

MEMORANDUM

TO: UTILITIES ADVISORY COMMISSION

FROM: OFFICE OF SUSTAINABILITY

DATE: FEBRUARY 3, 2016

SUBJECT: Update on Ongoing Preparation of a Sustainability/Climate Action Plan (S/CAP) to Update and Replace the City's 2007 Climate Protection Plan

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This is an update on the development of the SCAP and identification of aspects of particular relevance to the City of Palo Alto Utilities Department (CPAU) and the Utilities Advisory Commission (UAC).

Palo Alto has reduced its greenhouse gas (GHG) emissions by an estimated 35% since 1990 (largely achieved in the last nine years). The State of California has set goals of 40% reduction by 2030 (on the way to 80% reduction by 2050). Palo Alto is uniquely positioned—in large part because of CPAU’s initiatives, including provision of carbon neutral electricity—to act well ahead of state goals.

The Office of Sustainability (OOS) team has conducted detailed analysis of three potential scenarios: meet the California goals (80x50), meet those goals 10 years early (80x30) and “moonshot” goal of carbon neutral city (100x25). OOS conducted a community Climate Summit Sunday January 24 (with the participation of more than 300 people, including all nine Councilmembers), and two study sessions with City Council January 25—one a presentation by Professor Stefan Heck of Stanford on the disruptive future of transportation, energy and buildings, and one on the SCAP.

OOS has proposed a goal of reducing GHG emissions 80% from 1990 levels by 2030 (“80x30”), and has presented supporting analyses of a portfolio of initiatives that could potentially meet those goals. Council discussed this goal, and a potential stretch goal of moving from carbon neutral electricity to carbon neutral utility to “carbon neutral city.” Council also discussed potential willingness to adopt goals and fundamental principles this spring, and approve specific strategies and programs in subsequent meetings.

Several aspects of the strategies identified by the SCAP effort have direct relevance to CPAU, including, but not limited to: electrification strategies (including implications for the future of

the natural gas utility, and structure of PaloAltoGreen Gas); intensification of efficiency services; the potential vulnerability of our carbon neutral electricity offering to variability in hydroelectricity supplies; expansion of local solar; smart grid and microgrid development; CPAU data and City "open data" initiatives; and the evolution of CPAU business models and services offerings in the face of continue disruption of the utility industry by the rapid price/performance changes in distributed generation, distribution storage, EVs, sensor technology. Many of these were discussed in a prior study session with the UAC in April 2015.

Please note the relevant sections in the attached study session CMR.

ATTACHMENTS:

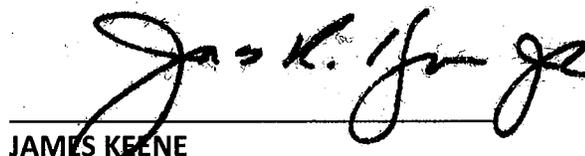
CMR #6566 (Jan 25 2016 Council meeting)

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