



ENERGY & SUSTAINABILITY COMMITTEE AGENDA

**THURSDAY, APRIL 11, 2024
12:00 p.m.**

**CVAG Conference Room
73-710 Fred Waring Drive, Suite 104
Palm Desert, CA 92260**

Members of the Committee and the public may attend and participate by video at the following remote location:

**Blythe City Hall
235 N Broadway, Room A
Blythe, CA 92225**

Members of the public may use the following link for listening access and ability to address the Energy & Sustainability Committee when called upon:

<https://us02web.zoom.us/j/89961205605?pwd=elhmUkJlejFxWVkyZlFQ1bzBOcGxmQT09>

**Dial In: +1 669 900 9128
Webinar ID: 899 6120 5605
Password: 622673**

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127

Public Comment is encouraged to be emailed to the Energy & Sustainability Committee prior to the meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA**

**UNLESS OTHERWISE STATED, ALL ACTION ITEMS WILL BE PRESENTED TO THE
EXECUTIVE COMMITTEE FOR FINAL APPROVAL.**

1. **CALL TO ORDER** – Councilmember Oscar Ortiz, City of Indio, Chair

2. **ROLL CALL**

A. Member Roster

P4

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Anyone wishing to address the Energy & Sustainability Committee on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the Chair, additional public comment time and/or opportunities during the meeting may be granted.

5. **COMMITTEE MEMBER / DIRECTOR COMMENTS**

6. **CONSENT CALENDAR**

A. Approve the February 8, 2024 Committee Meeting Minutes

P5

B. Approve Amendment Six to the AB 2766 Memorandum of Understanding between CVAG and the member jurisdictions to maintain the contributions at 75% for the Regional PM 10 Street Sweeping Program, through June 30, 2026

P8

7. **DISCUSSION / ACTION**

A. **Presentation: Lithium Extraction at the Salton Sea** – Bari Bean, Imperial County Deputy Chief Executive Officer for Natural Resources

P11

Recommendation: Information

B. **Update on the Coachella Valley Energy Commission** – Emmanuel Martinez

P13

Recommendation: Information

- C. **Update on the Climate Pollution Reduction Grant Application and the Region’s Priority Climate Action Plan – Jacob Alvarez** **P15**

Recommendation: Information

8. **INFORMATION**

- A. **Attendance Record** **P19**

- B. **Update on Distributed Energy Resources & Microgrids** **P20**

9. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

Any member of the public wishing to address the Committee on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the Chair, additional public comment time and/or opportunities during the meeting may be granted.

10. **ANNOUNCEMENTS**

The next meeting of the **Energy & Sustainability Committee** will be held on Thursday, May 9, 2024, at noon at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert, 92260.

The next meeting of the **Executive Committee** will be held on Monday, April 29, 2024, at 4:30 p.m. at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert, 92260

11. **ADJOURN**

ITEM 2A

**Energy & Sustainability Committee
Member Roster
2023 – 2024**



VOTING MEMBERS	
Agua Caliente Band of Cahuilla Indians	Tribal Vice Chair Candace Patencio Anderson
City of Blythe	Mayor Joseph DeConinck
City of Cathedral City	Mayor Pro Tem Nancy Ross
City of Coachella	Mayor Pro Tem Stephanie Virgen
Coachella Valley Water District	Board Member Anthony Bianco
City of Desert Hot Springs	Councilmember Russell Betts
Imperial Irrigation District	Director JB Hamby
City of Indian Wells	Councilmember Donna Griffith
City of Indio	Councilmember Oscar Ortiz, <i>Chair</i>
City of La Quinta	Mayor Linda Evans, <i>Vice Chair</i>
Mission Springs Water District	Director Amber Duff
City of Palm Desert	Councilmember Gina Nestande
City of Palm Springs	Mayor Pro Tem Ron deHarte
City of Rancho Mirage	Mayor Pro Tem Ted Weill
Riverside County – District 4	Supervisor V. Manuel Perez
Torres Martinez Desert Cahuilla Indians	Secretary Altrena Santillanes
Ex-Officio / Non-Voting Members	
Riverside County – District 5	Supervisor Yxstian Gutierrez

ITEM 6A

Energy & Sustainability Committee Meeting Minutes February 8, 2024



The audio file for this meeting can be found at: <http://www.cvag.org/audio.htm>

- 1. CALL TO ORDER** – The meeting was called to order by Chair Oscar Ortiz, City of Indio, at 12:00 p.m. at the CVAG Conference Room, 73-710 Fred Waring Drive, Suite 104, in the City of Palm Desert. Zoom videoconferencing was available at locations in the Cities of Blythe and Bakersfield.
- 2. ROLL CALL** – Roll call was taken and it was determined that a quorum was present.

