



City of Palo Alto Utilities
Facility Managers Meeting

May 7, 2026

Promptly Starts at 8:00 AM



Introductions

Lisa Bilir

Assistant Director of Resource Management
City of Palo Alto Utilities

Lisa.Bilir@PaloAlto.gov

Christine Tam

Manager, Commercial Program Services
City of Palo Alto Utilities

Christine.Tam@PaloAlto.gov

AGENDA



**Utility Rates
2026/2027**

**Business
Customer
Rebate Catalog**

**Non-
Functional
Turf**

**Advance
Metering
Infrastructure**

**Electrification
Technical
Assistance**

**Utility
Outages**

Case Study

Q&A



Catherine Elvert
Communications Manager, Utilities

Utility Rates Outlook



City of Palo Alto Utilities Goals



We manage utility services to ensure safe, reliable, sustainable, and cost-effective operations



Safety is a top priority – we proactively maintain and replace aging utility infrastructure



Rates are thoughtfully evaluated to balance infrastructure upgrades, maintenance, regulatory compliance, and financial reserves



Reasons for Utility Rate Changes



Infrastructure maintenance and replacement



Rising costs for energy and water supplies, labor, materials



Increased costs for wastewater treatment due to facility upgrades at Regional Water Quality Control Plant



Upgrades to City's electric distribution system



Replenish Utilities financial reserves

PROPOSED UTILITY RATE CHANGES

Effective July 1, 2026*

Electric:

4.5% increase
(E-7 rate)

Gas:

8% increase
(G-3 rate)

Wastewater:

16% increase
(S-2 rate)

Water:

8% increase
(all rates)

Refuse:

3% increase
(all rates)

*Pending City Council approval

Competitive With Other Utilities

Avg Total Electric Rate (\$/kWh) ¹	Palo Alto ²	PG&E ³	PCE + PG&E ³ combined	SJCE + PG&E ³ combined	SVCE + PG&E ³ combined
E2 - Small Commercial	\$0.23	\$0.44	\$0.40	\$0.41	\$0.42
E4 - Medium Commercial	\$0.20	\$0.37	\$0.33	\$0.34	\$0.34
E7 - Large Commercial	\$0.18	\$0.31	\$0.28	\$0.28	\$0.29

- 1) Average rates are approximate based on average usage, demand, most similar rate schedule for each utility.
- 2) Palo Alto rates effective July 1, 2025.
- 3) PG&E and Community Choice Aggregation (CCA) rates effective January 1-March 1, 2026. Includes Climate Credit.

Our Commitment to Cost Control

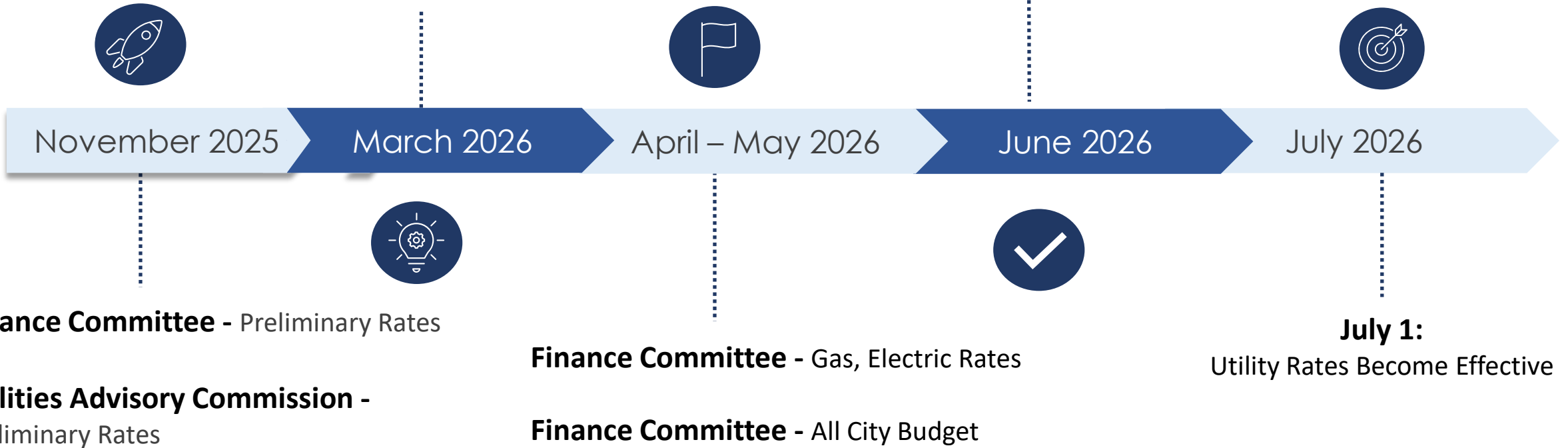
Selling	Selling surplus energy supplies and renewable energy credits
Supply	Negotiating new long-term supply contracts
Negotiating	Negotiating better hydroelectric resource contracts
Scheduling	Scheduling large construction projects to save on planning and costs
Partnering	Partnering to advocate for lower electric, gas, and water system costs
Streamlining	Streamlining workflows, processes, and cross-training
Adjusting	Adjusting staffing and services to meet changing needs

