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ZNE/Alliance

MCE Unveils Plans for Virtual Power Plant to Benefit Disadvantaged Richmond Residents and Businesses

Richmond Advanced Energy Community includes virtual power plant and zero net carbon homes for underserved residents

SAN RAFAEL and CONCORD, Calif. — MCE's Virtual Power Plant (VPP) program, slated to launch in 2025, will provide bill savings and increase local grid reliability, safety, and efficiency for low-income residents as part of Richmond's Advanced Energy Community project. The project includes \$3 million in funding from the California Energy Commission, and will rehabilitate abandoned homes with energy efficiency retrofits and establish a VPP. The Advanced Energy Community brings together a variety of partners including the project developer, ZNE Alliance, and ALCO Building Solutions, Ecoshift Consulting, Energy Solutions, mPrest, Richmond Community Foundation, THG Energy Solutions, TRC, and ZGlobal.

Similar to traditional power plants, VPPs provide electricity to the grid, but instead of coming from a single source, VPPs are made up of a network of digitally-connected technologies distributed across a community. VPPs help stabilize the power grid by quickly dispatching power to and from resources on the grid to shift energy consumption out of peak hours and take greater advantage of midday solar generation.

"The Richmond Advanced Energy Community project is a great example of community building for a clean energy future," said David Hochschild, Chair of the California Energy Commission. **"This is a first-of-its kind project that will combine clean energy technologies with tangible community benefits through integration with the California grid."**

MCE's Virtual Power Plant will include smart, clean energy technologies including energy storage, smart thermostats, rooftop solar, heat pump space and water heating, and EV charging. The VPP will initially be connected to up to 100 Zero Net Carbon Homes (ZNC Homes) and larger commercial and industrial sites. The ZNC Homes program will finance the acquisition, complete rehabilitation, and resale of homes as affordable properties. These ZNC homes will be built to be energy efficient and resilient, and each home will have a full complement of smart appliances and cost-saving equipment, including rooftop solar, battery energy storage, and heat pumps. Local businesses will also have an opportunity to install batteries that provide resilience to grid outages, bill savings, and revenue generation potential.

"37% of our residents are enrolled in the CARE discount program, which is 12% more than the state average," said Tom Butt, MCE Board Chair and Mayor of Richmond. **"MCE's partnership with our city on the VPP and ZNC Homes will enhance equity in the community by revitalizing our housing stock and decreasing energy costs for our residents."**

The VPP program will enable the deployment of decarbonized, democratized, decentralized, and digital cleantech solutions that will be managed and dispatched by MCE to shift load out of the 4 p.m. - 9 p.m. peak hours. This can significantly reduce customer bills in a community where one-fifth of residents live in poverty, double the county average. This also decreases grid strain, reducing the risk of power outages. Once established, MCE will use the VPP in the statewide power markets – managed by the California Independent System Operator (CAISO) – to demonstrate the aggregation of customer resources by a CCA, and the integration, scheduling, and settlement of these resources in the CAISO markets. Participating residents will be paid for their role in providing localized grid services through a dynamic value-sharing agreement.

“By integrating smart, zero carbon homes into Richmond residents will be able to access housing that is affordable to purchase and to operate,” said Richard Schorske, Executive Director of the ZNE Alliance. **“This element of the Advanced Energy Community builds on many years of work by the Richmond Community Foundation, the City of Richmond, and MCE, and we are very excited to see it coming to fruition.”**

The ZNC Homes program will leverage the City of Richmond’s Social Impact Bond to finance high efficiency home energy retrofits. The project will verify home performance and help homeowners get the most from the energy upgrades. These learnings will inform future Advanced Energy Community projects across the state and beyond.

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About MCE: MCE is a groundbreaking, not-for-profit, public agency that has been setting the standard for clean energy in our communities since 2010. MCE offers more renewable power at stable rates, significantly reducing energy-related greenhouse emissions and enabling millions of dollars of reinvestment in local energy programs. MCE is a load-serving entity supporting a 1,200 MW peak load. MCE provides electricity service and innovative programs to more than 540,000 customer accounts and more than one million residents and businesses in 37 member communities across four Bay Area counties: Contra Costa, Marin, Napa, and Solano. For more information about MCE, visit mceCleanEnergy.org, or follow us on [Facebook](#), [LinkedIn](#), [Twitter](#) and [Instagram](#).

About ZNE Alliance: [ZNE Alliance](#) is a nonprofit organization partnering with leading communities and organizations to advance a zero net emissions future. The Alliance deploys integrative approaches to rapid decarbonization at city and regional scales – working across the domains of clean energy, the built environment, sustainable mobility, and climate finance. Current projects include Advanced Energy Community initiatives in Richmond and Lancaster California, Fleet Electrification and EV planning initiatives throughout the state, and regional climate finance and action strategies in the greater San Francisco Bay Area and beyond.