Members Present

Vice Chair Candace Patencio Anderson
Mayor Joseph DeConinck
Mayor Pro Tem Nancy Ross
Mayor Pro Tem Stephanie Virgen
Director JB Hamby
Councilmember Donna Griffith
Councilmember Oscar Ortiz, *Chair*
Mayor Linda Evans, *Vice Chair*
Councilmember Gina Nestande
Mayor Pro Tem Ron deHarte
Mayor Pro Tem Ted Weill
Supervisor V. Manuel Perez

Agency

Agua Caliente Band of Cahuilla Indians
City of Blythe (via Zoom)
City of Cathedral City
City of Coachella
Imperial Irrigation District
City of Indian Wells (via Zoom)
City of Indio
City of La Quinta
City of Palm Desert
City of Palm Springs
City of Rancho Mirage
Riverside County – District 4

Members/ Ex-Officios Not Present

Director Anthony Bianco
Councilmember Russell Betts
Director Amber Duff
Secretary Altrena Santillanes
Supervisor Yxstian Gutierrez

Coachella Valley Water District
City of Desert Hot Springs
Mission Springs Water District
Torres Martinez Desert Cahuilla Indians
Riverside County – District 5

3. PLEDGE OF ALLEGIANCE

Vice Chair Linda Evans led the committee in the pledge of allegiance.

4. PUBLIC COMMENTS ON AGENDA ITEMS

Brad Anderson, resident of Rancho Mirage, addressed the committee regarding items 7A and 7B on the agenda stating he has concerns on the items and will monitor today's updates on them.

5. COMMITTEE MEMBER / DIRECTOR COMMENTS

Mayor Pro Tem Stephanie Virgen announced that the City of Coachella is having a women's summit in March for Women's History Month and is seeking sponsors.

Chair Ortiz gave an update on recent discussions and actions by the Southern California Association of Governments (SCAG) Energy and Environment Committee and Regional Council.

6. CONSENT CALENDAR

A. Approve January 11, 2024 Committee Meeting Minutes

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY DIRECTOR HAMBY TO APPROVE THE CONSENT CALENDAR.

THE MOTION CARRIED WITH 12 AYES AND 4 MEMBERS ABSENT.

Vice Chair Patencio Anderson	Aye
Mayor DeConinck	Aye
Mayor Pro Tem Ross	Aye
Mayor Pro Tem Virgen	Aye
Director Bianco	Absent
Councilmember Betts	Absent
Director Hamby	Aye
Councilmember Griffith	Aye
Councilmember Ortiz	Aye
Mayor Evans	Aye
Director Duff	Absent
Councilmember Nestande	Aye
Mayor Pro Tem deHarte	Aye
Mayor Pro Tem Weill	Aye
Supervisor Perez	Aye
Secretary Santillanes	Absent

7. DISCUSSION / ACTION

B. Next Steps for Coachella Valley Energy Commission and Ongoing Analysis of Regional Alternative Governance

This item was taken out of order at the direction of the Committee.

Program Manager Emmanuel Martinez presented the staff report.

Eric Douglas, founder and consultant of Leading Resources Inc. (LRI), and Jim Tracy, consultant with LRI, joined via Zoom to share the key parts of their proposal, next steps on the study and appreciation for the opportunity to work with CVAG on this project.

Member discussion ensued with Mr. Douglas answering questions from the committee.

No vote was taken as this was an informational item.

A. Update from the South Coast Air Quality Management District

Executive Director Tom Kirk presented the staff report, and introduced Ian MacMillan, South Coast Air Quality Assistant Deputy Executive Officer, who provided an update on the latest State Implementation Plan (SIP) revision for the Coachella Valley and the recent wind-driven dust events.