Timeline for Utilities Rates Review

Utilities Advisory Commission -
Gas, Electric, Water, Wastewater Collection Rates

Finance Committee -
Wastewater Collection, Water, Refuse Rates

June 15: City Council -
Vote on All Utility Rates and City Budget



Finance Committee - Preliminary Rates

Utilities Advisory Commission -
Preliminary Rates

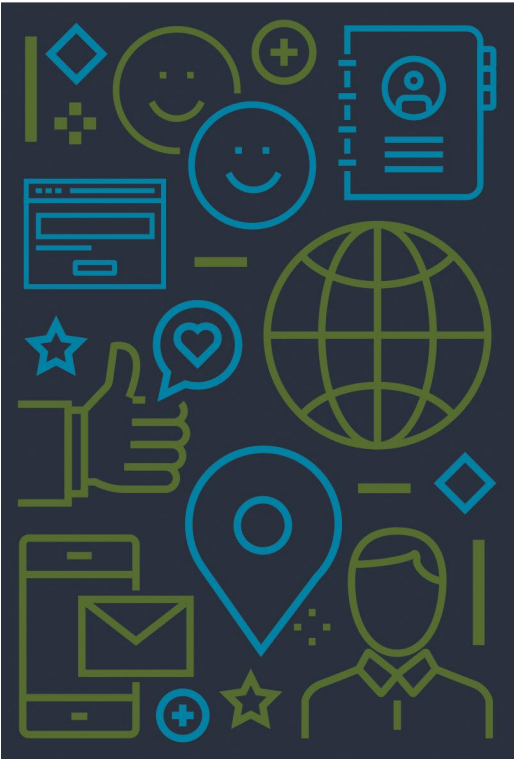
Finance Committee - Gas, Electric Rates

Finance Committee - All City Budget

July 1:
Utility Rates Become Effective



CONTACT US



Catherine Elvert

Utilities Communications Manager

Catherine.Elvert@PaloAlto.gov

(650) 329-2417

Contact your Key Account Representative with any questions



Jesus Prado
Key Account Representative

Business Customer Rebate Catalog

Business Customer Rebate Catalog

Catalog Updates

What's new, what changed, and how it benefits you

Refreshed Measures

Increased Rebate Values

Lighting Rate Update



Why We Refreshed

The 2026 refresh reflects evolving technology, updated standards, and alignment with other regional utility offerings

Technology

New high-efficiency measures added; outdated measures retired to keep the catalog relevant

State Standards (AB 2208)

California's 2025 LED efficiency standard increases raised the baseline, requiring a lighting rebate adjustment

