

Caltrain Energy Policy



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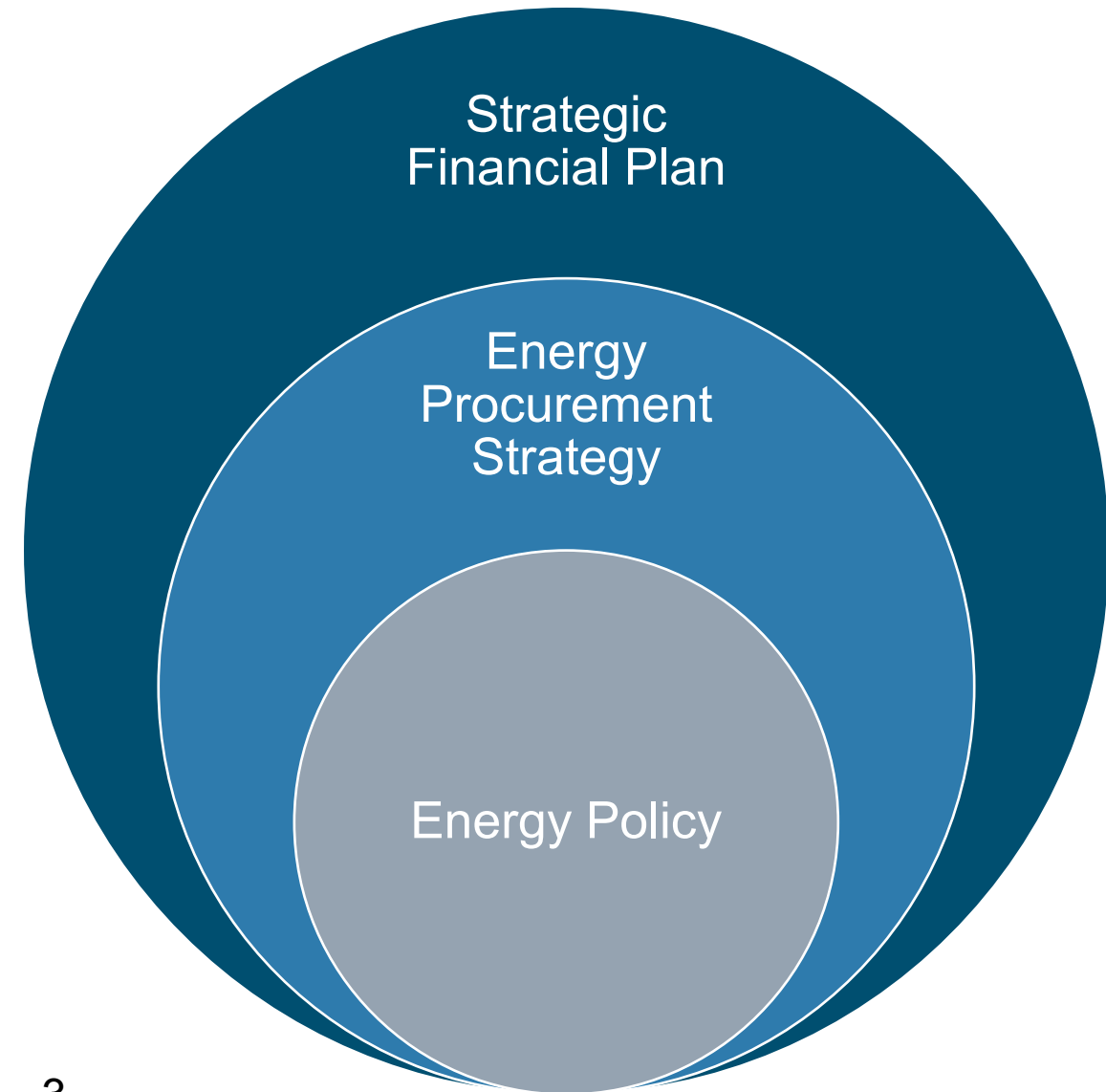
Agenda

- Why Adopt an Energy Policy?
- Energy Policy in Context
- What Will the Energy Policy Address?

Why Adopt an Energy Policy?