Member discussion ensued with Mr. MacMillan answering questions from the committee.

No vote was taken as this was an informational item.

8. INFORMATION – The following items were provided in the agenda for information only:

A. Attendance Record

B. Update on Property Assessed Clean Energy (PACE) Program

9. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Brad Anderson, resident of Rancho Mirage, addressed the committee and expressed his concern about public comment and asked the committee to resume accepting comments at individual agenda items.

10. ANNOUNCEMENTS

The next meeting of the **Energy & Sustainability Committee** will be held on Thursday, April 11, 2024, at noon at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert, 92260.

The next meeting of the **Executive Committee** will be held on Monday, February 26, 2024, at 4:30 p.m. at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert, 92260

11. ADJOURN

Chair Ortiz adjourned the meeting at 1:30 p.m.

Respectfully submitted,

Elysia Regalado, Management Analyst

ITEM 6B

Coachella Valley Association of Governments
Energy & Sustainability Committee
April 11, 2024



STAFF REPORT

Subject: Amendment Six to AB 2766 Memorandum of Understanding

Contact: Gustavo Gomez, Transportation Management Analyst (ggomez@cvag.org)

Recommendation: Approve Amendment Six to the AB 2766 Memorandum of Understanding between CVAG and the member jurisdictions to maintain the contributions at 75% for the Regional PM 10 Street Sweeping Program, through June 30, 2026

Background: Since the early 1990s, CVAG and its member agencies have cooperated on the Regional PM 10 Street Sweeping Program. This program is the best available control measure to reduce PM 10 (particulate matter of less than 10 microns), which originates from dust-generated activities such as vehicle traffic and construction. PM 10 is a criteria air pollutant and poses a significant risk to public health if left unabated. As such, CVAG member agencies have participated in the AB 2766 Memorandum of Understanding (MOU), where they contribute 75% of their AB 2766 funds to CVAG for the program. This program is a key component of the Coachella Valley's State Implementation Plan to address high levels of PM 10, which places the Coachella Valley in non-attainment.

In June 2020, the CVAG Executive Committee approved Amendment Number 5 to the MOU for a term of four years. It is set to expire on June 30, 2024. Staff is now recommending Amendment 6 to the MOU, which retains the same contribution level but for a shorter, two-year term. This will allow CVAG staff time to assess the impact that the increasingly frequent and severe blowsand events have on regional roads.

Weather events like the Valentine's Day storm in February 2019 and Tropical Storm Hilary in August 2023 were unprecedented for the desert. Tropical Storm Hilary brought an excessive amount of mud and sediment runoff, which compounded by severe winds has resulted in a substantial increase in the volume of dirt needing to be swept. As these events become more frequent, CVAG staff recognizes the need to take a proactive approach to assess the situation and associated program costs more frequently than every four years. Based on the assessment and findings over the next two years, CVAG staff will provide a recommendation on the current 75% commitment or if adjustments are warranted.

CVAG staff recommends that Amendment Six to the MOU to maintain the 75% commitment of AB 2766 funds from CVAG member jurisdictions be continued for the next two fiscal years through June 30, 2026. With approval by the CVAG Executive Committee, Amendment Six will be circulated to all participating member agencies for approval by their respective governing bodies.

Fiscal Analysis: AB 2766 funds are allocated to CVAG's individual jurisdictions as a percentage of vehicle license plate renewals. Through the MOU, these funds are redirected to the Regional PM 10 Street Sweeping Program.

Currently CleanStreet is under contract to conduct the regional street sweeping program for CVAG. The program is a cost-effective approach to keeping all the major streets in the Coachella Valley clean due to economies of scale, which results in low per-mile cost. Additionally, the program has historically

received support from the South Coast Air Quality Management District (SCAQMD). In January 2019 the SCAQMD awarded CVAG a grant in the amount of \$1,150,000 for five years of the street sweeping program. The grant is in year three with an allocation amount of \$220,000 per year.

The City of Palm Springs also holds an agreement with Caltrans for the sweeping of State Highway 111 within City limits. Since 2005 CVAG has facilitated the inclusion of State Highway 111 in the City Palm Springs into the Regional PM10 Street Sweeping Program and receives an estimated \$27,000.