Market Alignment

Rebate values updated to reflect current equipment costs and benchmarks

What's New in the 2026 Catalog



Updated Rebate Values

Most rebate amounts have a proposed increase to reflect current project costs and align with other regional utilities' rebate levels



New Eligible Measures

New equipment categories have been added, including expanded HVAC, refrigeration, commercial kitchen equipment, indoor water fixtures, and lighting controls



Streamlined Navigation

Clearer section headings, in-document links, and improved formatting make it easier to find the right information quickly



Clearer Requirements

Eligibility criteria and required documentation have been reorganized for each measure so you know exactly what to submit

Lighting Rebate : Important Update

Current

\$0.10

per kWh saved (first year)

Lighting Custom Rebate

Proposed 2026 Update

\$0.07

per kWh saved (first year)

Lighting Custom Rebate



Why the change?

- AB 2208 raised LED efficiency standards, lifting the baseline and reducing incremental savings
- Rebate adjusted accordingly
- Lighting upgrades remain eligible, and encouraged to pair with enhanced controls

Whats Changing?

Expanded HVAC – Heat Pump Systems
(electrification)
\$2,000 / ton

PLUS
Up to \$50,000 for project allowances for eligible permitting, compliance costs, and infrastructure upgrades

Heat Pump Water Heater
≥ 100 Gallons = \$7,000/ unit



Electric Induction Cooktops
\$1,000/ hob



Indoor Water Fixtures

High Efficiency Toilets & Urinals



Lighting Controls



Custom Energy Efficiency Rebates
\$0.15/ kWh

Custom Gas Rebates

\$1.25/
therm



What to Do Next

Getting started is easy – here's how:

- 1 Review the 2026 Catalog**
Visit paloalto.gov/businessrebates to access the updated catalog. **Expected July 1st**
- 2 Check Eligibility and Apply Before You Buy**
Eligibility requirements and pre-approvals are required before purchasing equipment
- 3 Contact Your Key Account Rep & Program Service Manager**
Have questions? Need technical support? We're here to help!

paloalto.gov/businessrebates





Jesus Prado
Key Account Representative

Water: Non-Functional Turf Compliance

Non-Functional Turf Lawn (NFT) Watering Ban

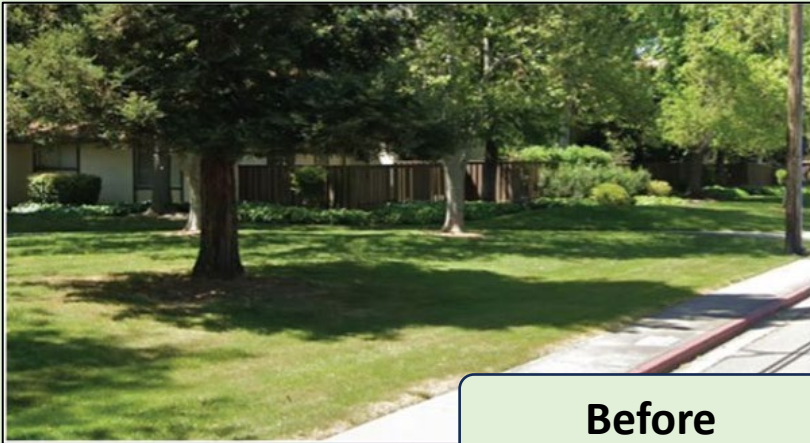
Ban on potable water use for non-functional turf – AB 1572

Compliance deadline: January 1, 2028 (commercial)

Opportunity: water-wise conversion lowers costs and usage

What is non-functional turf?

