24 sites, 3.5 MW solar, 10 construction complete Round 3: 6 sites, scoping financing
Energy Efficiency	Application to CPUC in progress. Due Feb 2026
Transportation	
EV Charging	Ports to date: 2,262 (+73 in Q4 25). Pipeline: 3,000+
Used EV	1,224 EVs since 2021. (+30 M/M)
E-Bikes	1,990 rebates (+~175 M/M)
GovEV (fleets)	16 enrolled, 4 TA completed, ~4 installs expected in 2026.
Other	
Member Agency Energy Grants	Proposals received from all cities. Projects in-progress.

DISCUSSION

1. Building and EV Reach Codes

Background: In 2018 the Board approved a building “reach code” initiative to support local governments in adopting enhancements to the building code for low-carbon and EV ready buildings. The initiative is a joint project with Silicon Valley Clean Energy (SVCE). The program includes no-cost technical assistance, model codes and other tools. The tools and model code language are available on the project website (www.BayAreaReachCodes.org). Program has received multiple extensions and expanded to provide technical assistance to builders and facilities managers.

Status

- **January 2026 DOJ Lawsuit:** On January 5, the Trump Administration filed a lawsuit against Morgan Hill and Petaluma related to their all-electric new construction ordinances ([complaint here](#)). These cities appear to have been targeted because their ordinances closely mirror Berkeley’s former all-electric ordinance, which was struck down by the Ninth Circuit in early 2024. *No PCE member agencies currently have similar ordinances in place.*

After discussions with the PCE/SVCE/TRC teams, BDC, and other stakeholders, staff are confident that the reach codes that member agencies have adopted or are considering follow state conventions and are materially lower risk from the ordinances challenged in the lawsuit. The complaint alleges that Morgan Hill’s and Petaluma’s *natural gas bans* are preempted by federal law. By contrast, PCE reach codes:

- Are not bans and preserve customer choice between gas and electric appliances; and
- Comply with the applicable federal preemption exceptions under the Energy Policy and

Conservation Act of 1975

Our legal counsel is reviewing internally. Building Decarbonization Coalition has offered legal staff available to any city attorney that would like to discuss.

- **AB 130 / AB 306 Update** : AB 130 (formerly AB 306) was passed into law as a budget trailer bill on 6/20/2025 and limits a local agency’s ability to adopt reach codes for *residential* Reach codes focused on commercial construction are not impacted by the bill. Late amendments to the bill will allow local agencies to adopt residential reach codes if building decarbonization is part of their current general plan.

Most cities in PCE service territory appear compliant with the general plan exception.

- **2025 Reach Codes**: Menlo Park is the first adopter this cycle with multiple model codes for “two-way AC” (requiring heat pump if AC is to be installed), prewiring, and “flex path” remodel point system. San Mateo, Portola Valley, and East Palo Alto have initiated a public process to explore adoption.
- **State Code**: The new triennial state code cycle (in effect as of January 1st, 2026) built on the local reach codes implementing an EV charger or outlet for every new multi-family residence with an assigned parking space. Code also requires heat pump water and space heating in the prescriptive path for new construction, the most common choice of builders.

For more information, please visit <https://bayareareachcodes.org/>

2. Buildings Programs

2.1 Home Upgrade Rebates and Zero Percent Loans

Background: Approved by the Board in May 2020, Peninsula Clean Energy launched the heat pump water heater (HPWH) rebates in January 2021. Additionally, in August 2021, the Board approved an On-Bill Financing program (referred to as the Zero Percent Loan). The program offers qualified residential customers a 0% interest loan up to \$10,000 to fund the cost of eligible electrification upgrades. The Zero Percent Loan program launched in October 2022.

Status: The summary table below summarizes the number of rebates and loans issued per year, *outside of the Full-Service Installation Pathway* .

Measure Type	2021	2022	2023	2024	2025
Heat Pump HVAC Rebate		10	948	1221	1,006
Heat Pump Water Heater Rebate	149	172	588	521	459
Electrical Panel Rebate	19	34	177	202	171
0% Loan		1	342	449	378

The Loan program has experienced no defaults to date.