Attachment:

1. Amendment Six to AB 2766 Memorandum of Understanding

**AMENDMENT SIX
TO
AB 2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND
CVAG MEMBER JURISDICTIONS**

JULY 1, 2024

The AB 2766 Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the CVAG member jurisdictions. The parties acknowledge that this Amendment shall be for the period starting July 1, 2024, and shall bind the parties hereunder for the entire term of the two-year amendment; through June 30, 2026.

The AB 2766 MOU is hereby amended through this Amendment Six as follows:

- 1) At their April 29, 2024, meeting, the Executive Committee approved to maintain CVAG's AB 2766 formula at **75%** to provide sustainable funding of the Regional PM 10 Street Sweeping Program and related activities starting July 1, 2024 through June 30, 2026;
- 2) All other terms and conditions shall remain the same.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: _____

Title: Scott Matas, CVAG Chair

Date: _____

CITY (COUNTY) OF _____

By: _____

Title: _____

Date: _____

ITEM 7A

**Coachella Valley Association of Governments
Energy & Sustainability Committee
April 11, 2024**



STAFF REPORT

Subject: Presentation: Lithium Extraction at the Salton Sea

Contact: Emmanuel Martinez, Program Manager- External Affairs (emartinez@cvag.org)

Recommendation: Information

Background: One of the key topics of interest to the Energy & Sustainability Committee and the region relates to the environmental, economic and public health issues associated with the shrinking Salton Sea. As the water inflows decrease, sea levels will decline, exposing highly emissive lakebed or playa that contributes to poor air quality, including PM 10, one of the region's key criteria pollutant. Most recently, the Committee has received updates on efforts to mitigate declining water levels and on the Colorado River water negotiations that have an impact regionally. Given the nexus to the Salton Sea, members of the Energy & Sustainability also requested an update on lithium extraction at the Sea. As the state moves to meet its aggressive climate and clean energy related goals, there has been an increased demand for lithium, a mineral that is a key ingredient needed for battery storage and vehicle electrification.

The geothermal infrastructure that exists at the Salton Sea and the availability of lithium has prompted considerable interests in commercially recovering said mineral for purposes of helping to meet the state's battery storage and climate related goals. In 2020, Assemblymember Eduardo Garcia led the passage of Assembly Bill (AB) 1657, which established the Blue Ribbon Commission on Lithium Extraction. The Commission is comprised of 14 members, including non-profits, environmental, energy and Tribal partners. They were tasked with delivering a report to the Legislature that was delivered on October 2022. The purpose of the Commission's report was to identify recommendations across a number of issue areas, including but not limited to, market opportunities, electric grid benefits, technical and economic challenges, and safety and environmental protections. The report (attached) also includes community priorities, including community engagement and accruing benefits to local communities.

According to the Lithium Valley Commission's report, the Salton Sea Known Geothermal Resource Area is believed to have the highest concentration of lithium contained in the world. Through already existing closed-looped geothermal infrastructure systems, lithium recovery is an added benefit of their existing process. Using this closed-looped systems is also a preferred environmental method in comparison to open hard rock mining and evaporative ponds that are used in other countries. It is also important to note that lithium has been listed as a critical mineral for the United States per Executive Order 13817, positioning the Salton Sea region to be a key competitor and source for the mineral.

In January of this year, Controlled Thermal Resources broke ground on Hell's Kitchen Plant 1. This project will produce 40 megawatts of geothermal energy and produce approximately 25,000 metric tons of lithium annually, which is the amount needed for approximately 415,000 electric vehicle batteries.

To help facilitate planning and permitting and community engagement for related projects, Imperial County has appointed Bari Bean as the County's Deputy Chief Executive Officer for Natural Resources. Ms. Bean will attend the April meeting of the Energy & Sustainability Committee to provide

a presentation on lithium recovery at the Salton Sea and address any questions the committee members may have.

Fiscal Analysis: There is no cost to CVAG for this update.