Grass that is purely ornamental and not used for recreation, community gathering, other functional human activity



Before



After (5 Years)

Resources for Compliance

Guidance documents at watersavings.org and nonfunctionalturfca.org

What is Waterfluence? Database platform for monitoring water consumption and landscape efficiency



Waterfluence will soon display estimated square footage of non-functional turf

Waterfluence – Water Monitoring & Management Tools

Water use tracking (hourly, daily, and monthly vs. Budget)

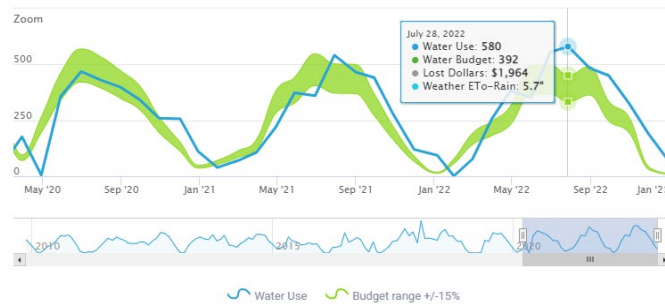
Leak alerts for abnormal consumption

Real-time monitoring with weather data and field surveys

Annual Performance

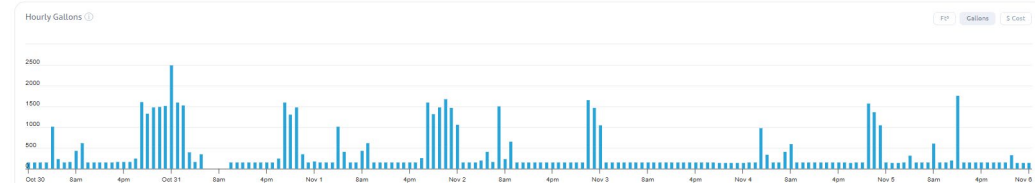
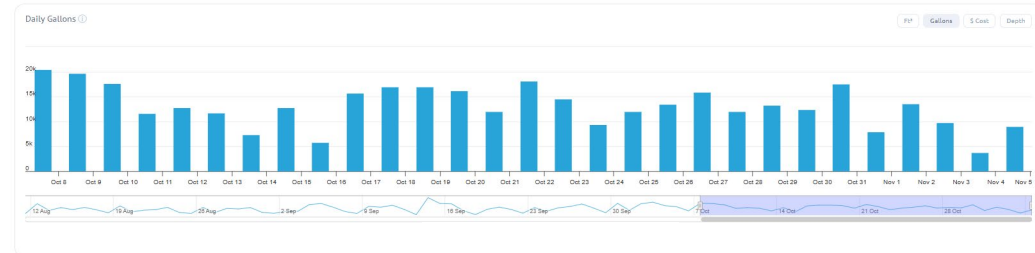


Monthly Water Use



Charts

- Monthly 100 F13
- Monthly Inches
- Annual 100 FT3
- Annual Feet
- Annual Stats



Non-Functional Turf Lawn (NFT) Watering Ban

Landscape Rebates

- Lawn to mulch rebate = \$2 per square foot
- Landscape conversion rebate = \$4 per square foot

Irrigation Rebates

- In-line drip conversion rebate = \$0.25 per square foot
- High efficiency irrigation equipment

