

CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Monday, July 13, 2020

4:00 PM

Remote Participation

Council Sustainability Committee

This meeting is being conducted utilizing teleconferencing and electronic means consistent with State of California Executive Order No. 29-20 dated March 17, 2020, and Alameda County Health Officer Order No. 20-10 dated April 29, 2020, regarding the COVID-19 pandemic.

How to submit written Public Comment:

1. Send an email to erik.pearson@hayward-ca.gov by 1 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the Council Sustainability Committee and City staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. <https://hayward.legistar.com/Calendar.aspx>

When submitting written comments, indicate in the email if you want your comment read into the record. Requests will be allowed provided the reading will not exceed three (3) minutes consistent with the time limit for speakers at Council Committee/Task Force meetings. Email comments will become part of the record of Council Committee/Task Force meetings. The Chair can limit the time for reading written comments.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS:

Limited Only to Items on the Agenda and Submitted in Writing Prior to the Meeting

APPROVAL OF MINUTES

1. **MIN 20-075** Approval of Minutes of the Council Sustainability Committee (CSC) Meeting held on March 9, 2020.

Attachments: Attachment I March 9, 2020 CSC Meeting Minutes

REPORTS/ACTION ITEMS

2. **ACT 20-048** Discuss Possible Amendments to the City's Noise Ordinance and Provide Direction to Staff

Attachments: Attachment I Staff Report
Attachment II SORE Facts
Attachment III Correspondence to CARB dated 3/04/20
Attachment IV Noise Regulations in Other Cities

3. **ACT 20-046** Review the Health and Climate Resilience Tax Credit Ballot Measure (Natural Gas Tax) and Direct Staff to Not Pursue the Measure in November 2020 Election

Attachments: Attachment I Staff Report

4. **ACT 20-047** Review and Comment on a Potential Rate Increase for Electricity from East Bay Community Energy and Provide Direction to Staff

Attachments: Attachment 1 Staff Report

FUTURE AGENDA ITEMS

5. **ACT 20-049** Review and Comment on the Proposed 2020 Agenda Planning Calendar

Attachments: Attachment I Proposed 2020 Agenda Planning Calendar

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 20-075

DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Approval of Minutes of the Council Sustainability Committee (CSC) Meeting held on March 9, 2020.

That the Council Sustainability Committee reviews and approves the March 9, 2020 Council Sustainability Committee meeting minutes.

ATTACHMENTS

Attachment I March 9, 2020 Council Sustainability Committee (CSC) Meeting Minutes

CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007
March 09, 2020
4:30 p.m. – 6:33 p.m.
MEETING MINUTES

CALL TO ORDER: Meeting called to order at 4:30 p.m. by Chair Mendall.

ROLL CALL:

Members:

- Al Mendall, City Council Member/CSC Chair
- Elisa Márquez, City Council Member
- Francisco Zermeño, City Council Member

Staff:

- Alex Ameri, Director of Public Works
- Alyse Lui Lightfoot, Hayward Animal Services
- Crissy Mello, Senior Secretary
- Erik Pearson, Environmental Services Manager
- Jack Steinman, Climate Corps Fellow, Environmental Services
- Jeff Krump, Solid Waste Program Manager
- Kait Byrne, Management Analyst
- Maria Hurtado, Assistant City Manager
- Nicole Grucky, Sustainability Specialist

Others:

- Jillian Buckholz, Sustainability Director, California State University East Bay
- Kali Klotz, Municipal Coordinator, Waste Management of Alameda County
- Stacy Lee, Hayward Resident, Alameda County Office of Sustainability

PUBLIC COMMENTS

No public comments were made.

1. Approval of Minutes of Council Sustainability Meeting January 13, 2020

The item was moved by Council Member Márquez, seconded by Council Member Zermeño, and approved unanimously.

2. Renewal of the Municipal Regional Stormwater Permit: Review Stormwater Permit and Provide Direction to Staff

Erik Pearson, Environmental Services Manager, provided a summary of the pending revision and third permit cycle for the Municipal Regional Permit (MRP 3.0), which is expected to be adopted in the Spring of 2021 by the San Francisco Bay Regional Water Quality Control Board.

Council Member Márquez inquired about the trash capture data and how new building developments will comply to meet trash reduction. Council Member Mendall also inquired on the number of points throughout the City that drain into the bay. Alex Ameri, Director of Public Works responded that all creeks in Hayward drain into the bay. Council Member Márquez asked staff to add more small devices and focus on cost effectiveness.

The item was moved by Council Member Mendall, seconded by Council Member Zermeño, and approved unanimously.

3. Franchise Agreement: Discuss Possible Approaches to a New Solid Waste Franchise Agreement and Provide Direction to Staff

Jeff Krump, Solid Waste Program Manager, summarized the services in the City's current solid waste franchise agreement and presented the two main options regarding the City's decision to either enter into exclusive negotiations with Waste Management of Alameda County (WMAC) or prepare and release a request for proposals (RFP). He listed the advantages and disadvantages with extending the current agreement or releasing an RFP, and suggested services and requirements that may be included in the next solid waste franchise agreement.

Council Member Mendall asked staff to confirm the timeline for an RFP should the City need to take that route. Council Member Zermeño commented on the unnecessary waste of changing current bins to comply with SB 1383 and agreed to start negotiations with WMAC. He instructed staff to work with WMAC to be more innovative and greener when negotiating the next franchise fee agreement.

Council Member Márquez asked staff to encourage WMAC to include local businesses for the manufacturing of lids and utilize the opportunity to partner with the City's schools on services. Jillian Buckholz, Sustainability Director, CSUEB, commented that the college would happily follow the City's lead. Council Member Márquez encouraged staff to also partner with Chabot College. Council Member Mendall suggested replacing the bins gradually as a more cost-effective method. He also inquired about switching from single-stream to multi-stream recycling. All Committee members agreed with staff's recommendation to negotiate with WMAC.

The item was moved by Council Member Zermeño, seconded by Council Member Márquez and approved unanimously.

Agenda item 4 was approved to be moved after agenda item 5

5. Greenhouse Gas Emission Reduction Goals: Review and Recommend to Council the Proposed Greenhouse Gas Reduction Goals to be Included in the General Plan

Nicole Grucky, Sustainability Specialist, presented the proposed greenhouse gas reduction goals that staff recommend being included in the City's General Plan. She also detailed the actions that would be necessary to achieve the new goals as well as potential challenges.

Council Member Márquez directed staff to conduct outreach on the rebates available to residents and business owners to help achieve these goals. Council Member Zermeño

added that outreach should include a mailer or an insert in residents' water bill. There was inquiry on the popularity of solar installations to which Director Ameri answered that it is increasing among residents.

Council Member Mendall expressed the need to increase the potential for residents to convert to electric vehicles (EV). He suggested conversions of existing homes to all-electric and a requirement for rental units to have EV chargers, possibly implementing an ordinance for apartment complexes to install a set number of EV charging stations. He also suggested a residential cap in the number of City gas stations and stressed the need to phase out natural gas by 2045.

The item was moved by Council Member Márquez, seconded by Council Member Mendall and approved unanimously.

4. Sustainability Goals for 2025 and 2030: Review and Provide Direction to Staff

Erik Pearson, Environmental Services Manager, presented the report on the proposed sustainability-related goals for 2025 and 2030. He mentioned that in regard to renewable energy, given that most Hayward customers are receiving 100% carbon-free electricity, adding solar to a home may not directly reduce greenhouse gas emissions.

Council Member Zermeño asked staff to explain the proposed vision on the Jackson Street improvement. Director Ameri listed the improvements of landscaping, sidewalks, and lighting. Council Member Zermeño inquired about the urban forest goal and directed staff to incorporate the term into the sustainability goals. He also suggested there be community bicycle repair for residents.

Council Member Mendall stated that he would like to see higher future goal percentages of EVs for City fleet vehicles. He also suggested having an ordinance in place to require properties to add EV charging stations.