Attachment:

- Report of the Blue Ribbon Commission on Lithium Extraction in California:
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=247861>

ITEM 7B

Coachella Valley Association of Governments Energy & Sustainability Committee

April 11, 2024



STAFF REPORT

Subject: Update on the Coachella Valley Energy Commission

Contact: Emmanuel Martinez, Program Manager - External Affairs (emartinez@cvag.org)

Recommendation: Information

Background: CVAG has been actively working with Imperial Irrigation District (IID), member jurisdictions and Coachella Valley Water District (CVWD) to address long-term issues around electricity service in eastern Riverside County. In January 2024, based on feedback from IID's Coachella Valley Energy Commission (CVEC) and at the recommendation of CVAG's Energy & Sustainability Committee, CVAG's Executive Committee authorized the Executive Director to address Coachella Valley representation on Imperial Irrigation District electrical service matters by negotiating terms and entering into an agreement with the Leading Resources Incorporated (LRI) for the Long-Term Governance and Electrical Services Strategic Plan. The cost of this study is being split between IID and CVWD. In February, CVAG staff provided the Energy & Sustainability Committee with an update regarding the Coachella Valley Energy Commission's strategic planning efforts and the LRI team previewed their approach.

At its April meeting, CVAG staff will provide the Energy & Sustainability Committee with a recap of LRI's first strategic planning session, which is taking place with the CVEC members on April 3-4.

The two-day session by LRI will focus on topics that include setting goals of the process, assessing current service level and identifying gaps and governance options. Through the facilitated strategic process with LRI, CVEC will identify next steps, such as key information or analysis need to better inform identified issues as well as discuss process to move forward. The first strategic planning session will take place at the Indian Wells Golf Resort and both sessions will be from 1-5 p.m. each day.

The session will also allow CVEC members to review legislative matters, including two key bills that relate to CVEC. Assembly Bill (AB) 2172 by Assemblymember Greg Wallis would require the California State Auditor's Office to conduct a comprehensive assessment and inventory of IID's assets. Originally a spot bill, AB 2172 was amended on March 21 with its current, substantive language. The assessment would identify the location of the asset relative to IID's jurisdictional boundary, asset depreciation and capital improvement plans. The bill would require the inventory assessment be submitted to the legislature by September 30, 2025. The bill has been referred to the Assembly Utilities and Energy Committee, but no hearing date has been set.

In addition, Assemblymember Eduardo Garcia has authored AB 3198, which relates to joint powers agreements. At the CVEC committee meeting of March 14, Assemblymember Garcia made public comments regarding his willingness to use AB 3198 as a legislative vehicle to move forward CVEC's collective governance work. AB 3198 was referred to the Assembly Local Government Committee and the bill has not been set for a hearing. April 26 is the deadline for policy committees to hear and report fiscal bills, and May 3 for non-fiscal bills. CVAG staff will continue to monitor these bills to keep the committee apprised.

Fiscal Analysis: There is no cost to CVAG for this plan. CVAG has entered into an agreement with LRI for work to complete the strategic plan. Staff has finalized the cost-sharing plan with IID and CVWD. CVWD and IID agreed to equally share the cost of the strategic plan, which is \$230,000 inclusive of \$30,000 for travel-related costs.

Staff time related to this work is covered under the existing memorandum of understanding with IID, which is billed on a time and materials basis.

Attachments:

- Bill text for AB 2172:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2172
- Bill text for AB 3198:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB3198

ITEM 7C

Coachella Valley Association of Governments Energy & Sustainability Committee

April 11, 2024



STAFF REPORT

Subject: Update on the Climate Pollution Reduction Grant Application and the Region's Priority Climate Action Plan

Contact: Jacob Alvarez, Program Manager (jalvarez@cvag.org)

Recommendation: Information

Background: In recent months, the Energy & Sustainability Committee has been provided updates on the efforts to secure funding through the Inflation Reduction Act (IRA). At CVAG's January 29 Executive Committee, CVAG's Executive Director was authorized to take any necessary steps for CVAG to participate in the submission of an application for the Environmental Protection Agency's (EPA) Climate Pollution Reduction Grant (CPRG), including executing an agreement between partnering agencies. The application and the required Priority Climate Action Plans (PCAP) have now been completed, and this report provides an overview of what was included.

CVAG is collaborating with Western Riverside Council of Governments (WRCOG) and San Bernardino Council of Governments (SBCOG) on a joint Regional Energy Network (REN) for the Inland Empire, known as Inland Regional Energy Network (I-REN). I-REN is governed by an Executive Committee, with CVAG's votes represented by the Energy & Sustainability Committee Chair, or Vice Chair as needed.