Stormwater Rebates

- Cisterns
- Rain gardens
- Permeable pavement
- Rain barrels

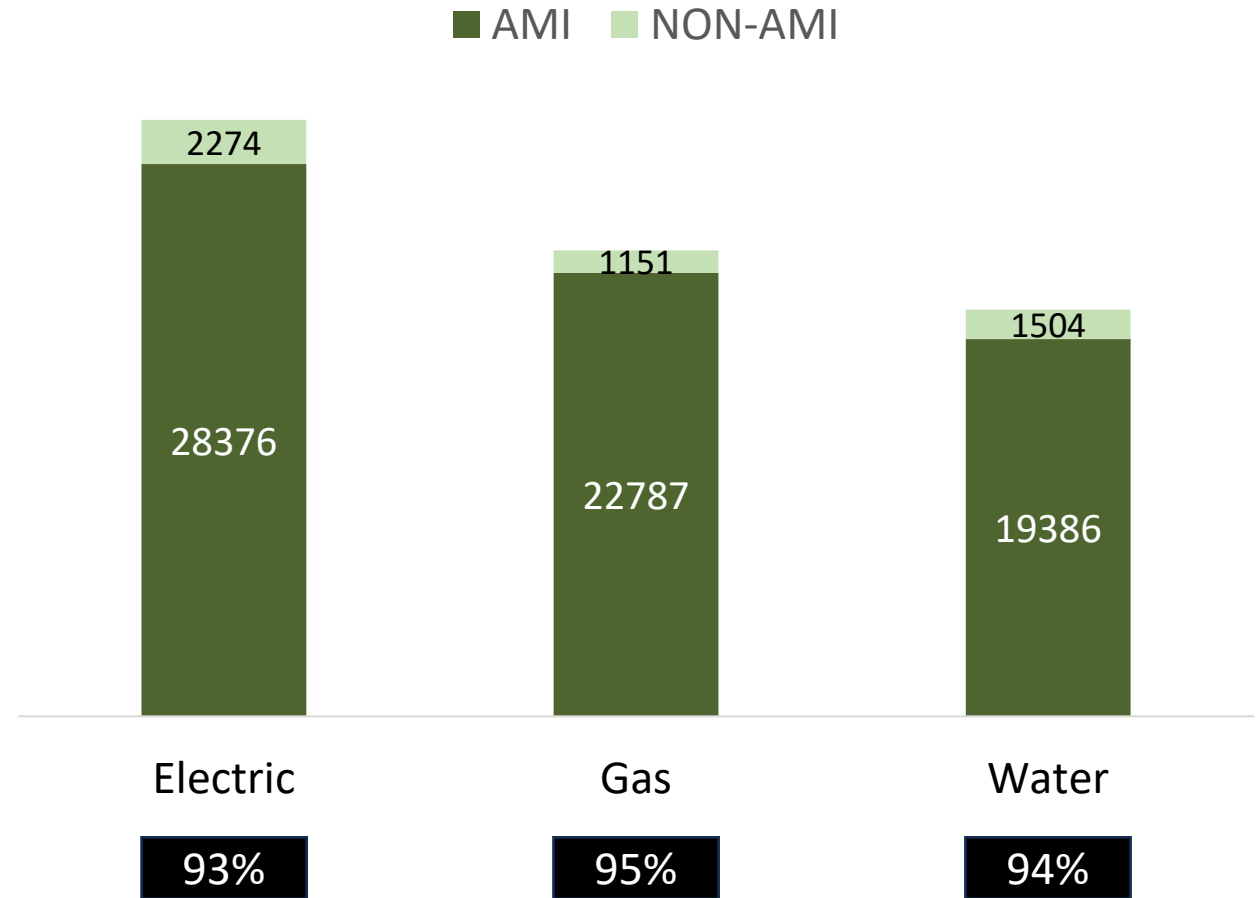
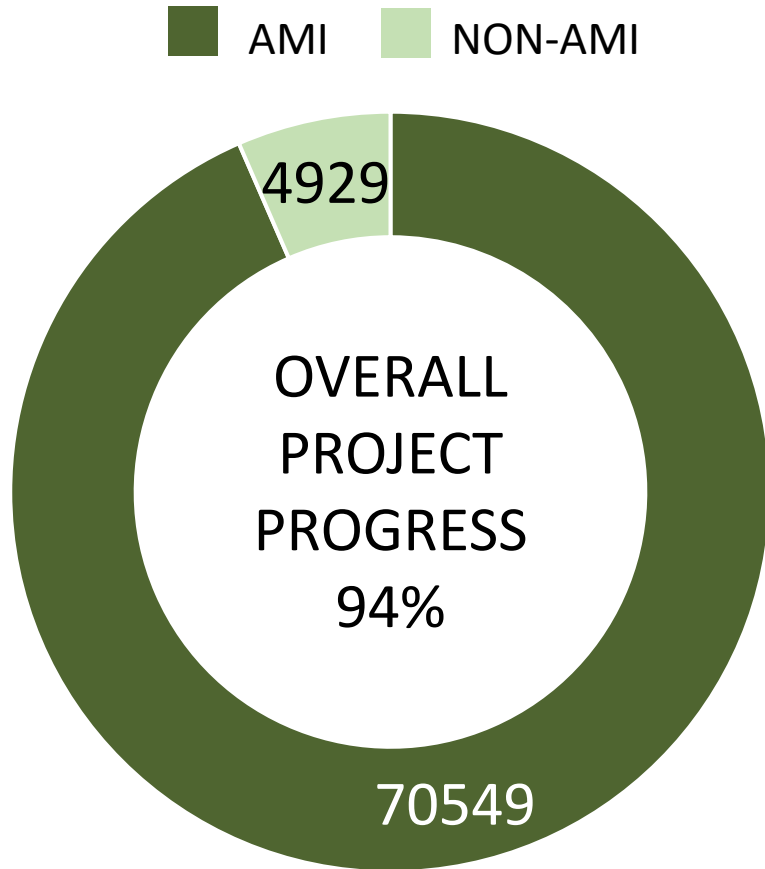
[Visit paloalto.gov/waystosave](https://www.paloalto.gov/waystosave)