6. Single-Use Food Service Ware: Consider Coordination with StopWaste to Develop and Implement a Countywide Ordinance to Regulate Single-Use Food Service Ware

Jack Steinman, Environmental Services Climate Corps Fellow, presented updates to the previously discussed single-use disposable food service ware. Staff recommended that the City continue to work with StopWaste to develop and implement a Countywide ordinance and to participate in StopWaste pilot programs designed to decrease the use of single-use food ware.

Council Member Zermeño suggested looking into Vessel, a program that provides collection and washing services to gain more information.

Council Member Márquez expressed her reservation about imposing a new requirement in light of other recent requirements put on businesses. She stated that local businesses should be provided product supplier information in order to make the transition as seamless and easy as possible.

Council Member Mendall stated that he was in favor of moving faster to implement the ordinance and setting more concrete dates with goals. Council Member Márquez suggested that staff conduct a small focus group with businesses about different possibilities of getting supplies easily and most effectively.

The Committee thanked staff for the information.

7. Advanced Metering Infrastructure (AMI) Customer Portal Pilot Program: Review and Comment on the Customer Portal Pilot Program Informational Report

Kait Byrne, Management Analyst, presented the AMI Customer Portal Pilot Program and discussed the two vendors, AquaHawk and WaterSmart, that were selected for the Pilot.

Council Member Márquez expressed her support of the AMI Pilot Program and inquired about how customers would be distributed between the two vendors. Kait informed the Committee that all customers would trial both vendor portals to provide the most accurate and fair comparison.

Council Member Márquez stated that the program was great and that she looked forward to trying the systems out herself.

8. Review and Comment on the Proposed 2020 Agenda Planning Calendar

Council Member Mendall and Council Member Márquez suggested fewer agenda items in the future to allow for more discussion.

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS:

No announcements or referrals were made.

ADJOURNMENT: 6:33 p.m.

Attendance	MEETINGS			
	Present 03/09/20 Meeting	Present to Date This Fiscal Year	Excused to Date This Fiscal Year	Absent to Date This Fiscal Year
Elisa Márquez	✓	5	0	0
Al Mendall	✓	5	0	0
Francisco Zermeño	✓	5	0	0



CITY OF HAYWARD

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777 B Street
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File #: ACT 20-048

DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Discuss Possible Amendments to the City's Noise Ordinance and Provide Direction to Staff

RECOMMENDATION

That the Council Sustainability Committee reviews and comments on this report and provides direction to staff regarding possible amendments to the City's Noise Ordinance.

SUMMARY

Staff seeks the Committee's comments on possible amendments to the City's Noise Ordinance regarding the use of leaf blowers. This report provides a summary of the state's efforts to regulate emissions of small off-road engines (SORE), a survey of requirements in other cities, and staff's recommendations for Hayward's Noise Ordinance. Staff has heard from some residents and professional landscaping companies and recommends additional community engagement prior to preparing revisions to the municipal code for Council's consideration.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	SORE Facts
Attachment III	Correspondence to CARB
Attachment IV	Noise Regulations in Other Cities



DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Discuss Possible Amendments to the City's Noise Ordinance and Provide Direction to Staff

RECOMMENDATION

That the Council Sustainability Committee reviews and comments on this report and provides direction to staff regarding possible amendments to the City's Noise Ordinance.

SUMMARY

Staff seeks the Committee's comments on possible amendments to the City's Noise Ordinance regarding the use of leaf blowers. This report provides a summary of the state's efforts to regulate emissions of small off-road engines (SORE), a survey of requirements in other cities, and staff's recommendations for Hayward's Noise Ordinance. Staff has heard from some residents and professional landscaping companies and recommends additional community engagement prior to preparing revisions to the municipal code for Council's consideration.

BACKGROUND

Staff and Council members occasionally receive complaints regarding noise and other impacts from the use of powered landscaping equipment including leaf blowers. On January 13, 2020, the Committee heard public comments regarding the use of leaf blowers in proximity to residential areas. In response, the Committee directed staff to investigate possible amendments to the City's Noise Ordinance.

Hayward's current Noise Ordinance¹ (Sections 4-1.00 through 4-1.04.3 of the Hayward Municipal Code) allows the use of landscaping equipment between the hours of 10:00 a.m. and 6:00 p.m. on Sundays and holidays, and 7:00 a.m. and 7:00 p.m. on other days. The

¹

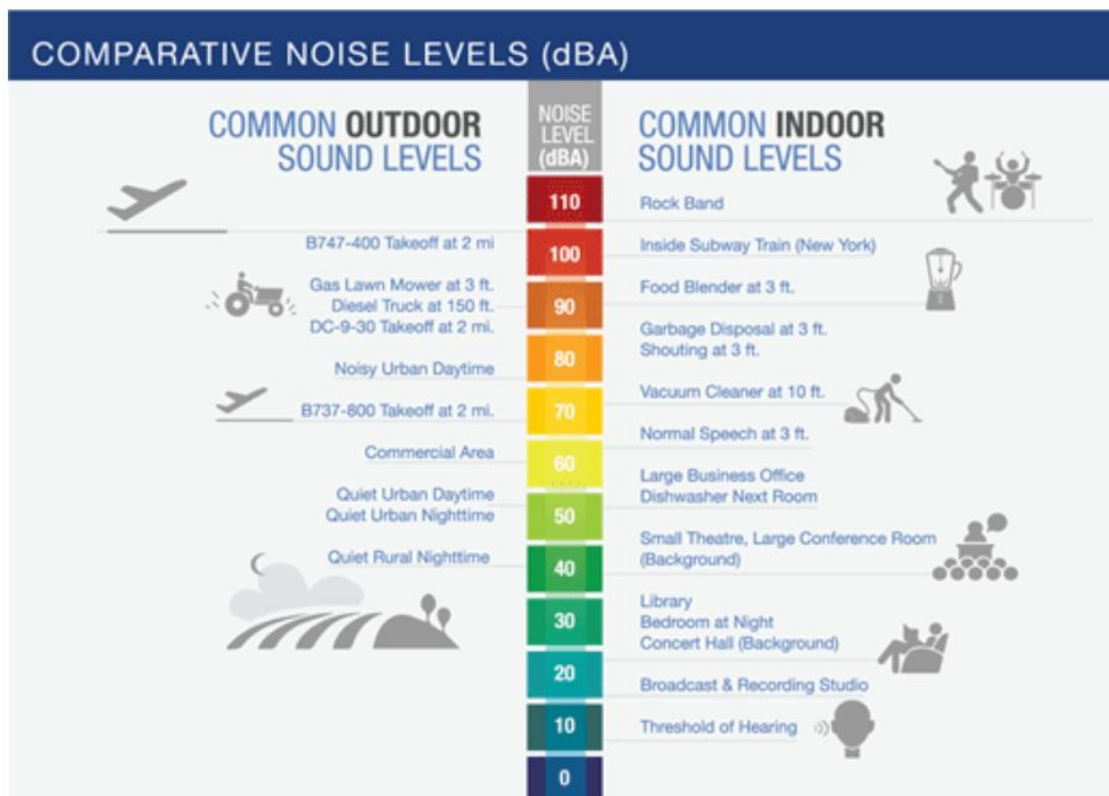
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH4PUWEMOCO_ART1PUNU

ordinance does not currently address equipment types such as gasoline or electric-powered.

The current ordinance also requires:

- No individual device or piece of equipment shall produce a noise level exceeding eighty-three (83) dBA² at a distance of twenty-five (25) feet from the source; and
- The noise level at any point outside of the property plane shall not exceed eighty-six (86) dBA.

For perspective, the following chart³ shows the dBA noise levels for common sounds.



The City's Noise Ordinance was last updated in March 2011 by Ordinance 11-03.