The IRA provides an investment of \$5 billion to the EPA to support efforts by states and municipalities thereof to develop and implement local greenhouse gas (GHG) reduction strategies. The EPA in 2023 unveiled the Climate Pollution Reduction Grant Program (CPRG) to provide grants to states, local governments, tribes, and territories to develop and implement Priority Climate Action Plans (PCAP) for reducing GHG emissions and other harmful air pollution. This grant program provided \$250 million for non-competitive planning grants, and the remaining \$4.6 million in competitive implementation grants.

To be eligible for implementation grant funding, a project must be in a PCAP. The EPA allocated funding to 117 entities nationally to prepare these studies and identify GHG emissions reduction strategies. This funding was provided to states as well as regional governments representing Metropolitan Statistical Areas (MSAs), which are designated by the U.S. Census and represent countywide or multi-county areas with a significant level of economic interaction. The Riverside-San Bernardino-Ontario MSA was one of the selected entities, and funding went to San Bernardino Council of Governments (SBCOG) to lead the PCAP. SBCOG, CVAG and Western Riverside Council of Governments (WRCOG) are already collaborating on the Inland Regional Energy Network. Additional partnerships for the PCAP were created with South Coast Air Quality Management District (SCAQMD) and other stakeholders.

The regional PCAP was completed and submitted to the EPA by March 1, 2024. At Energy & Sustainability's January 11 meeting, staff informed the committee that CVAG reached out to member

jurisdictions to provide feedback on project types that should be included into the PCAP. CVAG staff's goal was to include as many project types as possible into the PCAP to create options for this and future funding cycles.

Within the PCAP, three programs received prioritization for CPRG implementation funding: Light Duty Electric Vehicle Infrastructure, Goods Movement Decarbonization, and Building Decarbonization, encompassing both public and residential buildings. PCAP measures provided by all three Council of Governments, as well as partners at SunLine Transit Agency, can be found in the Riverside-San Bernardino-Ontario MSA Priority Climate Action Plan: https://cvag.org/wp-content/uploads/2024/03/Riverside_San-Bernardino_Ontario_PCAP.pdf

EPA's implementation grant applications were due by April 1, 2024. SBCOG, on behalf of the MSA, submitted a grant proposal named Decarbonization and Equitable Climate Action and Resilience Building for the Inland Empire (DECARB IE) on March 29. The application includes three programs for funding. It requested \$58.2 million for light duty electric vehicle infrastructure; \$106.7 million for public building decarbonization; and \$29.1 million for residential building decarbonization. If awarded, these programs will be led by SBCOG, WRCOG and CVAG under a programming arrangement that would be finalized later. The cumulative GHG emissions reductions are projected to exceed 778,000 metric tons of CO₂ equivalent from 2025 through 2050.

As lead of the residential building decarbonization program, CVAG staff based the program's framework on California Energy Commission's (CEC) Equitable Building Decarbonization program guidelines. Additional funding from the CPRG would complement the CEC's upcoming Equitable Building Decarbonization Direct Install program, which provides low or no cost decarbonization retrofits like HVAC, lighting, water heating equipment, insulation, and weatherization to Low-Income Disadvantaged Community (LIDAC) households. CPRG funding will be utilized, when possible, toward the installation of solar and battery storage systems. This aims to enhance the affordability of electricity bills for LIDAC households, as the use of CEC's program funds for this purpose is currently prohibited. Installation of solar and battery storage is noteworthy because it provides resilience to households by supplying much needed energy during blackouts, brownouts and/or to utilize during high peak energy demand, particularly during extreme heat events.

As noted at Energy & Sustainability's January meeting, staff at SCAQMD and Southern California Association of Governments (SCAG) also explored opportunities to take the lead on the applications targeting goods movement within two MSAs: the Riverside-San Bernardino-Ontario MSA and the Los Angeles- Long Beach-Anaheim MSA. SCAQMD led its own application and has utilized both Riverside-San Bernardino-Ontario and Los Angeles- and Long Beach-Anaheim PCAPs for its submission of a CPRG grant proposal named Infrastructure, Vehicles, and Equipment Strategy for Climate Equity, Air Quality, and National Competitiveness (INVEST CLEAN). The Executive Directors from the I-REN councils of governments issued a letter of support for the application.