Kyle Mau
Business Analyst, Utilities

Advance Metering Infrastructure (AMI) Update

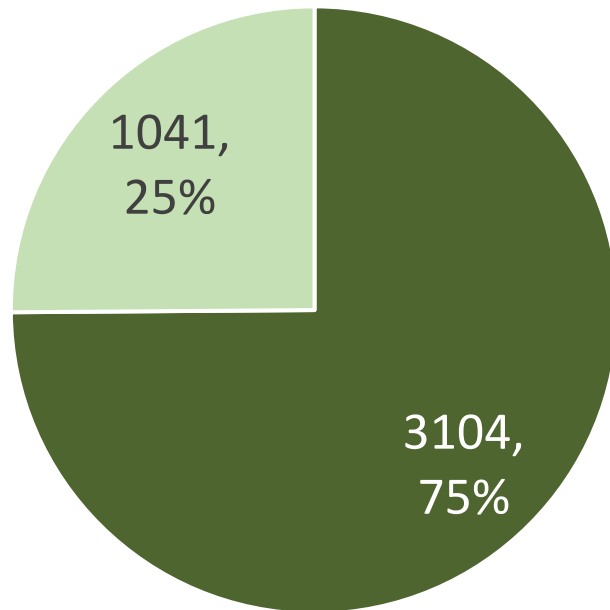
DEPLOYMENT UPDATE



COMMERCIAL DEPLOYMENT

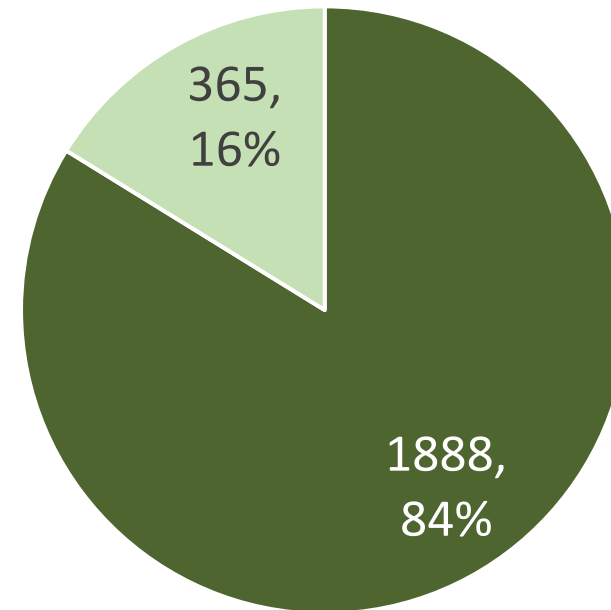
Electric

■ AMI ■ Non-AMI



Gas

■ AMI ■ Non-AMI



COMMUNICATION CHALLENGES

 Meters in basements / below ground level

 Meters inside buildings

 Deep meter vaults





Brian Ward
Key Account Representative

Utility Outages, Gas Safety, and Dark Fiber Outages

Electrical Outage Response Guide



Step 1 – Primary Contact



Key Account Representative (KAR)