PCE has moved to use the umbrella name “Home Upgrade” for all services for residential home electrification, including the rebates and loans. The Home Upgrade Full-Service Installation service is described in more detail below. For more information, please visit

Customer Satisfaction

Scores 1-5, 5=High

Metric	Q4 25	Lifetime
Program Satisfaction	4.8	4.8
Satisfaction with Water Heater	4.4	4.5
Satisfaction with HVAC	4.7	4.7

2.2 Home Upgrade “Full-Service Installation” (includes Low-Income Direct-Install and Emergency Water Heater Service)

Background: In May 2020, the Board approved implementing a direct-install low-income home upgrade program to offer minor home repair, energy efficiency, and electrification measures to income-qualified homeowners at no cost to them. The measures implemented in each home varied depending on the home’s needs but included at least one electrification measure. The program launched on September 2021. The Board extended the program through June 30, 2024. The program served 305 homes, including 9 homes who received whole home electrification as part of a pilot within the program.

Following a competitive selection process, the Board approved the \$26M contract with Franklin Energy on February 22, 2024 for the next phase of the program, which will include a scaling-up the number of low-income homes served with whole home electrification upgrades at no-cost to these residents, offering full-service electrification installation services to non-income qualified residents at a low cost, and launching an emergency heat pump water heater replacement service. Silicon Valley Clean Energy (SVCE) also contracted with Franklin for the joint program.

The program has experienced operational performance challenges and was restructured to improve performance in the second half of 2025, removing Franklin Energy as third-party implementor. PCE selected 3 contractors (Fuse Electric, Villquin, and Super Brothers), following a competitive bid process, to work with directly in this program and PCE transitioned to manage the program directly. The Board approved three contracts for these newly selected contractors for total of \$18M in November 2025.

Status: Following the Board’s approval of three contracts to Fuse Electric, Villquin, and Super Brothers in November 2025, staff have worked to onboard the new contractors, reconfigure program systems, and prepare to relaunch the program. The program has soft relaunched in December and has already received over 10 applications. The first of these projects has already completed. Outreach campaigns are in progress for Q1 2026.

For more information, please visit <https://www.peninsulacleanenergy.com/residential/home-upgrade-services/>

2.3 Local Government Building Electrification Program (GovBE)

Background: In August 2023, the Board approved a local government building electrification program to help fund building electrification at local government facilities. The program will

offer roughly \$1 million per year in incentives and creates a \$10 million dollar revolving loan fund. Incentives are based on therms saved at a given facility. Incentives and loan are capped at \$600k per jurisdiction per year, each. The program requires a 25% cost-share from non-PCE funds, and will have a streamlined, annual application process.

Status: GovBE's 2025 funding round was opened in early June 2025, and applications remain open ongoing. There is \$1 million in incentives available through a competitive application process. At this time, no cities have yet applied for the new round.

A separate \$5 million from the surplus funds were allocated for schools, which is open for applications on a rolling basis until funds are exhausted. PCE has coordinated with the San Mateo County Office of Education on rollout. 3 school districts have been approved for funding, and a fourth has applied.

For more information, please visit <https://www.peninsulacleanenergy.com/public-organization/govbe-program-electrification-for-public-buildings/>

2.4 Personalized Support Services (Concierge)

Background: In March 2023, the Programs Team presented the Building Electrification Strategy to the BOD as a discussion item. The Building Electrification Strategy included a “hotline” provided electrification planning and technical support. In July 2024, Peninsula Clean Energy hired a new building electrification expert to provide customized support to Peninsula Clean Energy customers.

Status: The service launched on February 24, 2025. As of Jan 8, 2026, 197 support calls have been conducted. Callers information requests vary, many seeking high level information on approach and options for electrification.

More info at <https://www.peninsulacleanenergy.com/residential/home-electrification/personalized-support/>

3. Distributed Energy Programs

Peninsula Clean Energy is advancing distributed energy resources to provide resilience, lower decarbonization costs, provide load shaping to support our strategic goal for 24/7 renewables. The projects described below are efforts towards meeting both of these goals.