Fiscal Analysis: There is no additional cost to CVAG for these items. Staff time dedicated to I-REN and the costs of the services of consultants are covered through the I-REN budget.

Attachment: South Coast Air Quality Management District CPRG Letter of Support



March 21, 2024

Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: South Coast Air Quality Management District Climate Pollution Reduction Grant regional proposal, INVEST CLEAN

Dear Executive Officer Nastri:

On behalf of the San Bernardino County Transportation Authority/San Bernardino Council of Governments (SBCTA/SBCOG), Western Riverside Council of Governments (WRCOG), and Coachella Valley Association of Governments (CVAG), we write to express our commitment and support for the regional U.S. Environmental Protection Agency (U.S. EPA) Climate Pollution Reduction Grant (CPRG) application led by the South Coast Air Quality Management District (South Coast AQMD). The INVEST CLEAN Project (Infrastructure, Vehicles, and Equipment Strategy for Climate Equity, Air Quality, and National Competitiveness) aligns with U.S. EPA's ambitious CPRG goals, Justice40, and Joint Office of Energy and Transportation, "National Zero-Emission Freight Corridor Strategy." It is an all-of-government project with strong industry, labor, and community participants and supported by the Priority Climate Action Plans (PCAPs) for two Metropolitan Statistical Areas (MSAs): Los Angeles – Long Beach – Orange County MSA and the Riverside – San Bernardino – Ontario MSA, as well as the State of California. This is a unique opportunity for EPA to help the South Coast Air Basin clean up mobile sources for which the federal government bears substantial responsibility in our quest to attain the federal PM 2.5 and ozone standards.

The Inland Empire (I.E.) is home to one of the largest logistics hubs in the U.S., with over 500 million square feet of industrial square footage, an extensive interstate highway and freight rail network, and multiple intermodal facilities. The I.E. contains over 60 percent of the larger industrial/distribution buildings (over 150,000 square feet in size) in the six-county Southern California region. This means that the I.E. is an excellent place to efficiently invest CPRG funding to accelerate the transition to zero-emission trucks and the full range of zero-emission cargo-handling equipment needed to operate these major facilities. Dealing with larger facilities and a concentration of industrial property owners and fleet operators will enable more economies of scale, in terms of benefit per dollar invested by EPA. This, in turn, will bring significant improvement in air quality to the many disadvantaged communities within our region.

INVEST CLEAN will foster economic resilience and community well-being in this vital logistics hub by investing in electric and hydrogen-powered trucks and the accompanying charging and fueling infrastructure along key transportation corridors, such as Interstates 10 and 15. The Southern California Association of Governments (SCAG) has noted that half of all Americans exposed to PM 2.5 pollution exceeding the national standard reside in the SCAG region.

March 21, 2024
Wayne Nastri
Page 2

INVEST CLEAN is a transformational initiative aimed at overcoming barriers to transitioning the Southern California goods movement supply chain to zero-emission technologies. This project targets issues such as inadequate charging infrastructure, cost of medium- and heavy-duty vehicles and equipment, and scarcity of real-world deployments to demonstrate zero-emission technologies. INVEST CLEAN is also designed to uplift communities through a robust workforce training program in partnership with labor and educational institutions. Further, INVEST CLEAN integrates community input and benefits into implementable projects and creates an innovative program to help mitigate the air quality impacts of goods movement on our most vulnerable residents, building on existing efforts, while also significantly reducing greenhouse gas emissions.

INVEST CLEAN will drive innovative and sustainable changes within the goods movement industry, a major source of greenhouse gas emissions in Southern California. These efforts will foster economic expansion by promoting the manufacturing of U.S. made vehicles and equipment. Furthermore, it will serve as a catalyst for nationwide improvements in goods movement by establishing a blueprint and leveraging economies of scale.

We earnestly advocate for the U.S. EPA's favorable consideration and support for INVEST CLEAN. Please feel free to contact us for any reason regarding our support for this invaluable project.