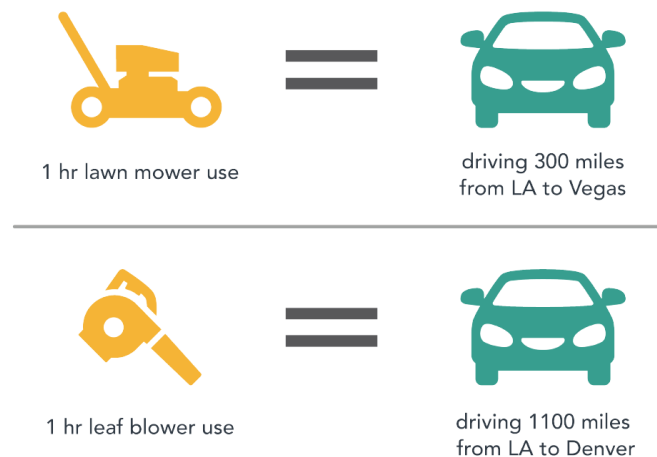
Amendments to the ordinance included:

- noise control provisions using dBA standards;
- the adoption of subjective noise disturbance criteria;
- decreased the distance from 50 feet to 25 feet the distance beyond which noise from vehicles is prohibited; and
- increased enforcement provisions.

² The ordinance defines dBA as decibels measured on an A-weighted scale and is further described in the definition of Noise Level.

³ Source: https://www.faa.gov/regulations_policies/policy_guidance/noise/basics/

The California Air Resources Board (CARB) began regulating small off-road engines (SORE) in 1990 and is planning to require that all new SORE have zero emissions by 2028. According to CARB, there are more small engines in California (16.7 million) than light-duty passenger cars (13.7 million). Most SORE (77%) are residential lawn and garden equipment. Operating the best-selling commercial lawn mower for one hour emits as much smog-forming pollution as driving the best-selling 2017 passenger car, a Toyota Camry, about 300 miles. For the best-selling commercial leaf blower, one hour of operation emits smog-forming pollution comparable to driving a 2017 Toyota Camry about 1100 miles.



More facts about SORE are in Attachment II.

On March 4, 2020, the City sent a letter (see Attachment III) to CARB supporting statewide zero-emission requirements for SORE and encouraging funding programs to help businesses and homeowners transition from gas-powered to electric equipment.

On June 9, 2020, CARB held a pre-rulemaking workshop to solicit input on draft regulations for SORE. CARB staff noted that more than half of household equipment is already electric but that professional landscapers have low electric equipment adoption rates. CARB anticipates releasing new draft standards in late 2020. More information about CARB's regulation of SORE is available on their website⁴.

Other Cities – Two cities in Alameda County have regulations specific to leaf blowers. In March 1990, the City of Piedmont amended its noise ordinance to make it “unlawful for any person to operate a gasoline-powered device used to blow leaves, dirt or other debris off sidewalks, driveways, lawns or other surfaces within any area of the City except that gasoline-powered leaf blowers may be used by public agencies on publicly owned or operated facilities.” In December 1990, the City of Berkeley amended its noise ordinance to make it “unlawful for any person, including any City employee, to operate any portable machine powered with a

⁴ <https://ww2.arb.ca.gov/our-work/programs/small-off-road-engines-sore>

gasoline engine used to blow leaves, dirt, and other debris off sidewalks, driveways, lawns, or other surfaces within the City limits.” The Berkeley ordinance further requires that notice of the prohibition “shall be posted in all stores selling such gasoline powered machines within the City limits.” Additional information about other cities’ regulations is in Attachment IV.

DISCUSSION

Community members have expressed concerns with leaf blowers related to noise levels, hours of operation, types of equipment and air quality. Staff seeks the Committee’s direction for a solution that addresses concerns while minimizing impacts to Hayward residents and businesses. Staff recognizes that reducing the allowable hours and/or the types of equipment that may be used could lead to increased costs for homeowners that maintain their own landscaping using powered equipment, as well as businesses that use landscape maintenance contractors. Using CARB’s figure of 16.7 million small engines in California and assuming the same per capita rate in Hayward, we have more than 66,000 such devices in the City. Disallowing the use of the devices in the short term, can create a real financial hardship for the City’s households and businesses.

Since the 1970’s leaf blowers have become a common tool for property maintenance. They are a convenient alternative to sweeping and, for homeowners, a good alternative to hosing paved surfaces (where permitted). Following are some pros and cons regarding the use of leaf blowers:

Pros

- Leaf blowers are a time-saving convenience when compared with manual sweeping. According to the California Landscape Contractors Association, leaf blowers are an essential, time-saving tool.
- Leaf blowers can save water. (Using a hose to clean hard surfaces was prohibited during the drought. Hosing hard surfaces now is discouraged.)

Cons

- Leaf blowers, particularly gas-powered blowers, can be very noisy. While noise has been a problem for some people for years, many people are now working from home due to the COVID shelter in place requirements. Many Hayward residents do not have air conditioning and often work with windows open.
- Gasoline powered engines emit greenhouse gases and other chemical pollutants.
- All types of leaf blowers create airborne particulate matter.
- Leaf blowers often blow mulch from landscaped areas where it was installed to help to retain soil moisture and prevent weeds.

Staff emailed approximately 400 commercial and multifamily property owners and managers. In addition, staff called 23 landscaping companies, including all 17 that have Hayward business licenses. Staff talked with eight companies and learned that most companies typically replace their leaf blowers, lawn mowers, etc., every two to three years.

Following is a summary of the comments received:

Landscapers Serving Residential Properties:

- Regularly serve between 6 and 500 properties in Hayward
- All start work after 8 a.m.
- Use a combination of gas-powered equipment and electric equipment (more gas than electric). None use electric equipment exclusively.
- Six businesses believe they could serve most of their residential customers with all-electric equipment. Two business had no comment as they have never used electric equipment.

Landscapers Serving Commercial Properties:

- Regularly serve between 20 and 40 properties in Hayward
- Tend to have earlier hours as they aim to finish work before the businesses they serve are open. Most stated the current requirements of 7 a.m. to 7 p.m. were appropriate and opposed the idea of later start times.
- Most only use gas-powered equipment on commercial properties. Only one business offers all-electric services for commercial properties upon request. This company noted that electric equipment is less powerful than gas-powered equipment and slows their work. They charge a premium for all-electric services to compensate for the extra time it takes to service properties. This company also has customers in Berkeley where all-electric landscaping equipment is required.
- Most said they could not provide their same services with all-electric equipment.

The City's Maintenance Services landscaping crews typically start work at 6:30 a.m. and start using power equipment at 7 a.m. Modifying the ordinance to include a later start time on weekdays on non-residential properties would significantly hamper their ability to complete work in a timely manner. City crews work most Saturdays but could accommodate a later start time (8 or 9 a.m.) on Saturdays.

Staff Recommendation – Staff recommends additional research and community outreach before ordinance amendments are drafted. Staff's preliminary recommendation is for the Committee to consider the following changes:

- For residential properties, change Saturday hours to 9 a.m. to 6 p.m. and weekday hours to 8 a.m. to 6 p.m. These hours would also apply to landscaping activities that are within 25 feet of the property line of residential premises (building or property line). Staff recommends no changes for landscaping work on commercial properties nor for general construction hours. Construction is temporary in nature whereas landscaping activities occur on a regular, ongoing basis.
- Modify Section 4-1.03.1 of the ordinance to remove the following sentence: "Noise from activities of the City of Hayward is exempted from these regulations".
- Modify Section 4-1.03.1 so that noise limits related to landscaping activities are the same for both single-family and multi-family properties.

ECONOMIC IMPACT

As noted above, establishing new restrictions on the hours of operation and/or types of equipment permitted can increase costs both for professional landscapers and their customers. Staff is continuing to collect community feedback on potential economic impacts.

FISCAL IMPACT

Establishing new regulations for landscaping activities can be absorbed by existing, budgeted staff. Enforcement of regulations is and would continue to be in response to complaints received. Enforcement is typically handled by the Police Department when officers are available.

STRATEGIC ROADMAP

While the primary focus of this agenda item is related to noise, this agenda item also supports the Strategic Priority of Combat Climate Change. Specifically, this item relates to the implementation of the following project:

Project # 1: Reduce dependency on fossil fuels

SUSTAINABILITY FEATURES

The ordinance amendments under consideration could improve sustainability and overall quality of life for the Hayward community. Reducing noise and air pollution are both beneficial for human health.

PUBLIC CONTACT

To date, staff has heard from two residents who have complained about the use of leaf blowers. As noted above, staff reached out to Hayward businesses including professional landscaping companies and owners and managers of commercial and multi-family properties. Staff has not received comments from commercial and multi-family property owners and managers. Staff recently sent a survey to the community via a special edition of the Stack newsletter to solicit comments on possible amendments to the noise ordinance. Staff will continue to collect comments.