3.1 Solar and Storage for Public Buildings (“GovPV”)

Background: The Solar and Storage for Public Buildings / GovPV Program aggregates local government facilities into a group procurement of solar and optionally battery storage systems. Peninsula Clean Energy provides no-cost site assessments and preliminary designs as well as manages the procurement process. Participating sites have systems installed as part of Power Purchase Agreements (“PPAs”) directly with Peninsula Clean Energy, which enable customers to get solar and battery storage at their facilities with no upfront investment. This model enables significant cost savings for participating agencies.

Initial site scoping and up to \$8 million in capital was approved by the Board in October 2020 for the first round, known as “GovPV1”. At the January 2023 Board Meeting, the Board of Directors approved the installation contract and power purchase agreements with 10

jurisdictions in the first round for a total of 12 sites yielding 1.7 MW solar. All of these systems are now commissioned and producing local solar energy. Battery storage systems are planned for at least three of these facilities.

Round 2 - or GovPV2 - was approved by the Board in January 2024, with a budget of \$23 million. This portfolio includes 24 sites and 3.5MW solar. McMillan Electric, a local union firm, is providing construction services on round 2 and most of round 1. In February 2025, the Board approved an expanded scope with McMillan to build battery storage and EV chargers at GovPV sites, with an incremental budget increase of \$7 million. All projects in rounds 1 and 2 are being pursued as NEM 2 projects, and are slated to become operational by April 2026. 10 of these 24 projects are substantially complete with construction.

Round 3 – or GovPV3 – is under development with the goal of establishing a sustainable business model. The portfolio includes much larger sites that necessitate the direct pairing of battery storage. PCE is working with California IBank to capitalize the portfolio and PCE’s proposal is currently being evaluated by IBank.

Status: All 12 Round 1 systems, totaling 1.7MW, were commissioned in 2025. These projects are expected to save participating agencies over \$14 million in energy costs over the duration of the PPAs with PCE. Project closeout documentation and as-built drawings are being finalized in addition to customer monitoring system access.

For Round 2, all projects have executed PPAs and are in an advanced stage of project development. Ten projects are mechanically complete with an additional seven projects in advanced construction phases. All 24 projects are expected to be completed by April 2026 in order to successfully grandfather into NEM 2. As a result, participating agencies are projected to save over \$16 million in energy costs over the duration of the PPAs with PCE.

For Round 3, staff is working with external financing solutions through IBank, which provides state bond funds for local government infrastructure, that could allow us to diversify and scale the program’s capital. Changes in federal policy are also necessitating recalculation of the financials for the project. While financials are less favorable, they are projected to provide a bill savings to participating agencies, who will also receive battery storage for their facilities.

For more information, please visit <https://pencleanenergy.com/government-programs>

3.2 Residential Solar + Battery Backup

Background: Peninsula Clean Energy’s programs for residential solar are split up into two customer segments: general market and low income. The general market program is referred to as Residential Solar + Battery Backup, and is currently closed for new enrollments. The low-income program is referred to as the Solar plus Battery Savings, detailed below.

The Residential Solar+ Battery Backup program utilizes batteries that were deployed by Sunrun and provide backup power to each home. These batteries are discharged daily to reduce PCE’s peak load. PCE will receive >1.5MW of daily peak load reduction through 2032 from these resources. Enrollment in the program closed in 2022 and PCE has been developing a successor program.

Separately, PCE developed a program to help low-income single-family homeowners access the State of California’s Self-Generation Incentive Program (SGIP). SGIP provides behind-

the-meter (BTM) storage or solar + storage systems to eligible low-income single-family homeowners to deliver bill savings and resilience benefits. The program will leverage state SGIP incentives which are expected to mostly or fully fund the installation of systems for income qualified customers. PCE set a target of 200 total installations at low-income customer sites, most of which we expect will be fully funded by the State. This would result in approximately 1MW of solar and 2.5MWh of battery storage. In October 2024, the Board approved the contract with the competitively selected developer Haven Energy to manage installation of the systems.

Status: The program experienced delays related to CPUC direction on details of the program but PCE enrolled customers through the close of applications on December 31, 2025. Haven submitted applications for 244 customers and 120 installations have been completed for both battery-only and solar plus battery systems.