Sincerely,



Dr. Raymond Wolfe
Executive Director
SBCTA/SBCOG



Dr. Kurt Wilson
Executive Director
WRCOG



Tom Kirk
Executive Director
CVAG

ITEM 8A

**ENERGY AND SUSTAINABILTY COMMITTEE
ATTENDANCE RECORD
FY 2023-2024**

VOTING MEMBERS	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Agua Caliente Band of Cahuilla Indians	-	-		-		-	✓	✓	-			
City of Blythe	-	-		-		-		✓	-			
City of Cathedral City	-	-	✓	-	✓	-	✓	✓	-			
City of Coachella	-	-	✓	-	✓	-		✓	-			
Coachella Valley Water District	-	-		-		-			-			
City of Desert Hot Springs	-	-	✓	-	✓	-	✓		-			
Imperial Irrigation District	-	-	✓	-	✓	-	✓	✓	-			
City of Indian Wells	-	-	✓	-	✓	-	✓	✓	-			
City of Indio	-	-	✓	-		-	✓	✓	-			
City of La Quinta	-	-	✓	-	✓	-	✓	✓	-			
Mission Springs Water District	-	-	✓	-	✓	-	✓		-			
City of Palm Desert	-	-	✓	-	✓	-	✓	✓	-			
City of Palm Springs	-	-	✓	-		-	✓	✓	-			
City of Rancho Mirage	-	-	✓	-	✓	-	✓	✓	-			
Riverside County - District 4	-	-	✓	-	✓	-	✓	✓	-			
Torres Martinez Desert Cahuilla Indians	-	-		-		-			-			
EX-OFFICIO / NON-VOTING MEMBERS												
Desert Water Agency	-	-		-		-			-			
Riverside County - District 5	-	-		-		-			-			

Absent 
 Vacancy ******

No Meeting -
 Present ✓

ITEM 8B

Coachella Valley Association of Governments
Energy & Sustainability Committee
April 11, 2024



STAFF REPORT

Subject: Update on Distributed Energy Resources & Microgrids

Contact: David Freedman, Program Manager (dfreedman@cvag.org)

Recommendation: Information

Background: At a recent meeting of the Energy & Sustainability Committee, staff was asked to provide an update on microgrids. CVAG staff has, since early 2023, been evaluating opportunities for distributed energy resources (DER) such as microgrids. Microgrids are a specialized form of DER that offer the possibility of a critical facility or neighborhood having better resilience, as the microgrid serving the facility or neighborhood can be isolated from the grid and allows for power to be utilized off grid in the event of grid failure.

SB 1339, which was passed by the Legislature in 2018, requires the California Public Utilities Commission (CPUC), in consultation with the California Energy Commission and the California Independent System Operator, to take action to facilitate the commercialization of microgrids for distribution customers of large electrical corporations. The CPUC is currently implementing SB 1339 through its Microgrids proceeding.

Components of microgrid commercialization are set by SB 1339, and must include: (1) rates, tariffs, and rules, as necessary; that (2) remove barriers for deploying microgrids across the large investor-owned utility (IOU) service territories; (3) without shifting costs onto non-benefiting customers; and (4) prioritizing and ensuring worker, public, and the electric system's safety and reliability.

Track 5 of the Microgrids proceeding is focused on developing a multi-property microgrid tariff. Parties have been given an opportunity to submit proposals for multi-property microgrid tariffs that follow the guiding principles and requirements established by the CPUC. On March 26, the CPUC held a workshop to allow the IOUs and other parties to present their proposals for a multi-property microgrid tariff, previously filed into the record of the proceeding, and to allow for questions and public comments.

On March 27, the CPUC directed the parties to file comments discussing if and/or how their multi-property microgrid tariff proposal aligns with the nine goals in the CPUC's Environmental and Social Justice (ESJ) Action Plan. ESJ communities as defined in the plan include disadvantaged communities, all Tribal lands, and low-income households and census tracts having 80% or less of the area or state median income. Final comments in response to the March 27 ruling must be filed no later than May 17.

The CPUC will consider the stakeholder proposals and comments and is expected to issue a Decision adopting a multi-property microgrid tariff by year-end. Staff will continue monitoring the CPUC's decisions and programs related to microgrids and will report back to the Energy & Sustainability Committee. Staff is also providing regular updates to the Inland Regional Energy Network (I-REN) Executive Committee and to Desert Community Energy's Board of Directors.

Fiscal Analysis: There is no cost to CVAG for this informational update.