## RESOLUTION NO.

1	[Accept and Expend Grant - Retroactive - United States Department of Energy - Buildings Upgrade Challenge, Phase 2 - \$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 March 17, 2025, from the		
6	United States Department of Energy's Office of Energy Efficiency and Renewable		
7	Energy, to implement a pilot program to upgrade 20 San Francisco homes with electric		
8	heat pump water heaters and energy efficiency measures.		
9			
10	WHEREAS, The City and County of San Francisco is a long-standing leader in local		
11	and regional electrification and energy efficiency program development and implementation;		
12	and		
13	WHEREAS, On January 18, 2023, the U.S. Department of Energy (DOE) Buildings		
14	Upgrade Prize (Buildings UP) released a notice of capacity-building prizes focused on		
15	reducing greenhouse gas emissions in existing buildings through energy efficiency and		
16	efficient electrification; and		
17	WHEREAS, Buildings UP is implemented in three phases over approximately five		
18	years: Plan, Pilot Implementation, and Full-scale Implementation; and		
19	WHEREAS, In March 2023, air quality regulators in the San Francisco Bay Area		
20	mandated phasing out the sale of residential natural gas water heaters by 2027; and		
21	WHEREAS, On July 18, 2023, the Environment Department submitted its concept		
22	titled, "200 x 200: Fast Upgrades, Equitable Outcomes;" and		
23	WHEREAS, The concept aims to upgrade up to 200 single-family homes in 200 days		
24	with electric heat pump water heaters (HPWH) and energy efficiency improvements; and		
25			

1	WHEREAS, As the San Francisco Bay Area has mandated the phase-out on sales of		
2	residential natural gas water heaters by 2027, the concept will help ensure the electric HPWF		
3	roll-out is affordable for all communities; and		
4	WHEREAS, On December 15, 2023, the Environment Department received the prize		
5	\$400,000 to conduct Phase 1, creating a plan to implement the concept; and		
6	WHEREAS, On November 22, 2024, the Environment Department and its Co-		
7	Applicants successfully completed Phase 1 by submitting the plan and other required		
8	documents, as well as passing an oral interview with the DOE; and		
9	WHEREAS, On December 5, 2024, the DOE announced another prize of \$400,000 to		
10	the Environment Department to conduct Phase 2, Pilot Implementation; and		
11	WHEREAS, The prize for Phase 2, Pilot Implementation, funds a pilot program that		
12	aims to upgrade at least 20 single-family homes; and		
13	WHEREAS, The pilot program will provide insights and lessons-learned to effectuate		
14	the goal of upgrading 200 single-family homes in 200 days with HPWH and energy efficiency		
15	improvements during the final phase of Buildings UP; and		
16	WHEREAS, The Environment Department intends to collaborate with the San		
17	Francisco Climate Equity Hub to promote and implement the pilot program; and		
18	WHEREAS, If the pilot program is successful, DOE may grant the Department an		
19	additional \$400,000 in Phase 3; and		
20	WHEREAS, Phase 2 of this project began on March 17, 2025, when the Department		
21	confirmed the payment as received from the Department of Energy, and is not associated wit		
22	a restricted time period; and		
23	WHEREAS, The prize does not require an Annual Salary Ordinance (ASO)		
24	amendment and partially funds the Environment Department for existing positions; and		
25	WHEREAS, Retroactive approval is being requested because this resolution was		

1	determined to be the best process for seeking authority to utilize a Federal prize, following		
2	discussions and clarification across multiple departments; and		
3	WHEREAS, The final, approved Fiscal Year (FY) 2024-2025 and FY2025-2026 Annua		
4	Appropriations Ordinance included the prize revenues and expenditures associated with these		
5	prize winnings; and		
6	WHEREAS, The Environment Department has submitted all the documents applicable		
7	to this prize that are required in an Accept and Expend package submitted to the Board of		
8	Supervisors, and those documents are on file with the Clerk of the Board of Supervisors in		
9	File No; and		
10	WHEREAS, The prize budget reflects planned spending of indirect costs totaling		
11	\$41,227; now, therefore, be it		
12	RESOLVED, That the Director of the Environment Department is hereby retroactively		
13	authorized to accept and expend the United States Department of Energy - Buildings Upgrad		
14	Challenge - Phase 2 prize of \$400,000 on behalf of the City, in accordance with the purposes		
15	and goals for the funding.		
16			
17			
18	Recommended:	Approved: <u>/s/ Sophie Kittler for</u>	
19		Daniel Lurie, Mayor	
20	<u>/s/</u>	Approved: /s/ Jocelyn Quintos for	
21	Tyrone Jue, Director	Greg Wagner, Controller	
22	Environment		
23			
24			

25