3.3 FLEXmarket

Background: In November 2021 the Board approved a program plan for the establishment of an innovative meter efficiency and load-shaping program using what is known as FLEXmarket. FLEXmarket is a market-based program structure that provides incentives to program “aggregators” to implement programs for energy efficiency and load shaping. The novel elements of the structure include a “pay-for-performance” approach which only provides incentives on confirmed performance using meter data. This novel structure was innovated by MCE. In addition, the program plan was developed for submission to the CPUC to allow Peninsula Clean Energy to run the program with fully reimbursed funding through the CPUC. Peninsula Clean Energy’s billing data services provider Calpine has entered into a strategic partnership with the firm Recurve to provide FLEXmarket services through a streamlined structure. Providers of energy efficiency and building electrification equipment can apply for incentives through this program.

Staff developed the commercial version of the program and launched the market in July 2023. Like the residential version, providers of commercial energy efficiency and building electrification equipment, as well as aggregators of these projects, can pursue incentives through the Commercial FLEXmarket.

Status: The FLEXMarket Program has achieved approximately \$1.8 million in total system benefits to date.

The program has paused new enrollments due to the closure of the current funding cycle as of May 2025. Project savings for enrolled projects will continue to be tracked and will conclude in Q4. Looking ahead, we submitted a new funding request to the CPUC in May for a three-year cycle covering 2025-2028 and are currently awaiting approval. We anticipate receiving approval and relaunching the FLEXMarket program in late Q3 or early Q4 of this year.

For more information, please visit <https://pencleanenergy.com/flexmarket>

3.5 Energy Efficiency

Background: As part of Peninsula Clean Energy’s strategy to diversify revenue and leverage external funding for customer programs, we are preparing to submit our first Application for Third-Party Administration (ATA) to the California Public Utilities Commission (CPUC). This application aims to secure a third-party portfolio under the CPUC’s energy efficiency

framework. In alignment with CPUC priorities, the portfolio will emphasize greenhouse gas (GHG) reductions and decarbonization, to the extent permitted within CPUC cost-effectiveness and policy constraints. This is PCE’s first ATA submission; currently, only one other Community Choice Aggregator (CCA) holds an approved third-party portfolio, making this a strategic and precedent-setting effort.

Status: PCE is currently in the early-to-mid development phase of the ATA application, which is due to the CPUC in February 2026. PCE conducted a comprehensive market assessment that included stakeholder interviews, surveys, presentations, and partner meetings to identify unmet needs, barriers, and high-impact opportunities in our service area. Based on this foundation, PCE conducted a solicitation and selected The Energy Coalition as our technical consultant to support the detailed development of the portfolio. Final details on the program design and implementation strategy are under development and will be presented to the board later this year.

We have notified CPUC Energy Division staff of our intent to file and are participating in feedback sessions related to updated application templates. Our regulatory and policy teams are also actively engaged in discussions to ensure alignment with CPUC priorities. No major risks have emerged at this stage, but cost-effectiveness and portfolio integration will be key focus areas as we move into design and modeling.

4 Transportation Programs

4.1 Used Electric Vehicle (EV)

Background: Originally launched in March 2019, the Used EV Rebate Program currently provides a \$2,000 rebate to income-qualified residents. Customers have been able to seamlessly combine the PCE rebate with other rebates, as available, to provide downpayment assistance.

Status: 1,200+ rebates have been provided throughout the program history. The new PCE in-house call center has taken over “EV Advisor” services, helping customers navigate various rebate programs they may qualify for, in addition to PCE’s rebate.

Federal pre-owned EV credits ended on September 30, leading to a significant uptick in PCE rebates. Staff are evaluating whether to adjust the program in 2026.

For more information, please visit <https://pencleanenergy.com/usedev/>

Customer Satisfaction

Scores 1-5, 5=High

Metric	Q4 25	Lifetime
Program Satisfaction	4.9	4.9

4.2 “EV Ready” Charging Design Assistance & Incentives

Background: In December 2018, the Board approved the EV Ready program, consisting of EV charging infrastructure incentives and technical assistance. The program is open and available to multi-family housing, affordable housing, workplace charging, and general public-

access sites, through there is a general focus on multi-family housing, which has been a historically underserved population in state EV charging programs.