NEXT STEPS

Upon direction from Committee, staff will continue to collect comments from the community, including professional landscapers. If directed by the Committee, staff can prepare draft language for revisions to the City's municipal code.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

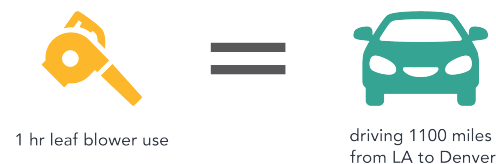
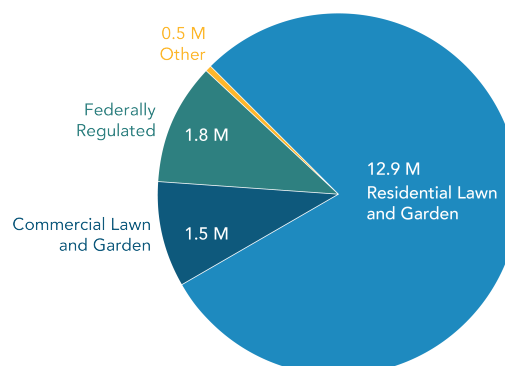
Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written over a horizontal line.

Kelly McAdoo, City Manager

Small engines in California

Small off-road engines (SORE) are spark-ignition engines rated at or below 19 kilowatts. Engines in this category are primarily used for lawn, garden, and other outdoor power equipment. The population of small engines in California (16.7 million) is greater than that of light-duty passenger cars (13.7 million) and is comprised of 77% residential lawn and garden equipment, 9% commercial lawn and garden equipment, 11% federally regulated construction/farming equipment, and 3% other equipment types (e.g., generators, utility carts).

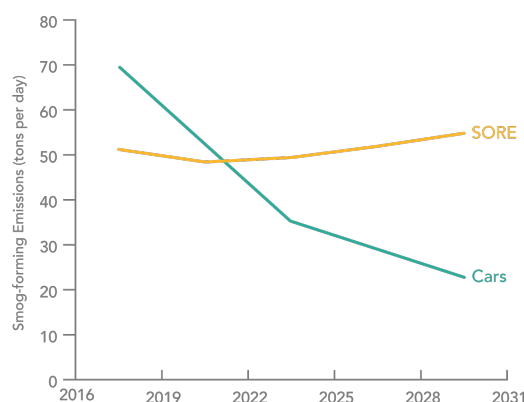


Emissions are significant

Today, operating the best-selling commercial lawn mower for one hour emits as much smog-forming pollution as driving the best-selling 2017 passenger car, a Toyota Camry, about 300 miles – approximately the distance from Los Angeles to Las Vegas. For the best-selling commercial leaf blower, one hour of operation emits smog-forming pollution comparable to driving a 2017 Toyota Camry about 1100 miles, or approximately the distance from Los Angeles to Denver.

The need for additional controls

The California Air Resources Board (CARB) adopted emissions standards for small engines in 1990 and was the first agency in the world to control emissions from these engines. Due to the regulations put in place by CARB, small engines are 40-80% cleaner today than they were before the program began. In the early 2020s, however, total smog-forming emissions from small engines are projected to exceed those from passenger cars in the South Coast Air Basin because passenger car emissions will continue to decrease. By 2031, small engine emissions will be more than twice those from passenger cars.



CARB actions to reduce emissions

Because of California's ongoing air quality challenges, additional emissions reductions are needed from small engines. In 2020, CARB will consider new standards for small engines to help California meet its goal of reducing smog-forming pollutant emissions from mobile sources by 80 percent in 2031. Significant emission reductions will be achieved through a combination of regulatory and incentive approaches, and a major shift to zero-emission equipment will be needed to meet the 80 percent reduction goal.



March 4, 2020

Ms. Dorothy Fibiger
Zero-Emission Equipment Lead
California Air Resources Board
1001 I St.
Sacramento, CA 95814

Via Email to: Dorothy.Fibiger@arb.ca.gov

RE: Support – Zero Emissions Requirements at Point-of-Sale for Small Off-Road Engine Equipment

Dear Ms. Fibiger:

On September 26, 2019 California Air Resource Board (CARB) staff gave a presentation outlining different approaches CARB is considering to reduce smog-forming pollution emitted from small-off road engines (SOREs) including those found in lawn and garden equipment, federally regulated construction/farming equipment, generators, utility carts, and other spark-ignition engines rated at or below 19 kilowatts. During this presentation, CARB asserted that the agency is considering setting new regulations that would require all SORE equipment meet zero emission requirement at point of sale across California. The City of Hayward is pleased to express its full support for CARB to move forward with regulations mandating all SORE equipment meet zero emission requirements at point of sale across the State.

Smog-forming pollutants are detrimental to public health, particularly among sensitive populations such as children, the elderly, and individuals experiencing respiratory issues or diseases. Smog-forming pollutants can aggravate asthma, irritate the eyes, reduce visibility, damages vegetation, and creates ground-level ozone. As weather conditions become more severe due to climate change, the negative impacts of smog-forming pollutants are expected to be further exacerbated causing an increase in premature deaths, hospital visits, lost school days, and acute respiratory symptoms.

According to CARB, operating today's best-selling commercial lawn mower for one hour emits as much smog-forming pollution as driving the best-selling 2017 passenger car, a Toyota Camry, about 300 miles – approximately the distance from Los Angeles to Las Vegas. For the best-selling commercial leaf blower, one hour of operation emits smog-forming pollution comparable to driving a 2017 Toyota Camry about 1100 miles, or approximately the distance from Los Angeles to Denver. In California there are over 16.7 million units of SORE equipment in



Ms. Dorothy Fibiger
California Air Resources Board
March 3, 2020
Page 2 of 2

circulation, and in 2020, these millions of SOREs are expected to emit more smog-forming pollutants than all single passenger vehicles driven throughout the State¹.

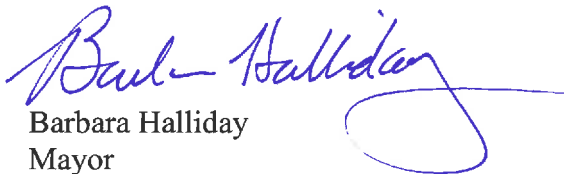
Enacting statewide SORE zero-emission requirements aligns with the City of Hayward's existing efforts to improve air quality in our community. The City is an active member of the Southern Alameda Spare the Air Team, is using clean-burning renewable diesel in its trucks, and is continuously advancing efforts to phase out municipal, commercial, and residential fossil fuel consumption. A Statewide regulation requiring all SORE equipment meet zero emission requirements at point of sale would help replace millions of polluting engines across California without requiring upgrades prior to the end-of-life of existing equipment, minimizing the economic impact on individuals and businesses.

For these reasons, the City of Hayward urges the Air Resource Board to enact zero-emission requirements at point of sale for all SORE equipment statewide.

The City of Hayward also encourages funding additional programs such as the Mojave Desert Lawn & Garden Equipment Exchange program organized by the Mojave Desert Air Quality District². This program provides Mojave Desert communities the opportunity to trade in their gas-powered equipment for new, emission-free electric models. Programs like can reduce smog-forming pollutants while simultaneously providing resources to underserved communities and communities experiencing the most severe air quality.

The City of Hayward thanks CARB for their decades of leadership improving air quality in California and urges the agency to continue ambitiously reducing all forms of air quality pollutants for a cleaner, healthier, and more sustainable California.

