1	[Accept and Expend Grant - Retroactive - United States Department of Energy - Buildings Upgrade Challenge, Phase 1 - \$400,000]		
2			
3	Resolution retroactively authorizing the Department of the Environment ("Environment		
4	Department") to accept and expend a prize in the amount of \$400,000, which was		
5	confirmed as received by the Environment Department on December 12, 2023, from the		
6	United States Department of Energy's Office of Energy Efficiency and Renewable		
7	Energy, to develop a pilot implementation plan to upgrade up to 200 San Francisco		
8	homes with electric heat pump water heaters (HPWH) and energy efficiency measures;		
9	and to execute the contracts between the City and the Co-applicants necessary to carry		
10	out the purposes of the project for which the prize was awarded.		
11			
12	WHEREAS, The City and County of San Francisco is a long-standing leader in local		
13	and regional electrification and energy efficiency program development and implementation;		
14	and		
15	WHEREAS, On January 18, 2023, the U.S. Department of Energy (DOE) Buildings		
16	Upgrade Prize (Buildings UP) released a notice of capacity-building prizes focused on		
17	reducing greenhouse gas emissions in existing buildings through energy efficiency and		
18	efficient electrification; and		
19	WHEREAS, Buildings UP is implemented in three phases over approximately five		
20	years: Plan, Pilot Implementation, and Full-scale Implementation; and		
21	WHEREAS, In March 2023, air quality regulators in the San Francisco Bay Area		
22	mandated phasing out the sale of residential natural gas water heaters by 2027; and		
23	WHEREAS, On June 20, 2023, the Environment Department initiated a competitive		
24	process and released a Request for Qualifications to identify entities to be co-applicants in the		
25	Department's application for the Buildings UP concept; and		

1	WHEREAS, On July 3, 2023, the Environment Department issued a Notice of Selection		
2	identifying QuitCarbon Inc., Rising Sun Center for Opportunity, and PODER (together, "Co-		
3	Applicants") as co-applicants in the Department's submission to the DOE; and		
4	WHEREAS, On July 18, 2023, the Environment Department submitted its concept		
5	titled, "200 x 200: Fast Upgrades, Equitable Outcomes;" and		
6	6 WHEREAS, The concept aims to upgrade up to 200 San Francisco homes in 200 d		
7	with electric heat pump water heaters (HPWH) and energy efficiency measures; and		
8	WHEREAS, As the San Francisco Bay Area has mandated the phase-out on sales of		
9	residential natural gas water heaters by 2027, the concept will help ensure the electric HPW		
10	roll-out is affordable for all communities; and		
11	WHEREAS, On October 11, 2023, the DOE announced a proposed award of \$400,000		
12	and in-kind technical assistance from the DOE and its agents to the Environment Department		
13	and its Co-Applicants, QuitCarbon Inc., Rising Sun Center for Opportunity, and PODER; and		
14	WHEREAS, Phase 1 of this project began on the award date of December 12, 2023,		
15	when the Department confirmed the payment as received from the Department of Energy, and		
16	is not associated with a restricted time period; and		
17	WHEREAS, QuitCarbon Inc. has received a \$50,000 grant for its provision of software		
18	technology and equipment installation expertise in support of the prize; and		
19	WHEREAS, Rising Sun Center for Opportunity has received a \$75,000 grant for its		
20	provision of heat-pump installation training and workforce recruitment in support of the prize;		
21	and		
22	WHEREAS, PODER has received a \$75,000 grant for its efforts to engage and survey		
23	the impacted communities and residents in support of the development of the implementation		
24	plan; and		

25

1	WHEREAS, The Environment Department has collaborated with the Co-Applicants to			
2	develop a plan to implement a pilot program to compete in the next phase of the Buildings UF			
3	and			
4	WHEREAS, The Department was awarded an additional \$400,000 prize for Phase 2			
5	Buildings UP, dated March 17, 2025, and is submitting a separate resolution seeking Board			
6	Supervisors approval for Phase 2 of this prize; and			
7	WHEREAS, The prize does not require an Annual Salary Ordinance (ASO)			
8	amendment and partially funds the Environment Department for existing positions; and			
9	WHEREAS, Retroactive approval is being requested because this resolution was			
10	determined to be the best process for seeking authority to utilize a Federal prize, following			
11	discussions and clarification across multiple departments; and			
12	WHEREAS, The final, approved FY 2024-25 and FY 2025-26 AAO included the prize			
13	revenues and expenditures associated with these prize winnings; and			
14	WHEREAS, The Environment Department moved forward with expending the prize			
15	funds to continue competing for the next round of the Buildings UP funding, based on the			
16	belief that inclusion of the budget in the AAO was sufficient authority for federal prize			
17	winnings; and			
18	WHEREAS, The Environment Department has submitted all the documents applicable			
19	to this prize that are required in an Accept and Expend package submitted to the Board of			
20	Supervisors, and those documents are on file with the Clerk of the Board of Supervisors in			
21	File No; and			
22	WHEREAS, The prize budget reflects planned spending of indirect costs totaling			
23	\$71,457; now, therefore, be it			
24	RESOLVED, That the Director of the Environment Department is hereby retroactively			
25	authorized to accept and expend the United States Department of Energy - Buildings Upgrade			

1	Challenge - Phase 1 prize of \$400,000 on behalf of the City, in accordance with the purposes			
2	and goals for the funding; and, be it			
3	FURTHER RESOLVED, That the Director of the Environment Department is hereby			
4	retroactively authorized to enter into and execute all agreements, and amendments thereto,			
5	between the City and the Co-Applicants consistent with the aforementioned proposal and			
6	necessary to carry out the purpose of the prize.			
7				
8	Recommended:	Approved:/s/_		
9		Mayor		
10	/s/			
11	Department Head	Approved: /s/		
12		Controller		
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