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Established in 1978 by
David Packard

Mayor Lisa M. Gillmor
City Hall
1500 Warburton Ave
Santa Clara, CA 95050

April 23, 2019

Dear Mayor Gillmor:

On behalf of Silicon Valley Leadership Group, I am writing to encourage the City of Santa Clara to support jobs, investment and customer choice to access reliable, high quality, clean power for its businesses.

The Leadership Group seeks to promote the financing and deployment of clean energy and emerging technologies to help the state meet its greenhouse gas reduction goals and assist our member companies in meeting their sustainability and bottom line goals. Many of the Leadership Group’s member companies innovate, design, and scale cutting-edge technologies and ideas in Santa Clara. To be successful and compete, these companies require affordable, reliable, clean, high quality power.

Leadership Group member companies are exploring clean, low-carbon alternatives to grid power—such as non-combustion fuel cells—and we encourage Santa Clara to enable these companies to innovate when making choices of how to reliably power their facilities.

If the most efficient, non-combustion fuel cells are no longer able to interconnect in the City of Santa Clara, the City will likely increase its carbon emissions and will certainly worsen air quality. That’s because Silicon Valley Power (SVP) will be combusting more natural gas—the exact fuel the city proposes to prohibit—in its three natural gas power plants. This combustion will emit harmful air pollutants such as NOx, SOx, and VOCs. And two of these natural gas power plants are more than 30 years old—meaning they are incredibly inefficient and will almost certainly increasing carbon emissions. Furthermore, restricting onsite power generation options entrenches dirty diesel generators as the only option for backup power requirements—an outcome that runs counter to the Bay Area Air Quality Management District’s goal to be diesel-free by 2033.

In its strategic plan, SVP states that the “replacement of old infrastructure and transition toward an increasingly clean and decentralized grid architecture with distributed energy resources” is one of the key trends underpinning its future success. We respectfully and firmly urge you to pursue this goal—not penalize distributed energy resources while worsening air quality and GHG emissions—and either (a) abandon this proposal or (b) modify the proposal to ensure the city allows any distributed energy resource to be installed that is cleaner than the marginal emissions rate of the grid electricity displaced. We look forward to collaborating with you to create an innovative, stable environment where our member companies can thrive.

The Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 330 of Silicon Valley’s most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation, education, housing, health care, tax policies, economic vitality and the environment.

Thank you for your consideration on this issue. If you have any questions on our position, please contact me at tmcrae@svlg.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim McRae', with a stylized flourish at the end.

Tim McRae
VP, Energy

Cc: Vice Mayor Mahan
Councilmember Hardy
Councilmember Watanabe
Councilmember Chahal
Councilmember O'Neill
Councilmember Davis
City Manager Deanna Santana
Assistant City Manager and Interim Chief Electric Utility Officer Manuel Pineda