Sincerely,


Barbara Halliday
Mayor

Cc: Hayward City Council
Kelly McAdoo, City Manager
Alex Ameri, Director of Public Works

¹ https://ww3.arb.ca.gov/msprog/offroad/sore/sm_en_fs.pdf?_ga=2.84915610.283832271.1583275293-202139562.1553897022

² <https://www.mdaqmd.ca.gov/grants/electric-lawn-garden-equipment-exchange>

Survey of Bay Area Cities

Noise ordinances of nearby cities:

- Fremont – Does not have requirements specific to landscaping. Construction within 500 feet of a residence is limited to Weekday hours of 7:00 a.m. to 7:00 p.m. and the Saturday or holiday hours of 9:00 a.m. to 6:00 p.m. Construction by professional contractors is not permitted on Sundays, but resident homeowners may perform construction activities on weekends from 8:00 a.m. to 8:00 p.m.
- Union City - Does not have requirements specific to landscaping. Construction is permitted between the hours of 8:00 a.m. and 8:00 p.m. weekdays, 9:00 a.m. and 8:00 p.m. Saturday, and 10:00 a.m. and 6:00 p.m. and Sundays and holidays.
- San Leandro – Does not have requirements specific to landscaping. Construction work which is adjacent to or across a street or right-of-way from a residential use, is permitted between the hours of 7:00 a.m. and 7:00 p.m. on weekdays, and between 8:00 a.m. and 7:00 p.m. on Sunday and Saturday. No construction is permitted on Federal holidays.
- Unincorporated Alameda County – Powered landscaping equipment is permitted between the hours of 7:00 a.m. and 7:00 p.m. weekdays and between the hours of 8:00 a.m. and 7:00 p.m. on weekends.
- Pleasanton – Does not have requirements specific to landscaping. Construction work is permitted between the hours of 8:00 a.m. and 8:00 p.m. daily and 10:00 a.m. and 6:00 p.m. on Sundays and holidays.

Other cities in the Bay Area with regulations regarding the use of leaf blowers include:

- Milpitas – On residential properties, prohibits any Disturbing Noise that increases the noise exposure level by three dB over the local ambient noise level measured from the property line of the noise source, or more than 65 dB measured from the property line of the noise source, whichever is more restrictive.
- Palo Alto – No person may operate any leaf blower which does not bear an affixed manufacturer's label indicating the model number of the leaf blower and designating a noise level not in excess of 65 dBA when measured from a distance of fifty feet. No person shall operate any leaf blowers within a residential zone except during the following hours: nine a.m. and five p.m. Monday through Friday and ten a.m. and four p.m. Saturday. No person shall operate any leaf blower within any non-residential zone except during the following hours: eight a.m. and six p.m. Monday through Friday, and ten a.m. to four p.m. Saturday. No person shall operate any leaf blowers on Sundays and holidays. No person shall operate any leaf blower powered by an internal combustion engine within any residential zone after July 1, 2005.

- Larkspur – Banned the use of gas-powered leaf blowers on single-family residential properties. Multifamily dwellings, municipal park areas, and commercial properties are exempt from the ban. Use of leaf blowers on residential properties is permitted on weekdays between the hours of 9:00 am and 5:00 pm. Multifamily dwellings, municipal park areas, and commercial properties may use leaf blowers between the hours of 7:00 am and 5:00 pm on weekdays. Use of leaf blowers in any area of the city is permitted between the hours of 10:00 am and 4:00 pm on Saturdays and prohibited on Sundays and Federal holidays.
- Burlingame – Requires leaf blowers maintain a noise level of 65 dBA when measured from 50 feet away and only allows use of leaf blowers on designated days. Residents may use blowers on Saturday and Sunday during certain hours as well one designated weekday. Commercial landscaping companies may use leaf blowers on these designated weekdays, but may not use leaf blowers on weekends. The City is split into zones, each with a designated weekday that leaf blowers may be used.



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: ACT 20-046

DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Review the Health and Climate Resilience Tax Credit Ballot Measure (Natural Gas Tax) and Direct Staff to Not Pursue the Measure in November 2020 Election

RECOMMENDATION

That the Council Sustainability Committee reviews and comments on this report and directs staff to not pursue the ballot measure for the November 2020 election.

SUMMARY

Staff seeks the Committee's comments on a possible ballot measure for the November 2020 election. The measure would decrease by 1% the Utility Users Tax (UUT) for residential natural gas and it would increase by up to 5% the UUT for natural gas for large commercial customers. Revenue from the tax would be directed to climate action programs as well as the City's General Fund. If there remains a public health emergency, revenue could also be directed to health initiatives such as homeless resources, protective equipment, epidemic testing and contact tracing.

ATTACHMENTS

Attachment I Staff Report



DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

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BACKGROUND

During the May 19, 2020 Council meeting, the idea of a Climate Resilience Tax Credit ballot measure was mentioned during Council Reports and Announcements and the item was referred to this Committee.

Hayward's UUT was approved by voters in 2009 and extended as Measure D during a special election in 2016. The UUT, as detailed in Chapter 8, Article 18 of the Hayward Municipal Code, is 5.5% and is scheduled to end on June 30, 2039. The tax is charged on communication services, cable television, electricity, and natural gas.

Following is a list of cities in Alameda County with UUTs:

Jurisdiction	UUT Rate
Alameda	7.5%
Albany	6.5-7.0%
Berkeley	7.5%
Dublin	-
Emeryville	5.5%
Fremont	-
Hayward	5.5%
Livermore	-
Newark	3.25%
Oakland	7.5%
Piedmont	7.5%
Pleasanton	-
San Leandro	5.7-6.0%
Union City	-
Unincorporated Alameda County	6.5%

DISCUSSION

The Health and Climate Resilience Tax Credit ballot measure is supported by the Bay Area Climate Restoration Circle (BACRC)¹, a coalition of environmental advocates seeking to ensure funding for cities to pursue climate action. The ballot measure as proposed by the BACRC would lower the UUT for residential natural gas by 1% for residential ratepayers and increase the UUT by 2-5% for large commercial ratepayers of natural gas and designate this additional tax revenue toward specified local health and climate resilience programs. The tax on large commercial customers would be for those that have a monthly gas bill of \$1,000 or more. According to the BACRC, a typical medium-sized restaurant spends approximately \$600 per month on natural gas. The proposed ballot language would exempt schools and government agencies from the tax. The proposed ballot language would also direct 20% of revenue to a Rebate Account that would redistribute the funds back to the low usage (under \$1,000 monthly gas use) ratepayers in the form of a rebate for climate resilient purchases.

Administering the tax may be complicated as some businesses may be subject to the tax one month and then may be below the threshold the next month. Advocates for the tax have communicated with PG&E and learned that cities that impose the tax on natural gas would need to pay PG&E approximately \$500,000 to reconfigure their billing system so that they can segregate gas from electricity charges for the different UUT rate. This cost would be shared among participating cities, but at this time staff does not know how many cities will have the measure on the November ballot.

¹ <https://sfbaycrc.org/health-covid-19-climatetaxballot/>

Other Cities – On June 15, 2020, meeting, the City of Albany City Council directed staff to prepare a ballot measure to include the following:

1. raising the natural gas and electricity UUTs from 7.0% to 9.5%,
2. instituting a water UUT of 7.5%,
3. raising the telecommunications UUT from 6.5% to 7.0%,
4. providing Council the authority to raise the natural gas UUT by up to 1% per year to a ceiling whose value will be decided and inserted into the measure by the Council at a following meeting, and
5. including a recommendation that one third of the new revenue from the measure be spent on climate protection.

On June 16, 2020, the City of Berkeley City Council voted to prepare a ballot measure that will include:

1. An increase in the utility user tax by 2.5 percent to generate resources for a climate action fund; and
2. A tax on wholesale distributors of gas and diesel fuel to generate resources for a climate action fund.

Albany and Berkeley conducted polling of likely voters in March and May, respectively, for their ballot measures. While a news release² on May 20, 2020, indicated that the cities of Fremont, Oakland and Richmond were considering placement of the measure on the November ballot, staff confirmed that these cities are not currently pursuing the measure. In addition, the City of Alameda was, but is no longer, considering the measure.

Staff Recommendation – For many reasons, including the uncertainties regarding the potential impacts to businesses and the revenue that would be generated by the tax, staff recommends that Council not pursue the ballot measure for the November 2020 election. Staff understands that the intentions behind this measure are good, but the timing is poor. In addition to the current economic conditions due to COVID-19, the proposed tax could have a disproportionate impact on cities like Hayward that have a large industrial base, including food processing and manufacturing. As currently drafted, the tax would subsidize cities that are mostly residential, such as Piedmont. Staff cannot support the ballot measure in its current form and at this time.