Your KAR coordinates the full response and keeps you updated throughout the outage

Step 2 – Electric Outage Operations



Electric Operations Dispatch Center

(650) 496-6914

Ensure that outages are logged and crews are dispatched

What Happens During an Outage

1

Investigate / Report

Your KAR coordinates with Electrical Operations or Gas & Water

2

Dispatch Crews

Crews are dispatched to quickly assess and repair

3

Stay Updated

Your KAR provides ongoing updates as new information become available

4

Estimated Time of Restoration

Field crews determine the issue and assign an estimated time of restoration (ETR)



Check the electric outage map: paloalto.gov/outagemap

Gas & Water Emergency

Gas & Water Leak Hotline (24/7)

(650) 329 - 2579

 Call 911 immediately if you smell gas, see fire, or there is an explosion

Do NOT attempt to fix or shut off any gas or water system yourself

Leave the area immediately if a gas leak is suspected

Do not re-enter the building until cleared by emergency personnel

Key Takeaways



Single Point of Contact

Your Key Account Rep is your first call – They coordinate everything



Report Outages Quickly

Fast reporting means faster response and restorations



Follow Safety Protocols

For gas or water emergencies, leave the area and call 911 first




We're Working With You

Our teams work together to restore service safety and as quickly as possible

Quick Reference | Emergency Contacts – Print and Keep Handy

Key Account Reps – Your First Call

 **Brian Ward** | 650-740-7846 (cell)

 **Jesus Prado** | 650-465-4518 (cell)

Emergency & Dispatch Numbers

	Sign up to receive Outage text message	(650) 329-2161
	Electric Power Outages	(650) 496-6914
	Gas & Water Leaks (24/7)	(650) 329-2579
	Streetlight Outages	(650) 496-6916
	Fiber Optics Outages	(650) 496-6916 <i>(same as Streetlight)</i>

Gas Emergency? LEAVE IMMEDIATELY then call (650) 329-2579 or 911



Shelby Sinkler
Sustainability Program Administrator
Electrification Technical Assistance

Commercial Electrification Technical Assistance

Who



What

- No-cost expert guidance to help you electrify your facility
- Identify best-fit equipment and optimize system capacity
- Electrification roadmap with permitting support
- Proven results through real-world case studies

Commercial Electrification Technical Assistance

Types of Project Support

- Heat pump HVAC
- Boiler electrification
- Central water heating
- Kitchen electrification
- Electrification readiness



How to Participate

Have an electrification project in mind?

Contact your Key Account Representative or
Shelby Sinkler (Sustainability Program
Administrator)





Tim Huang
P.E. Project Manager - Veolia

Case Study : Palo Alto Medical Foundation

PAMF LED Upgrade — Project Highlights & Results

A commercial LED retrofit case study — 6 buildings, one cohesive energy strategy

1,177,800

Annual kWh Savings

5,000+

LED Fixtures Upgraded

185 kW

Demand Reduction

\$98K+

in CPAU Rebates

Project Scope

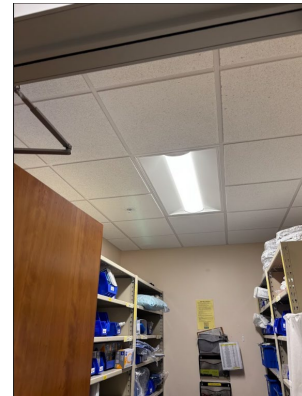
- **Lee Building** Completed
- **Jamplis Building** Completed
- **Clark Building** Completed
- **87 Encina Building** Completed
- **49 Wells Building** Completed
- **795 El Camino Real** In Progress

