

# Albany Net Zero Carbon 2050 and Proposed Utility Users Tax

Max Wei, Ron Golem

Albany Sustainability Committee

September 21, 2015

# Motivation

- Net Zero carbon goal in 2050
- 60% carbon pollution reduction in 2035  
General Plan
- 2020 CAP target – uncertainty in meeting target
- We need to support plans and upgrades now in reducing fuel and electricity consumption
  - CARE customers exempt in proposed UUT increase

# UUT Recommendation

## Background

- ASC recommends a net carbon zero city target in 2050
  - Already baked into 2035 General Plan as a 60% reduction from 2005
- Propose UUT in 2016 Nov Ballot to support CAP and support the long term target
  - 7% to 9% or about \$200,000 annual revenue
  - Brings Albany UUT tax in line with other East Bay Cities
  - 10 yr or 18 yr duration
- This presentation not meant to provide detailed implementation

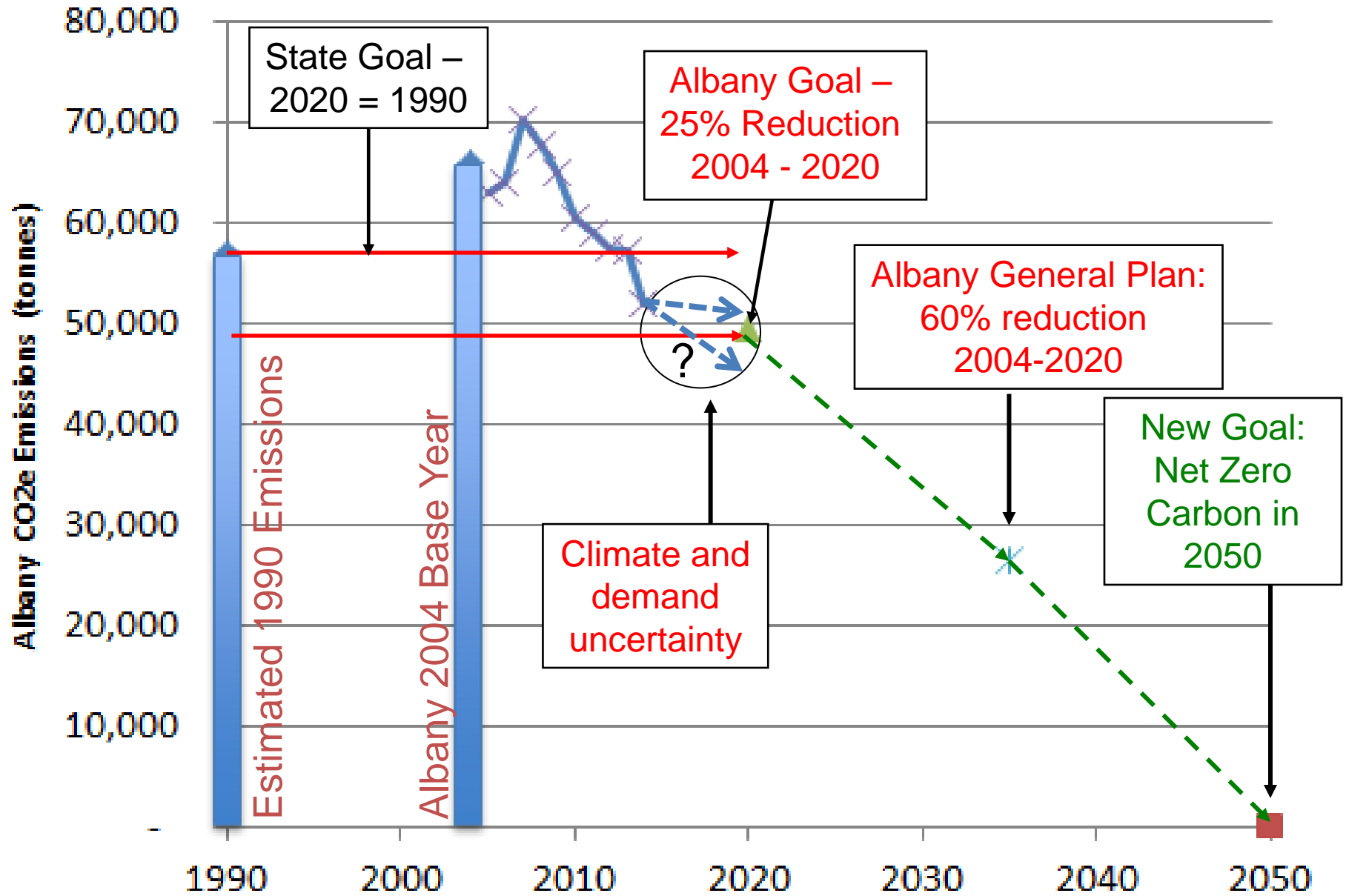
# Proposed Revenue Distribution

- Approach – Gear Revenue distribution to source of revenue: building energy reduction
- Target Carbon reduction as top priority
  - 1- Matching funds for building fuel reduction e.g. more efficient space and water heating, electrified heating ~ 50%
  - 2 –Building Energy audit support ~25%
  - 3 - Investment fund for EE/RE opportunities ~25%

# Disbursement – Incentives/Building Energy Audits

- First come first serve; or lottery
- Can adjust program / amounts in subsequent years based on demand