PCE offers free project design assistance, facilitated through CLEAResult. There are currently 300+ active projects receiving this assistance and, on average, projects receiving assistance more than double the overall size of their EV charging projects.

Status: The program has helped the community install over 2,200 chargers (70%+ at multi-family housing) with more than 3,000 additional chargers in progress. The EV Ready program was an award winner at the 2024 CalCCA conference and is a statewide model with installation costs well below other similar programs. Key elements of the program are being replicated by a number of other state and regional programs.

Some of the largest multi-family EV charging projects in the nation are occurring currently in the EV Ready program. This includes the installation 92 chargers installed in East Palo Alto, 144 chargers in Millbrae/Burlingame, ~140 chargers in Daly City, and over 200 chargers in South San Francisco, the single largest retrofit multi-family EV charging project in the state. A recent ribbon cutting in East Palo Alto received [local media coverage](#). PCE has been contacted by the state legislators to provide input on possible bill opportunities for EV charging at multi-family housing, demonstrating PCE’s leadership in this area.

To address EV charging affordability issues, PCE is also currently leading an innovation grant opportunity. This will develop new EV charging systems that can be submeter to a multi-family residential unit, even though the charger is connected to a separate meter, reducing or eliminating price markups experienced by EV drivers that utilize third-party charging systems. Orange Charger has been awarded this innovation grant and work has begun, including a recent policy win with state regulations related certifications, which were a gating issue for this work to proceed.

For more information, please visit <https://pencleanenergy.com/ev-ready/>

4.3 E-Bike Rebate Program

Background: The Board originally approved the income-qualified E-Bikes Rebate program in July 2020 and has run in annual cycles to provide rebates to residents with low to moderate incomes. The program has provided nearly 2,000 rebates since 2021. Customers can use the rebate at qualifying bike shops for a point-of-sale discount. with 20+ participating bike shops in San Mateo County and Merced County (for Los Banos-based customers).

Status: The program relaunched on May 6 and has been very popular with an average of about 150 rebates provided per month.

For more information, please visit <https://www.pencleanenergy.com/ebikes>

Customer Satisfaction

Scores 1-5, 5=High

Metric	Q4 25	Lifetime
Program Satisfaction	4.8	4.9

Satisfaction with E-Bike	4.7	4.9
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4.4 Public EV Fleet Program (GovEV)

Background: The Board approved the GovEV Fleet Program in November 2020. This program is comprised of three components to help local agencies begin their fleet electrification efforts: hands-on technical assistance, gap funding, and a vehicle to building resiliency demonstration that will assess the costs and benefits of utilizing fleet EVs as backup power resources for agencies in grid failures and other emergencies. In August 2022, the Board of Directors approved a contract with Optony to assist in the administration of this program and further approved an extension with Optony in March 2024.

Status: 16 cities have enrolled, including: Brisbane, Burlingame, Caltrain (non-revenue fleet), Cabrillo USD, Central Coast Water Authority, Daly City, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Rethink Waste San Bruno, San Carlos, San Mateo, and the San Mateo Community College District. Millbrae and San Carlos have already installed significant fleet charging through PCE assistance, other major projects are expected in 2026.

Staff are developing two case studies on resiliency options and right-sizing guidance for EV fleets, to be published shortly.

For more information, please visit <https://www.peninsulacleanenergy.com/public-organization/govev-program-public-fleet-electrification/>

5. Other Programs

5.1 Member Agency Energy Grants

Background: In December 2023 the Board directed PCE to implement a set of initiatives utilizing a one-time allocation from surplus funds. One of the programs is the Member Agency Energy Grants with up to \$11.5 million for grants to member agencies as flexible funding for a range of clean energy projects. Funding is provided by formula in a non-competitive allocation for qualifying projects required to execute within two years.

For more information, please visit <https://www.peninsulacleanenergy.com/public-organization/member-agency-energy-grants/>

Status: Proposals have been received from all member agencies with 17 grant agreements and projects underway.