

1 [Accept and Expend Grant - Retroactive - United States Department of Energy - Buildings  
2 Upgrade Challenge, Phase 2 - \$400,000]

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

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 HPWH  
3 roll-out is affordable for all communities; and

4           WHEREAS, On December 15, 2023, the Environment Department received the prize of  
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 with  
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

1 WHEREAS, Retroactive approval is being requested because this resolution was  
2 determined to be the best process for seeking authority to utilize a Federal prize, following  
3 discussions and clarification across multiple departments; and

4 WHEREAS, The final, approved Fiscal Year (FY) 2024-2025 and FY2025-2026 Annual  
5 Appropriations Ordinance included the prize revenues and expenditures associated with these  
6 prize winnings; and

7 WHEREAS, The Environment Department has submitted all the documents applicable  
8 to this prize that are required in an Accept and Expend package submitted to the Board of  
9 Supervisors, and those documents are on file with the Clerk of the Board of Supervisors in  
10 File No. 251169; and

11 WHEREAS, The prize budget reflects planned spending of indirect costs totaling  
12 \$41,227; now, therefore, be it

13 RESOLVED, That the Director of the Environment Department is hereby retroactively  
14 authorized to accept and expend the United States Department of Energy - Buildings Upgrade  
15 Challenge - Phase 2 prize of \$400,000 on behalf of the City, in accordance with the purposes  
16 and goals for the funding.

17  
18  
19 Recommended:

Approved: /s/ Sophia Kittler for \_\_\_\_\_

Daniel Lurie, Mayor

20  
21 /s/ \_\_\_\_\_

Approved: /s/ Jocelyn Quintos for \_\_\_\_\_

22 Tyrone Jue, Director

Greg Wagner, Controller

23 Environment



City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 251169

Date Passed: January 13, 2026

Resolution retroactively authorizing the Department of the Environment ("Environment Department") to accept and expend a prize in the amount of \$400,000 which was confirmed as received by the Environment Department on March 17, 2025, from the United States Department of Energy's Office of Energy Efficiency and Renewable Energy, to implement a pilot program to upgrade 20 San Francisco homes with electric heat pump water heaters and energy efficiency measures.

January 07, 2026 Budget and Finance Committee - RECOMMENDED

January 13, 2026 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

File No. 251169

I hereby certify that the foregoing  
Resolution was ADOPTED on 1/13/2026 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Daniel Lurie  
Mayor

1 / 13 / 26  
\_\_\_\_\_  
Date Approved