- E.g. 500 residents get \$300 rebate for energy efficient appliance
  - Focus on appliances, built-ins not LED/plug strips b/c those could be resold

# Albany GHG Emission Goals



Extra slides

# Proposed uses of revenue

1. Bulk of UUT for building energy reduction matching incentives or rebates. E.g. \$300-\$500 rebates on energy efficient water heaters (e.g. condensing water heaters or electric heat pump water heaters); energy efficient furnaces; efficient refrigerators, etc., with focus on installed appliances and natural gas reduction rather than LED or smart power strips since the latter discrete items can be resold. This could augment existing incentives (PG&E, etc) and provide additional incentives to spur upgrades. This could be disbursed either on a first come first serve basis or by lottery. e.g. 50% of total annual revenue.
2. "Energy investment fund" – part of the the UUT will be for supporting or promoting energy efficient programs or opportunities as they arise for the city or the community e.g. match funding, grant proposals. e.g. 20% of total revenue.
3. A portion of the UUT will be reserved for providing funding for building energy audits that will be required in upcoming proposed BEADO regulation. For example, UUT could pay for multiple BEADO assessments by doing an RFP to drive the cost down. e.g. 30% of total revenues

The UUT spending would require additional staff time to administer with the goal of no more than 10% - 15% of total revenues.