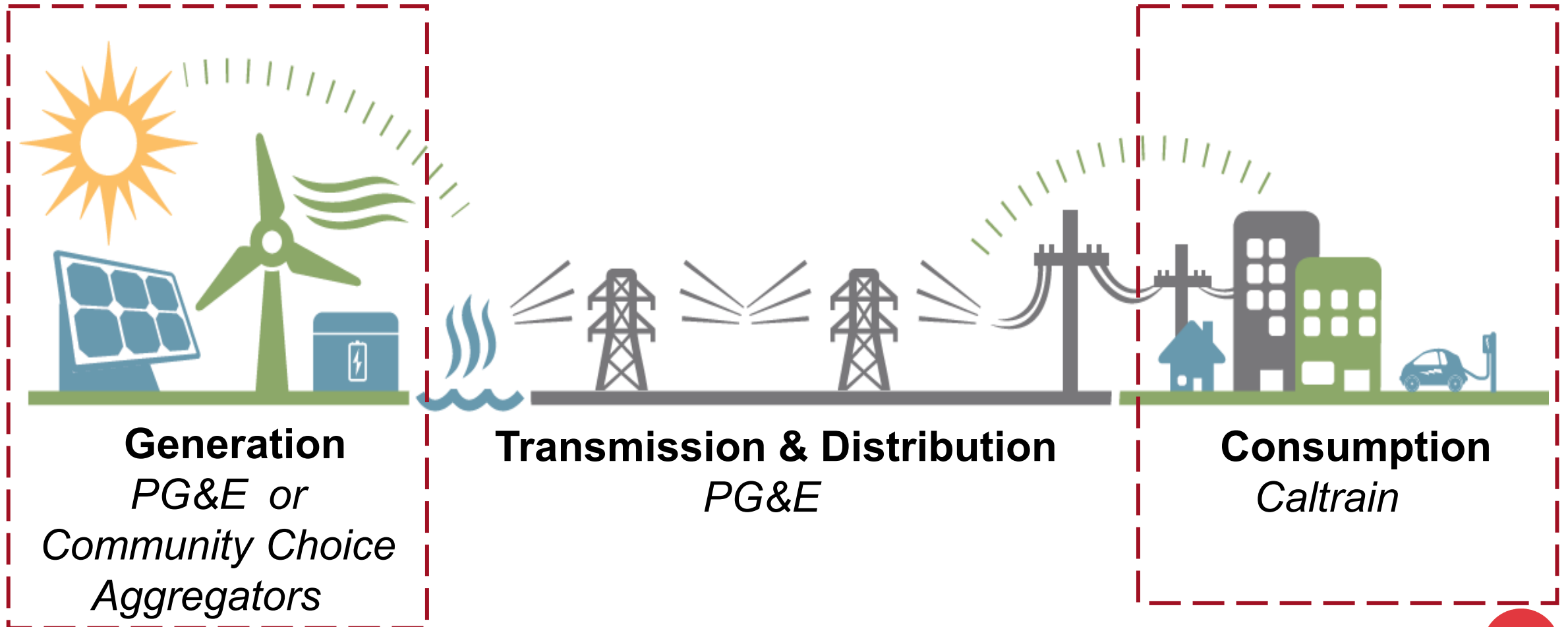
- Guide decisions that must balance sustainability, cost to the agency, volatility and risk
- Provide transparent decision-making to stakeholders and the public
- Increase accountability for significant procurement area

Energy Policy in Context



- Strategic Financial Plan: quantify and assess financial risks, address near-term risk, explore opportunities to increase revenue and manage costs (including energy).
- Energy Procurement Strategy (EPS): makes recommendations for Caltrain's energy procurement, including vendors and terms of procurement – guided by Energy Policy.
- Energy Policy: sets Caltrain's organizational objectives and values to direct staff work on energy matters; framework for Caltrain staff to evaluate tradeoffs.

What will the Energy Policy Cover?



Timeline

February

- SFP to Board
- Energy Policy to Board
- EPS ongoing dialogue

April/ May

- Update Board on EPS
- EPS in development

June

- Finalize recommendations/ approvals for EPS
- Contracts to Board

Energy Policy Draft Text: Objectives

1. Balance sustainability with financial imperatives
2. Improve Caltrain's environmental sustainability
3. Minimize operational and maintenance impacts
4. Encourage system resilience
5. Support the local economy
6. **Organizational accountability**

Energy Policy Draft Text:

Balance sustainability with financial objectives

- Minimize cost and price volatility in electricity purchases while seeking to procure the lowest carbon content energy that is financially feasible, **in the following order of preference:**
 - i. 100% Renewable Energy**
 - ii. 100% Carbon-Free Energy**
 - iii. The least carbon intensive energy resources that are not carbon or greenhouse gas free**
- Seek to capture energy from regenerative braking and pursue compensation for energy from regenerative braking.

Energy Policy Draft Text:

Balance sustainability with financial objectives (2)

- Strive to maximize revenue from the Low Carbon Fuel Standard (LCFS) program, which will be committed to funding Caltrain's ongoing operations to the extent regulations allows.
- Consider implementing or partnering with others to implement distributed energy resource (DER) projects within the Caltrain right-of-way that are financially viable and compatible with the Rail Corridor Use Policy.

Energy Policy Draft Text:

Balance sustainability with financial objectives (3)

- Participate in applicable energy programs and opportunities that generate revenues, cost-savings, and/or returns.
- Monitor, and where relevant, engage in regulatory processes at agencies that regulate energy and energy markets and whose decisions may significantly affect Caltrain's operations and financial interests once electrified.

Energy Policy Draft Text: Improve Caltrain's environmental sustainability

- Seek to reduce the use of fossil fuel and fossil fuel infrastructure throughout the organization.
- Increase the proportion of renewable energy content in Caltrain's energy procurements.
 - i. In the event 100% Renewable Energy is not financially feasible to procure, Caltrain will procure energy resources as described in Objective 1.**

Energy Policy Draft Text:

Minimize operational and maintenance impacts

- Prioritize maintaining continuity of rail operations and consider operational impacts and maintenance costs as part of a lifecycle cost analysis for energy-related projects.

Energy Policy Draft Text:

Enhance system resilience

- To deliver its critical transportation services, Caltrain will explore options to increase the resilience of its electric power supply and infrastructure by researching potential energy storage opportunities, microgrids, or other relevant technologies and programs.
- **Caltrain will work with its utility partners to ensure that there is sufficient grid capacity and energy resources to supply the energy needed for Caltrain's electrified service.**

Energy Policy Draft Text: Support the regional economy

- Consider the economic impact of energy procurement practices and projects and seek to positively benefit the regional economy.

Energy Policy Draft Text:

Create organizational Accountability

- **Caltrain staff will review the Energy Policy on an annual basis to ensure it remains relevant, up to date, and responsive to current energy market conditions and definitions. Caltrain staff will report their findings to the Board annually as an informational item.**
- **Caltrain's Board of Directors will review significant energy related procurements at its discretion and as per the Joint Powers Board (JPB) Procurement Policy.**

Next Steps

Today

- Additional discussion if needed
- Adopt Energy Policy

FOR MORE INFORMATION

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