ECONOMIC IMPACT

PG&E data related to commercial customer spending on natural gas is confidential, so the number of Hayward business that pay more than \$1,000 per month for natural gas is unknown at this time. The extent of the potential impact to business is unclear. Staff understands that due to the COVID-19 pandemic, the business community has endured significant challenges this year and the time needed to recover from the disruptions remains to be seen.

² <https://docs.google.com/document/d/1h1MzIKBIGoRWgpmDIEPtg6siC5RbeOmLtRVvBoicY5E/edit>

In addition, the following comments have been offered by Hayward's Economic Development staff:

- 1) Is it desirable to increase a tax on businesses that are or will be just reopening post-COVID-19 Shelter in Place Orders? In May 2020, the unemployment rate in Alameda County was 13.5 percent while Hayward's rate was 16.2 percent. Increasing the cost of doing business during a recovery period would pose a challenge for businesses. Businesses may elect to not reopen or rehire for vacant positions due to projected increases in the cost of operations.
- 2) In general, most restaurants use gas stoves and many of Hayward's restaurants are small businesses. Would the tax have an unequal impact on those small businesses, many of which are owned by minorities?
- 3) If residential users represent half of the natural gas used, how does a tax reduction incentivize homeowners to transition from natural gas to electric appliances? It is far less expensive for residential users to swap out appliances than manufacturing/industrial users (who we want to promote and expand in the City) to retool their production lines, ovens or boilers. Most of these lines are custom designed and built.
- 4) The ballot measure may be unfair to Hayward businesses. Residential users would be in favor of a tax bill reduction while businesses, who face a potential doubling of the UUT, would not have much input since they may not be Hayward residents/voters.

FISCAL IMPACT

The ballot language³ provided by BACRC recommends that 10% of revenue from the tax be allocated to the City's General Fund and that remaining funds go to programs including rebates, a climate emergency action program, and carbon sequestration. The ballot language also calls for the City to establish a Health and Climate Community Advisory Commission within 45 days of the effective date of the measure to oversee spending of the tax revenue.

BACRC may be over-estimating the revenue that might be generated by the proposed tax. While the above ballot language recommends that 10% of revenues be directed to the City's General Fund, according to staff's estimates the City would need to direct approximately 50% to the General Fund to offset the decrease in residential UUT. The City as a whole spends approximately \$49 million annually (gross receipts) on natural gas. According to the City's greenhouse gas inventory, approximately half of all natural gas use is residential.

³ <https://docs.google.com/document/d/1gJ8hkDHnZNfS6qhQEpCBfywtG3ZIKHQVAf4qDpNd5Q/edit>

The following table shows the estimated decline in revenue if the residential UUT were decreased by 1%.

Total Annual Gross Receipts from Gas:	\$48,845,819
Approximately Half of Gross Receipts are from Residential Accts:	\$24,422,909
Approximate Revenue from Current UUT on residential gas (5.5%):	\$1,343,260
Approximate Revenue if UUT on residential gas is reduced to 4.5%:	\$1,099,031
Estimated Lost Revenue to General Fund:	(\$244,229)

To ensure there is no negative impact to the General Fund, the increase in the UUT on large commercial accounts would need to be 4 or 5%. Staff does not know how many Hayward businesses have monthly gas bills exceeding \$1,000. The following table includes a few scenarios and shows the estimated revenue that would be generated from an increase in the non-residential UUT by 4% or 5%.

	Gross Receipts subject to tax	Revenue from 4% increase in tax rate	Revenue from 5% increase in tax rate
Approximately Half of Gross Receipts are from Non-residential accts:	\$24,422,909		
If 50% of non-res accts have monthly bills exceeding \$1,000:	\$12,211,455	\$488,458	\$610,573
If 30% of non-res accts have monthly bills exceeding \$1,000:	\$7,326,873	\$293,075	\$366,344
If 15% of non-res accts have monthly bills exceeding \$1,000:	\$3,663,436	\$146,537	\$183,172

STRATEGIC ROADMAP

This agenda item relates to the Strategic Priorities of Combat Climate Change and Grow the Economy, however, it is not specifically related to a project identified in the Strategic Roadmap. Staff is bringing forth this new item because it was referred to the Committee during the May 19, 2020 Council meeting. If directed by the Committee, staff will include this item in the next bi-annual update to Council on the Strategic Roadmap.

SUSTAINABILITY FEATURES

The proposed ballot measure would increase revenue for health and climate action programs, however, the effectiveness of the tax as a disincentive to use natural gas is unknown.

PUBLIC CONTACT

Typically, a ballot measure of this kind would warrant significant outreach to the community and polling of voters, however staff had limited time for such efforts. Staff emailed over a dozen business including Playt, Buffalo Bill's, Los Compadres, Metro Taquero, Tacos Uruapan, Le Pardis, Columbus Foods, United Foods International, Harvest Foods, Casa Sanchez Foods, Wisoman Foods, Sugar Bowl Bakery, and Oven Fresh Bakery. Staff also requested comments from the members of the Hayward Chamber of Commerce, Downtown Hayward Improvement Association (DHIA) and Downtown Merchants group. In addition, on July 10, 2020, staff met with the Hayward Chamber of Commerce's Government Relations Committee. At the time this report was completed, staff received one email from a Hayward restaurant (see Attachment II). Staff will share comments from any additional stakeholders during the Committee meeting.

NEXT STEPS

The last day to deliver an approved resolution by Council to the Alameda County Registrar of Voters for inclusion in the November ballot is August 7. If recommended by the Committee, staff would present a resolution to Council on July 21, 2020.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: ACT 20-047

DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Review and Comment on a Potential Rate Increase for Electricity from East Bay Community Energy and Provide Direction to Staff

RECOMMENDATION

That the Council Sustainability Committee reviews and comments on this report and provides direction to staff.

SUMMARY

Most Hayward customers currently receive Brilliant 100 (100% carbon free electricity) from East Bay Community Energy (EBCE). EBCE will most likely phase out Brilliant 100 by the end of calendar year 2021. A formal decision by the EBCE Board of Directors is expected this fall. This report presents options and the impacts of each for Council to consider, including changing Hayward's default electricity product effective January 1, 2021. In addition, most of Hayward's municipal facilities receive Brilliant 100. This report also presents the fiscal impacts of changing the municipal facilities to another electricity product. This same report will be presented to Council on July 14, 2020.

ATTACHMENTS

Attachment I Staff Report



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BACKGROUND

EBCE formed in 2016 as a joint powers authority to provide cleaner, greener energy at lower rates to Alameda County customers. EBCE started providing electricity to commercial and municipal accounts in June 2018 and to residential customers in November 2018. Information about EBCE is available on their website¹. Staff has provided many reports about EBCE to the Council Sustainability Committee and Council, all of which are available on the City's website².

Hayward's original Climate Action Plan (CAP) was adopted in 2009. When the CAP was incorporated into the General Plan in 2014, the following greenhouse gas (GHG) emission reduction goals for both the community and municipal operations were included:

¹ <https://ebce.org/>

² <https://www.hayward-ca.gov/your-government/departments/utilities-environmental-services/east-bay-community-energy>

- reduce emissions by 20% below 2005 baseline levels by 2020
- strive to reduce emissions by 61.7% by 2040
- strive to reduce emissions 82.5% by 2050

On June 16, 2020³, Council introduced and on June 23, 2020⁴, Council adopted an ordinance amending the General Plan to include the following goals:

- reduce emissions by 20% below 2005 levels by 2020
- reduce emissions by 30% below 2005 levels by 2025
- reduce emissions by 55% below 2005 levels by 2030
- work with the community to develop a plan that may result in the reduction of community-based GHG emissions to achieve carbon neutrality by 2045

When EBCE launched in 2018, three electricity products were offered:

- Bright Choice – The default for most communities. Cleaner electricity (38% renewable) and 1.5% lower rates than PG&E.
- Brilliant 100 – 100% carbon free electricity (40% renewable and 60% large hydro-electric) at rates equal to PG&E.
- Renewable 100 – 100% renewable electricity for one penny per kWh more than PG&E rates.