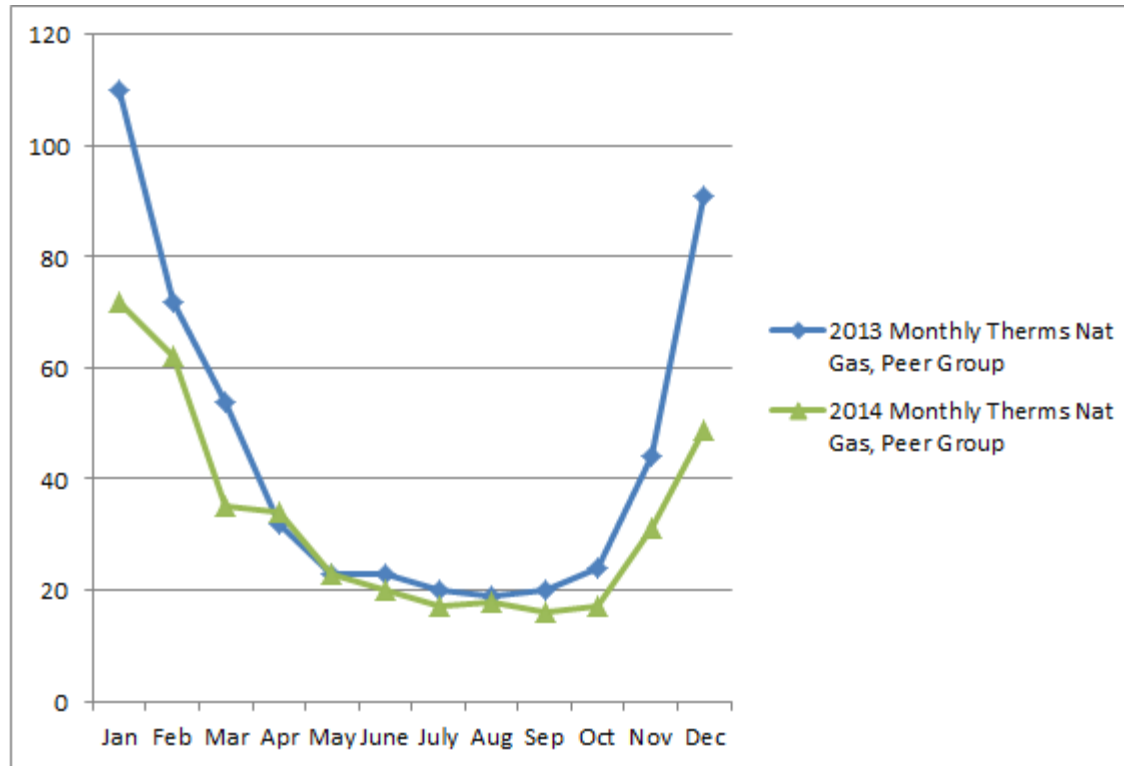
The exact details of these rollouts will be determined in the coming months and pending the details of the BEADO proposal.



# Q&A

- Is this more aggressive than Governor Brown's 40% reduction target (from 1990) by 2030?
  - Yes this is slightly more aggressive 42% vs 40% but also net zero target in 2050 is more aggressive than state's 80% goal
- What data do you have that Albany will support this measure?
  - All council members support CAP and greener Albany
  - Albany has high green cred with high PV rate, high HEV rate
  - This is not a large outlay on a per HH basis - \$25 est based on past analysis
- What is your outreach/ and campaigning plan to ensure the success of this measure?
  - The ACRAT organization will plan and lead outreach and campaign – this action-oriented group did not exist in past election cycles
  - Planned activities include doorknocking/ canvassing
  - Highlight the context of 2035 general plan focus on cleaner low carbon more sust city and 2050 net zero target
- What difference could a small town like Albany possibly make?
  - Model is that as CA is a leader for the U.S., cities lead the state
  - Past models include – city championed bike paths, curbside recycling
  - The state is lagging in areas on the end use efficiency side – e.g. home retrofits
- Since California has a cap and trade, doesn't our carbon reduction just mean that other cities and sources can pollute more?
  - If other cities adopt stricter carbon reduction measures, overall carbon targets could and should be tightened
  - The state is banking on improvement such as greater residential EE and programs such as these can help the state meet its target. Ie. If cities do not have supportive programs to the state, some sectors such as residential energy may fall short and other sectors will have to do more and not less

# Albany Natural Gas Consumption sharply reduced (-21.5%) in 2014 vs 2013



- Much lower consumption in Jan, Dec of 2014 than 2013
- 2014 warmest year on record
- Warmer winters and warmer evenings predicted + hotter summer weather (Intensity, Duration, Frequency)

# Some Climate Change impacts/implications

- A plausible scenario is that city meets its 2020 target due to warmer climate, less Nat. Gas usage.
- Should the city do more or re-tune its targets if the target's achievement is driven by exogenous forces?
- Another plausible future with a much warmer summer/fall climate is that people start to install room Air Conditioners and electricity use shoots up
  - Although that additional demand will be mitigated by cleaner grid electricity.