What This Could Mean for Your Facility

- **Significant energy savings are achievable** — 1.18M kWh saved across 336,000 sqft
- **Rebates offset upfront costs** — PAMF received \$98K+ in CPAU incentives
- **Phased rollouts minimize disruption** — buildings upgraded sequentially at their own pace
- **Demand reduction lowers utility bills** — 185 kW reduction translates directly to lower demand charges

Interested in a similar project? Contact your Key Account Representative or visit paloalto.gov/businessrebates

Real Results, Right Here in Palo Alto



Future Energy Efficiency Opportunities at PAMF

Retro-commissioning Projects

- Optimize HVAC scheduling
- Improve economizer performance
- Reset supply air temperature
- Reset duct static pressure
- Implement night setback strategies



Capital Projects

- Replace aging equipment
- Reduce airflow to code minimums





Brian Ward
Key Account Representative

Check Presentation – Palo Alto Medical Foundation

Palo Alto Medical Foundation

The City of Palo Alto Utilities is proud to provide a rebate of approximately \$98K in support of Palo Alto Medical Foundation's (PAMF) recent energy efficiency improvements.

Through this project, PAMF is expected to realize approximately \$204,480 in annual utility cost savings. The upgrades included replacing existing lighting with high-efficiency LED systems, resulting in annual energy savings of approximately 1,177,800 kWh, equivalent to powering approximately 145 homes for one year.

In addition to this lighting initiative, CPAU continues to partner with PAMF on a range of energy-efficiency and water-conservation projects. Together, these efforts aim to lower costs, improve system performance, and move us closer to our shared sustainability and climate goals.

Palo Alto Medical Foundation



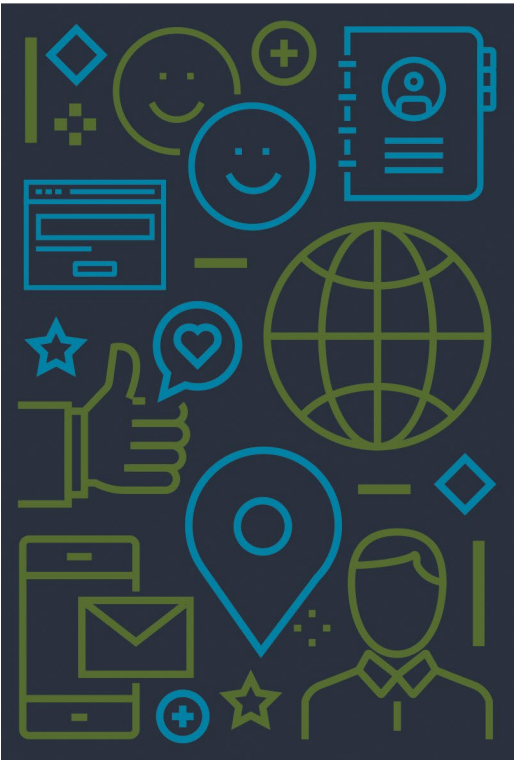


QUESTIONS & ANSWERS





CONTACT US



Key Accounts - Contact Your Key Account Representative

Brian Ward

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Jesus Prado

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(650) 329 2462

Commercial Customers - Contact Your Program Administrator

Shelby Sinkler

Shelby.Sinkler@PaloAlto.gov
(650) 329-2525



FEEDBACK & THANK YOU!



Facility Managers Meeting

Date: Thursday, May 7th

Topic	Speaker
1. Utility Updates	Christine Tam
2. Utility Rates Outlook	Catherine Elvert
3. Business Customer Rebates Catalog	Jesus Prado
4. Non-Functional Turf	Jesus Prado
5. Advance Metering Infrastructure – AMI Update	Kyle Mau
6. Utility Outages, Gas Safety and Dark Fiber Outages	Brian Ward
7. Electrification Technical Assistance	Shelby Sinkler
8. Case Study and Check Presentation - PAMF	Tim Huang
9. Q&A + Survey	Brian Ward