On March 6, 2018, Council voted to designate Brilliant 100 as the default product for nonresidential customers in Hayward. Council also chose to select Brilliant 100 for all municipal facilities. Non-residential accounts and municipal accounts began receiving EBCE service in June 2018. On May 22, 2018, Council adopted a resolution designating Brilliant 100 as the default electricity product for Hayward’s residential customers. Residential accounts began receiving EBCE service in November 2018. Council chose Brilliant 100 as the default because it would help Hayward meet its GHG emissions reduction goals and because Hayward customers would experience no change in the cost of their electricity.

There are approximately 48,000 residential accounts in Hayward, including approximately 14,000 California Alternate Rates for Energy (CARE) customers and 500 Family Electric Rate Assistance (FERA) customers. The CARE and FERA programs offer discounts to income-qualified customers. Also, approximately 4% of customers in the EBCE territory are Medical Baseline customers. They pay special rates due to equipment or heating/cooling needs related to medical conditions. All EBCE customers who were enrolled in CARE, FERA, or Medical Baseline have remained enrolled in these discount programs after the switch to EBCE. Also, customers in the discount programs and have been enrolled in Bright Choice.

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4568609&GUID=46FF5863-9294-4217-9119-9631D7A2BB6F&Options=&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576651&GUID=4E2F5527-D216-4472-BB79-5D9A37A41AE8&Options=&Search=>

DISCUSSION

Hayward's participation in EBCE and the Council's selection of Brilliant 100 as the default product have contributed significantly to the community's overall reductions in GHG emissions. Staff recently received Hayward's GHG emission inventory for 2018 and it shows that total emissions fell 21.6% from 2005 to 2018. As noted above, Hayward's goal is to reduce emissions 20% by 2020, so the goal was met two years early. Hayward's 2019 emissions are expected to be even lower because EBCE started midway through 2018 and 2019 will include a full year of EBCE service with Brilliant 100. A detailed report on the 2018 inventory will be provided to the Sustainability Committee this fall.

Since EBCE's inception, it has been fiscally constrained by its promise to maintain rates that are competitive with PG&E. In late 2018 and early 2019 staff was working with EBCE on a potential partnership that would allow the City to sell excess electricity from the solar project at the Water Pollution Control Facility, however EBCE was not able to offer a rate that would make the City's project feasible.

In the last several months, EBCE has faced increasing financial pressures that have made it more difficult to remain competitive with PG&E. The financial challenges have included:

- PG&E has increased rates primarily by increasing the transmission component of the rate while decreasing the generation component. PG&E's generation rate decreased by 8% on May 1, 2020. EBCE competes with PG&E only on generation. The transmission rate is the same for both PG&E customers and EBCE customers.
- The Power Charge Indifference Adjustment (PCIA) increased by 30% as of May 1, 2020. EBCE. The PCIA is sometimes referred to as an "exit fee". It is intended to ensure that customers who switch to EBCE pay for energy that was contracted by PG&E to serve them prior to their switch. Because EBCE maintains rates competitive with PG&E, when the PCIA increases, it reduces EBCE's margin. EBCE and other community choice energy programs throughout California are working with the California Public Utilities Commission to reduce the PCIA.
- Unpaid bills or "uncollectables" are estimated to increase from 0.5% to 2.5% in anticipation of COVID recessionary impacts.
- Procurement costs for Brilliant 100 have been higher than expected. While the difference in rates between Bright Choice and Brilliant 100 is 1.5%, the costs of providing Brilliant 100 exceeds 1.5% higher. As a result, according to EBCE, Brilliant 100 is currently being subsidized by Bright Choice.

On April 22, 2020, the EBCE Board declined to accept an allocation of nuclear energy attributes from PG&E, which would have saved EBCE approximately \$7 million during 2020 and 2021. Also on April 22, 2020, the EBCE Board voted to establish a power content procurement floor so that renewable energy content is now the benchmark for comparing EBCE's power content to that of PG&E. Prior to this, EBCE was comparing its non-renewable (large hydro) carbon free power to PG&E's non-renewable carbon free power, which includes both large hydro and nuclear. These two decisions have made it more difficult for Brilliant 100 to remain competitive with PG&E.

During the EBCE Board meeting on May 20, 2020, EBCE staff presented an informational item about the 2020/2021 budget with a proposal to set the rate for Brilliant 100 at a 3% premium

above PG&E rates and to decrease the discount for Bright Choice. It was noted that every 0.5% of the discount for Bright Choice equals \$2.7million in incremental revenue and that every 1% in Brilliant 100 premium equals \$1million in revenue (assuming no change to enrolled load).

During the staff presentation at the June 17, 2020, Board meeting EBCE staff noted that if the rate structure remains unchanged, the LDBP budget would need to be reduced by \$2.7 million for the coming year. At the Board meeting, EBCE staff recommended:

- No changes to the Brilliant 100 value proposition (i.e. maintain rate parity with PG&E) for the balance of 2020
- Close Brilliant 100 to new accounts and opt-ups effective July 1, 2020.
- Present 2021 Brilliant 100 options in September for Board action in Q4 2020
- Phase out Brilliant 100 by the end of 2021.
- Establish a rate for Brilliant that reflects the cost of the service – either 2.5% or 3% more than PG&E. This increase would likely go into effect on January 1, 2021.
- Effective in September, change the power mix for Brilliant 100 from 40% renewable to 33% renewable for remainder of 2020 to match the state's minimum renewable portfolio standard (RPS). Then the renewable content would be 35.8% in 2021 to match the RPS for that year.

There were many public comments on EBCE's budget during the June 17 Board meeting and several people made comments regarding Brilliant 100. All the speakers were in favor of phasing out Brilliant 100. Comments included:

- the use of large hydro-electric power perpetuates environmental racism
- if people want electricity with low GHGs, they should go with Renewable 100
- large hydro is a false solution while renewable energy creates local jobs

When the Board approved the budget on June 17, the Board voted to:

- Change the discount for Bright Choice from 1.5% to 1.0% below PG&E rates effective July 1, 2020.
- Consider changes to Brilliant 100 – to be decided this fall.
- Maintain the rate for Renewable 100 at \$0.01/kWh more than PG&E rates.

Options for Hayward – At this time, staff has identified the following options for Council's consideration. After a formal decision regarding Brilliant 100 is made by the EBCE Board, likely in September, staff will return to Council with a recommended course of action.

1. Change Hayward's default to Bright Choice effective January 1, 2021. This would result in most customers in Hayward paying 1% less (approximately \$1.00 per month for a typical residential customer) on their electricity bill compared to PG&E rates.
2. Keep Hayward's default as Brilliant 100 through the end of 2021. This would result in most Hayward customers paying 2.5 to 3% more for their electricity during calendar year 2021. Effective January 1, 2022, Hayward's default product would need to be changed to either Bright Choice or Renewable 100.

3. Change default to Renewable 100 effective January 1, 2021. Staff does not recommend this option as it would result in most customers in Hayward paying \$0.01/kWh more than PG&E rates. An average residential customer would pay approximately 4% to 5% more or approximately \$4 per month. If Renewable 100 is chosen as the default product, CARE, FERA or Medical Baseline could remain with Bright Choice however, there are likely many customers that are eligible for CARE/FERA/Medical Baseline, but they may be unaware of the programs and so they would pay the higher rates. There are also many residential customers that are just above the income thresholds for CARE and FERA so they don't qualify for the discount, but they may still suffer from financial challenges. Even for residential and commercial customers who have managed to maintain their income during the current pandemic, there may be some who will argue that the general economic conditions make this the wrong time to increase rates.

If EBCE is able to create a new product or other options with more of a compromise in terms of GHG emissions and price, staff will present them at a future meeting.

ECONOMIC IMPACT

Following are rate comparisons for a few typical customers showing rates that were effective May 1, 2020. A comprehensive list of rate comparisons is available on the EBCE website⁵. The comparisons will be updated soon to reflect the new Bright Choice differential of 1% from PG&E rates. Average monthly bill amounts represent a snapshot in time. In some cases, the value propositions (such as Brilliant 100 being equal to PG&E) are only evident when viewing 12 months of billing data.

Residential customer (monthly usage of 359 kWh):

Residential: E-1	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11752	\$0.09410	\$0.08177	\$0.08353	\$0.09353
PG&E Delivery Rate (\$/kWh)	\$0.15298	\$0.15298	\$0.15298	\$0.15298	\$0.15298
PG&E PCIA/FF (\$/kWh)	N/A	\$0.02979	\$0.03045	\$0.03045	\$0.03045
Total Electricity Cost (\$/kWh)	\$0.27050	\$0.27687	\$0.26520	\$0.26696	\$0.27696
Average Monthly Bill (\$)	\$97.11	\$99.39	\$95.20	\$95.84	\$99.43

Small commercial customer (monthly usage of 1,518 kWh):

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11565	\$0.07370	\$0.08135	\$0.08308	\$0.09308
PG&E Delivery Rate (\$/kWh)	\$0.14932	\$0.14932	\$0.14932	\$0.14932	\$0.14932
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04065	\$0.03257	\$0.03257	\$0.03257
Total Electricity Cost (\$/kWh)	\$0.26497	\$0.26367	\$0.26324	\$0.26497	\$0.27497
Average Monthly Bill (\$)	\$402.34	\$400.36	\$399.71	\$402.34	\$417.40

⁵ <https://ebce.org/wp-content/uploads/EBCE-Web-Comparison-May2020-new-EBCE-bill-format-2.pdf>

Large commercial customer (monthly usage of 263,181 kWh):

Commercial/Industrial: E-19 S	PG&E	PG&E Solar Choice (100% Renewable)	EBCE Bright Choice	EBCE Brilliant 100 (100% Carbon-free)	EBCE Renewable 100 (100% Renewable)
Generation Rate (\$/kWh)	\$0.11077	\$0.07230	\$0.07696	\$0.07862	\$0.08862
PG&E Delivery Rate (\$/kWh)	\$0.09000	\$0.09000	\$0.09000	\$0.09000	\$0.09000
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04013	\$0.03215	\$0.03215	\$0.03215
Total Electricity Cost (\$/kWh)	\$0.20077	\$0.20243	\$0.19911	\$0.20077	\$0.21077
Average Monthly Bill (\$)	\$52,838.76	\$53,275.64	\$52,401.88	\$52,838.76	\$55,470.66

FISCAL IMPACT

In addition to Brilliant 100 being the default product for the community, the City has approximately 450 municipal accounts enrolled in Brilliant 100. (The City's nine accounts that are part of the RES-BCT⁶ arrangement are not enrolled in EBCE.) The City spends approximately \$2.2 million annually on electricity. For the City's accounts that are enrolled in EBCE (Brilliant 100), the City spends approximately \$585,000 per year. If the City keeps its accounts enrolled in Brilliant 100 and rates are increased by 3%, annual costs will increase to approximately \$602,000. If the City's accounts are changed to Renewable 100, then annual costs would increase to approximately \$656,000. If municipal accounts are changed to Bright Choice, annual costs would be \$579,000. The above estimates are based on 2019 expenditures and do not account for annual increases that result from increases in PG&E rates.

Approximate Annual Costs	Total
Current spending on City accounts enrolled in Brilliant 100	\$585,000
If City keeps its accounts enrolled in Brilliant 100	\$602,000
If City's accounts are changed to Renewable 100	\$656,000
If City's accounts are changed to Bright Choice	\$579,000

STRATEGIC ROADMAP

This agenda item relates to the Strategic Priority of Combat Climate Change. Specifically, this agenda item relates to the implementation of the following project:

- Project 2: Work with EBCE to transition citywide electricity use to 100% carbon free (beginning in FY21)
- Project 3: Transition electricity use in city operations to 100% renewable energy (beginning in FY22)
- Project 4: Adopt and implement 2030 GHG Goal and Roadmap (beginning in FY21)

⁶ RES-BCT is the renewable energy self-generation bill credit transfer program. It is a PG&E program that allows excess bill credits from renewable energy generation at the Water Pollution Control Facility to be applied to other City facilities.

SUSTAINABILITY FEATURES

Community choice energy was identified in the City's Climate Action Plan as the program with the greatest potential to reduce community-wide GHG emissions. As noted above, Hayward's participation in EBCE has resulted in the 2020 GHG reduction goal being met two years early. Later this year when PG&E data becomes available, staff will update the GHG inventory for calendar year 2019, which was the first full year of EBCE service.

In addition to EBCE's efforts to deliver electricity that is clean than PG&E, EBCE is actively implementing its Local Development Business Plan (LDBP), which includes programs for building electrification and \$4.6 million for the development of electric vehicle charging infrastructure throughout Alameda County in 2020-2021. Full implementation of the LDBP is expected to result in the development of approximately 400 megawatts of new renewable energy facilities by 2025, which would result in significant further reductions in GHG emissions.

PUBLIC CONTACT

The EBCE Board discussed rates during their meetings on May 20, 2020 and June 17, 2020. EBCE facilitated a Public Comment Period from Friday, May 22, 2020 through Sunday, June 7, 2020; hosted two online webinars on Tuesday, June 2 and Wednesday, June 3; and hosted an audio-only meeting on Friday, June 5.

NEXT STEPS

Staff will present this item to Council during a work session on July 14, 2020. Staff will relay the Committee's comments to Council.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is written over a horizontal line.

Kelly McAdoo, City Manager



CITY OF HAYWARD

Hayward City Hall
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Hayward, CA 94541
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File #: ACT 20-049

DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Review and Comment on the Proposed 2020 Agenda Planning Calendar

RECOMMENDATION

That the Council Sustainability Committee (CSC) reviews and comments on this report.

SUMMARY

The proposed 2020 agenda planning calendar contains planned agenda topics for the Council Sustainability Committee meetings for the Committee's consideration. This agenda item is included in every Council Sustainability Committee agenda and will reflect any modifications to the planning calendar, including additions, rescheduled items, and/or cancelled items.

ATTACHMENTS

Attachment I Proposed 2020 Agenda Planning Calendar



DATE: July 13, 2020

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Review and Comment on the Proposed 2020 Agenda Planning Calendar

RECOMMENDATION

That the Council Sustainability Committee (CSC) reviews and comments on this report.

SUMMARY

The proposed 2020 agenda planning calendar contains planned agenda topics for the Council Sustainability Committee meetings for the Committee's consideration. This agenda item is included in every Council Sustainability Committee agenda and will reflect any modifications to the planning calendar, including additions, rescheduled items, and/or cancelled items.

DISCUSSION

For the Committee's consideration, staff suggests the following tentative agenda topics for 2020.

Underlined – Staff recommends item to be added to Approved Agenda Planning Calendar.

~~Strikeout~~ – Staff recommends item to be removed or rescheduled from previously Approved Agenda Planning Calendar

May 11, 2020 (meeting was canceled)
Update on Shoreline Master Plan (presented to Council on May 5)
Advanced Metering Infrastructure (AMI) Customer Portal Pilot Program Update
July 13, 2020
<u>Health and Climate Resilience Tax Credit Ballot Measure (Natural Gas Tax)</u>
<u>Possible Amendments to Noise Ordinance</u>
<u>Potential Rate Increase for Electricity from East Bay Community Energy</u>

Monday, September 14, 2020

[Five-Year Performance of Cogeneration Engine at the Water Pollution Control Facility](#)

[2018 Greenhouse Gas Emission Inventory](#)

Unscheduled Items

~~Single Use Food ware – Draft Ordinance~~

Sustainable Groundwater Plan

Long Term Water Conservation Framework

Low Carbon Concrete

Roadmap to Meet 2030 GHG Target

Pilot Program for Reusable Dishware

Advanced Metering Infrastructure (AMI) Customer Portal Pilot Program Update

[EV Charging Requirements for Existing Multifamily Properties](#)

[Limiting the Number of Service Stations Selling Fossil Fuel](#)

[Ending Natural Gas Use by 2045](#)

NEXT STEPS

Upon direction from the Committee, staff will revise the above list and schedule items accordingly for 2020.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager