City of Mountain View

MEMORANDUM

City Manager's Office-Sustainability

DATE: April 30, 2026

TO: Council Sustainability Committee

FROM: Rebecca Lucky, Sustainability Manager
Danielle Lee, Chief Sustainability and Resiliency Officer

VIA: Audrey D. Seymour, Assistant City Manager

SUBJECT: **Five-Year Decarbonization Plan Approach and Actions**

RECOMMENDATIONS

1. Approve the proposed actions detailed in Attachment 1 for inclusion in the upcoming draft five-year decarbonization plan.

2. Provide input on the proposed May 26, 2026 Council Study Session questions.

BACKGROUND

Prior Council Direction

On October 22, 2019, the City Council adopted the Sustainability Action Plan 4 (SAP). Since this time, staff has worked steadily to complete the SAP actions, amending the plan as appropriate and providing updates to the Council Sustainability Committee (CSC) and Council. Major accomplishments of the SAP include:

- Development of reach codes to support building electrification.

- Implementation of renewable energy, battery storage, electric vehicle (EV) charging, and building electrification projects at municipal facilities.

- Installation of additional EV chargers in downtown parking garages and at other public City parking lots.

- Promotion of Silicon Valley Clean Energy's (SVCE) heat pump water heater incentive, including launching a Year of the Water Heater Campaign that features a supplemental City rebate of $2,000.

- Analysis of electrification opportunities in multifamily buildings through an agreement with BlocPower. The maps developed and the accompanying data support direct outreach efforts for electrification, including initiatives such as the Year of the Water Heater Campaign.

- Implementation of neighborhood-based community engagement on decarbonization and resilience, known as the Cool Block program.

- Development of a LEED Gold certification policy with LEED Platinum analysis for municipal buildings.

- Adoption of a municipal greenhouse gas-free fleet and landscaping policy that supports:
    - Purchase and use of EVs and electric landscaping equipment.
    - Robust planning and implementation to install EV charging to transition the City's fleet vehicles to electric.

- Adoption of a resolution in support of a plant-based diet and ongoing outreach and education.

- Development of an income-qualified rebate program for e-bikes.

- Adoption of a Vision Zero Policy and Action Plan.

- Expansion of Transportation Management Association programs.

A more comprehensive SAP update will be presented at the June 2, 2026 CSC meeting.

The SAP included an action item to "plan and implement for municipal and community decarbonization." Staff's initial priority was implementing the extensive actions already adopted in the SAP, which included many municipal and community decarbonization actions that would further the objectives of a decarbonization plan.

The SAP, adopted for fiscal years 2019-20 through 2021-22, originally included 81 new actions (later refined to 57 high-impact actions), which included hiring the new staff positions recommended in the SAP to complete the actions in the plan. (The Chief Sustainability and Resiliency Officer was hired at the end of fiscal year 2021-22. The electrification analyst and community engagement analyst were hired in fiscal year 2022-23.) Completing the SAP actions required more time than originally anticipated due to their breadth and complexity, as well as significant disruptions caused by the COVID-19 pandemic and staffing constraints.

As progress was made on the SAP implementation and many actions neared completion, staff began shaping a more dedicated decarbonization planning effort, particularly following the CSC's June 2022 request to prepare a decarbonization plan to accelerate the City's carbon neutrality goal from 2045 to 2035.

Following a consultant procurement process and CSC discussions regarding the scope of the study, on November 19, 2024, the City Council approved a scope of work with Cascadia to:

- Perform an analysis of accelerating the City's decarbonization goal; and
- Develop a five-year decarbonization plan.

The decarbonization goal analysis aims to show projected levels of greenhouse gas emissions through 2045, along with reductions expected from existing federal, state, and regional actions. In addition, the analysis includes modeling emission reductions from nine local actions in Mountain View. Initially, the plan was to model 10 local actions; however, there was strong interest in incorporating an additional state-level action (AB 1346 - Ban on Small Off-Road Engines) instead to remain within project budget constraints.

The decarbonization goal analysis will help to inform the level of effort the City would need to undertake to achieve an accelerated goal before 2045. Furthermore, this analysis aims to provide valuable insights to support the development of the five-year decarbonization plan. This plan outlines targeted, high-impact initiatives the City of Mountain View can pursue to foster community-wide decarbonization.

CSC Direction in Response to Significant Federal and State Climate Policy Changes

The CSC provided feedback on the decarbonization goal analysis and the initial five-year actions during meetings held on June 26, November 6, and December 1, 2025. The CSC ultimately approved the staff recommendation to uphold the original target year of 2045 for achieving decarbonization. This recommendation was prompted by the significant federal shifts, including the elimination of enabling policies and funding sources.

Of particular impact is the Environmental Protection Agency's decision to revoke California's ability to implement the 2035 Clean Cars Act. This Act aimed to require that all new passenger cars sold in the state be electric by 2035, which would have led to a reduction of 263,595 tons of emissions in Mountain View by 2045.

As a result of this change, the City's responsibility to reduce emissions through local actions has increased from 7% by 2045 to 40%.

In addition to these changes, the impact of which Cascadia has modeled, other Federal policy reversals, such as the removal of the Inflation Reduction Act incentives for building and transportation electrification, which helped to offset the higher upfront cost to purchase an EV and invest in electric space and water heating equipment; and revocation of the Federal Endangerment Act, will further impact the overall ability to achieve decarbonization.

At the state level, AB 306, a trailer bill to the state budget, prohibits local cities and counties from changing residential building codes, such as Reach Codes, for the next six years. Reach Codes are a significant tool that local governments can use to support climate efforts. While it is currently not possible to require all electric residential development and renovations, there is still some flexibility to adopt Reach Codes for commercial construction projects, as outlined in the actions in Attachment 1. The City accelerated its Reach Code adoption process last year, before this bill took effect. The newly adopted Reach Codes encourage new or replaced residential and commercial air conditioners to include an electric heat pump that can provide space heating using emissions-free electricity. Moreover, the City sent a letter to the State opposing the Bill and is developing zoning incentives to promote electrification, which are unaffected by the recent state legislation.

Without the above Federal and State actions, the City must now focus more heavily on:

- Local actions, including policy, programs, education, infrastructure, and incentives that either directly reduce emissions or enable behavior change, and the effectiveness of future regional, state, and federal policies.

- Collaborative efforts to shape regional, state, and federal policy to the extent possible to leverage the City's ability to achieve carbon reductions.

- Emerging technological advancements, such as electric autonomous vehicles, smart electrical panels/intelligent load management, dynamic EV load management, meter-collar/grid-edge electrification devices, thermal batteries, megawatt truck charging, solid-state/sodium-ion batteries, and grid-interactive building controls using AI.

The loss of the above strategies, along with the level of instability and uncertainty in the overall landscape for achieving decarbonization, prompted the CSC to discuss whether even a 2045 carbon-neutrality target was attainable and whether the five-year actions being discussed would get the City 25% of the way there.

Even though it is not currently possible to identify all feasible actions likely to achieve full decarbonization by 2045, it is still helpful to have the end outcome in mind and a sense of urgency and purpose. Focusing on the near-term makes clear what can be done now within the current landscape and available options. Therefore, staff recommends maintaining the 2045 goal to continue forward momentum and continue gauging the most promising opportunities and

emission-reducing actions in five-year increments. While the proposed actions are the most promising for achieving impact, staff do not foresee that their implementation will translate into a 25% reduction in emissions at the end of 5 years. However, the five-year actions will support future reductions in emissions. As with many new actions, behaviors, or technology adoption curves, the rate of emission reductions is traditionally not linear.

The CSC further discussed actions of interest and the desire to move quickly without excessive analysis, while still having some sense of whether the City was focused on the actions with the greatest impact. Staff acknowledge that it can be difficult to balance the need for urgent action and the need for information on which to base decisions. Furthermore, with the current reality of relying on local, regional, and collaborative efforts, the order of magnitude of the City's ability to achieve immediate, measurable impact on its own is constrained.

At the November 6, 2025, CSC meeting, the Committee identified the following guiding principles to support the development of a decarbonization plan:

1. Focus on substantial actions to reduce emissions rather than prioritizing the attainment of a specific goal by a certain year.

2. Review and update the plan regularly every 3 to 5 years or as the regional, state, and federal policy landscape significantly changes.

3. Identify the most effective local actions to pursue in collaboration with Silicon Valley Clean Energy and other partners.

4. Determine which actions will lead to cost savings.

5. Emphasize community engagement and outreach to educate the public about transportation and building decarbonization opportunities. Partner with local community groups to reach broader audiences.

At the December 1, 2025, CSC meeting, staff proposed a focus on developing a five-year plan to advance high-impact climate actions the City can undertake to make progress toward decarbonization. The actions presented in Attachment 1 constitute the most recent draft to be incorporated into the draft five-year decarbonization plan. As previously discussed, Cascadia is modeling the greenhouse gas emissions associated with 9 local actions, identified in Attachment 1 with an asterisk. The final report results, including the assumptions used, will be presented at an upcoming CSC meeting.

Feedback from the CSC, along with how it has been incorporated, is shown in Table 1 below.

Table 1: Feedback from CSC Meetings and Their Outcomes

Feedback	Comments
Evaluate the impact of the time-of-sale action on housing costs and the City's ability to implement and enforce the regulations. Consider establishing a partnership to facilitate this action or start as a pilot using property transfer taxes.	This action has been included and revised to incorporate feedback. The project team has strengthened the language to emphasize collaboration and partnership with other local governments and has included the property transfer tax pilot. Refer to Attachment 1 for the action titled "Regional Time-of-Sale Energy Upgrade Partnership" under the Buildings/Natural Gas section. Given the Bay Area Air District's regulations that will restrict the sale of gas-fired water heaters and furnaces, this measure serves as a backup option if the Air District's rules are delayed, modified, or adjusted. A careful evaluation of how this action may affect housing costs and the City's capacity to implement it will be conducted should the City decide to explore this initiative further.
Engage local community groups to assist in educating the community.	This feedback is included in Attachment 1 under the "Electrification Readiness Programs and Outreach" action for Buildings/Natural Gas.
Conduct outreach and education for contractors regarding building electrification.	This feedback is included in Attachment 1 under the "Electrification Readiness Programs and Outreach" action for Buildings/Natural Gas.
Provide education on utilizing Mountain View's biking infrastructure.	This activity is included in the implementation of the Active Transportation Plan. The Active Transportation Plan is an ongoing action to reduce emissions in Attachment 1 under Transportation actions.
Collaborate to enhance shuttle services or explore the use of autonomous vehicles, such as those from Waymo and Uber, including minibuses.	Expanding shuttle services is identified as a key action in Attachment 1, under "Mountain View's Shuttle Service," in the transportation actions. Staff will continue to work collaboratively with partner organizations and local governments to enhance shuttle services. The exploration of autonomous vehicles has progressed, and this emerging technology may be considered for future iterations of the five-year

	decarbonization plan as it gains wider adoption. Currently, given available staff resources and transportation budget constraints, enhancing the City's shuttle service would be the most strategic way to effectively reduce emissions over the next five years.
Streamline permits for building improvements to reduce emissions.	This action is ongoing and is detailed in Attachment 1 under Buildings/Natural Gas actions.
Integrate emission reduction actions into other City policies and programs, including earthquake retrofitting and preparedness.	This is included in the Building/Natural Gas actions in Attachment 1 under the "Electrification Integration into City Policies and Programs."
Include solar photovoltaic systems on balconies, along with the installation of solar thermal hot water heaters and recirculation technology for hot water in multifamily buildings.	This is included in Attachment 1 under the "Equity-Focused Electrification for Hard-to-Electrify Buildings and Neighborhoods" action.
Require direct-access customers to report their electricity usage and potentially introduce a modest annual fee related to emissions from less environmentally friendly electricity sources, using the business license process.	In 2017, it was estimated that 22% of building emissions in Mountain View were attributable to direct-access customers. These figures are based on assumptions derived from statewide averages, which may not fully reflect the actual emissions from direct-access customers in Mountain View. Recent analyses conducted by SVCE have indicated that approximately 62% of the direct access load is sourced from greenhouse gas-free energy. Additionally, the implications of Senate Bill 100 outline a pathway to emission-free electricity by 2045, resulting in zero emissions for direct access customers. Given the privacy rules that constrain access to information on direct access emissions, as well as state clean electricity requirements, this action is not included as a high-impact focus over the next five years. It can be considered for potential inclusion in future updates to the five-year plan.

Plan for Council Study Session

Due to the sea change and uncertainty since the last Council direction in 2024, staff is preparing for a Council Study Session on May 26, 2026, to update the Council on the City's sustainability work to date, present the CSC- and staff-proposed actions for the five-year plan, and seek Council input on both the actions and the overall decarbonization approach and goal. Staff proposes the following Study Session questions:

1. Does the Council agree with the approach to develop a five-year plan focusing on local actions for building and transportation electrification that seek to support the success of regional and state actions to move the City toward a 2045 decarbonization goal to the fullest extent possible?

2. Does the Council agree with the draft actions for the five-year plan or have input on any additions, deletions, or modifications?

In preparation for the Study Session, staff requests feedback and approval from the CSC on the proposed actions in Attachment 1 and on the broader question of the City's approach and goal for achieving decarbonization.

ANALYSIS

The five-year decarbonization plan will establish a strategic framework to guide the City's community decarbonization efforts over the next five years, supporting the broader goal of achieving decarbonization by 2045 to the fullest extent possible. It focuses on reducing greenhouse gas emissions through new or still-evolving actions as summarized below and further described in Attachment 1. High-impact ongoing decarbonization efforts are also included in Attachment 1. To remain effective amid changing conditions, the plan will be reassessed every three to five years.

The actions proposed in Attachment 1 for inclusion in the draft five-year decarbonization plan reflect extensive collaboration with various stakeholders. Staff incorporated feedback from the CSC meetings and worked closely with multiple City departments and external partners, such as SVCE, to evaluate feasibility. As a result, the proposed actions are not only ambitious but also actionable and grounded in feasibility considerations.

Focusing on Building Electrification and Electric Vehicle Adoption as Highest Impact Actions

The City's current analysis, shared with the CSC last year, indicates that, without any climate mitigation interventions at the local, regional, state, federal, or private market levels, natural gas used in buildings and gasoline/diesel used for vehicles are projected to account for 97% of the

community's emissions by 2045. Off-road, solid waste, and wastewater account for the remaining measured emissions.

Therefore, over the next five years, the plan focuses on electrifying buildings and supporting and enabling EV adoption. This approach reflects feedback from the CSC, which emphasized prioritizing high-impact climate actions. These actions aim to set the City on a path toward achieving decarbonization.

Building Electrification Actions

By 2045, Mountain View is projected to achieve a 92% reduction in building-sector emissions, contributing to a 30% decrease in total community emissions. This results from significant actions at both the state and regional levels, as was presented in the June 26 and November 6, 2025, CSC meetings. These actions include:

- SB 100 and Renewable Portfolio Standards-California's regulations mandating 100% clean energy; and

- Bay Area Air District (Air District) appliance rules 9-4 and 9-6 to phase out the sale of gas-fired equipment starting in 2027.

The Air District rules will ban the sale of residential gas water heaters in 2027, followed by a prohibition on residential and commercial gas furnaces in 2029. In 2031, the requirement will extend to larger commercial and multi-family water heaters. These regulations are expected to dramatically reduce building emissions in Mountain View by 2045, with projections estimating that natural gas-related emissions will drop from 120,704 tons to 13,000 tons[1]. The remaining emissions from natural gas are expected to come from gas-fired stoves, fireplaces, dryers, and existing natural gas pool heaters that remain in the community.

The effectiveness of these policies hinges on the work of Mountain View and other local governments, as well as the private market, to support a smooth transition from natural gas to electricity. Accordingly, the proposed City actions in Attachment 1 for the five-year decarbonization plan would support and leverage greater collective efforts, as noted below and further presented in Attachment 1.

Mountain View Actions to Leverage Air District Gas-Fired Equipment Rules

The five-year decarbonization plan will bolster the Air District's new rules through implementing key policies and programs, as well as education and outreach. Local actions, such as the City's "Year of the Water Heater" campaign, which launched last year, align with the Air District's policies. This campaign has raised awareness, promoted incentives, and encouraged the adoption of electric heat pump water heaters, showcasing how local actions can significantly enhance the

effectiveness of broader regulatory measures. Additionally, the City has been participating in regional efforts to support the Air District in moving forward with these rules through participation in the regional “Sprint to 9-6" workgroup of jurisdictions and partner agencies focused on identifying and removing barriers to heat pump water heater adoption.

Over the next five years, Mountain View’s building electrification actions, further detailed in Attachment 1, will align with forthcoming Air District rules. These will encompass:

- Readiness programs, such as pre-wiring
- Development of commercial reach codes
- Continuous outreach and education
- Incentives
- Pilot programs
- Policy formulation

The five-year decarbonization plan will introduce actions to fill gaps in the Air District's rules, such as assisting those facing hurdles to transitioning to electrification, including low-income residents and small businesses. The City is well-positioned to collaborate with SVCE to tackle these challenges by launching programs that remove financial, technical, and informational barriers, effectively reducing installation costs and ongoing utility expenses for households and businesses.

Future versions of the five-year decarbonization plan can also explore other gas appliances not currently encompassed by the Air District rules, such as gas-fired stoves, fireplaces, dryers, and existing natural gas pool heaters. This could be especially impactful in the future if the Air District were to expand its rules to such appliances.

The actions in Attachment 1 that build on the Air District rules are expected to have longer-term positive impacts on emissions reductions than focusing solely on the initial adoption of electric water heaters or furnaces. An initial positive experience with switching from a gas to an electric appliance can start a household on a decarbonization path as they gain experience with the process and benefits of electrification and use this to inform their choice to pursue further electrification opportunities. In addition, individual households can influence others to start their decarbonization path. For example, members of Carbon Free Mountain View and the City’s Cool Block program have successfully shared their experiences and supported others in taking action.

Other Building Electrification Actions

The draft five-year decarbonization plan includes advocacy and legislative actions to reduce emissions and enhance affordability. For example, staff have joined with other local governments to create the Local Government Climate Alliance (LGCA), a coalition of 15 Cities and Counties (and growing) that aligns state and local action, advocates for and creates high-impact climate policies at the state level and accelerates climate results. A newly created coalition, LGCA, held its first lobby day in Sacramento in April 2026 and met with legislators and staff to express support for legislation addressing electricity reliability, affordability, and transparency in rate-making. Staff also continue to engage the City's Legislative Program to advocate for state and federal policies that will further progress on the City's climate goals.

In addition, the draft five-year decarbonization plan includes the opportunity for the City to join a state pilot project under Senate Bill 1221. This pilot would test neighborhood-scale decarbonization in partnership with PG&E, enabling neighborhoods to electrify buildings with funds originally intended for natural gas pipeline upgrades. Staff submitted an application to be considered for this pilot program. Mountain View stands out as one of only three cities in Santa Clara County being considered for the pilot, with four census tracts currently under exploration—more than any other city in the county. This showcases the City sustainability team's proven ability to engage and rally neighborhoods effectively, as highlighted by the success of the Cool Block Program, positioning the City as an ideal candidate for this program.

Aside from complementing and filling gaps within broader policy and program frameworks, the five-year decarbonization plan will be intentionally flexible. Changes at the regional, state, federal, and private-sector levels can significantly influence emissions-reduction trajectories, making long-term planning challenging. To tackle this challenge, the plan embeds redundancy to ensure the City can swiftly adapt to delays or vulnerabilities caused by key external factors. Additionally, it embraces the potential for innovative opportunities and emerging technologies, providing flexibility for future advancements.

For instance, if the Bay Area Air District rescinds, delays, or modifies its regulations phasing out gas water-heating and space-heating equipment, the City could pursue alternative measures, like implementing a requirement for building electrification at the time-of-sale as outlined in Attachment 1, to achieve the same emission reductions. This approach supports continued progress, regardless of shifting external conditions.

Finally, the actions in Attachment 1 include innovative policies and programs, such as adopting building performance standards or adopting an end-of-flow goal for natural gas. Additionally, there are actions aimed at exploring funding or revenue sources to support local emission reductions.

Transportation Electrification Actions

By 2045, Mountain View is projected to achieve a 54% reduction in passenger vehicle emissions in the transportation sector, leading to a 29% decrease in total community emissions[1]. This improvement is attributed to California's low-carbon fuel standard and to trends in EV purchases, including tax incentives.

Despite these efforts, passenger vehicles will still be a significant source of emissions in 2045, contributing 122,798 tons, accounting for 63% of Mountain View's total community emissions that year, due to emissions in other sectors declining more rapidly. As previously mentioned, electricity is expected to be emission-free by 2045, making the adoption of EVs a key priority for achieving long-term emission reductions.

EV Adoption

As noted in the Background section of this report, federal and state policies and programs to accelerate EV adoption have faced setbacks, notably the Environmental Protection Agency's revocation of the waiver allowing for the Clean Cars Act and the discontinuation of EV tax incentives previously included in the Inflation Reduction Act. Without this regulatory and financial support, EV adoption rates are currently being driven by rising gas prices and growing general interest in EVs. Addressing the barriers to EV adoption will be crucial for maximizing the benefits of a sustainable transportation future.

The persistent lack of at-home charging remains the most significant obstacle to EV adoption today, particularly in existing multifamily residences. Shared and unreliable charging infrastructure further discourages potential users. Consequently, expanding EV charging access, especially at multifamily housing, will play a crucial role in the five-year decarbonization plan.

As advancements in fast charging and battery technology emerge, the five-year decarbonization plan would focus on addressing immediate needs by prioritizing accessible at-home or nearby charging options for multifamily properties. Charging at home is expected to remain the most affordable and convenient way to fuel EVs, both now and in the future. While it's uncertain whether every housing unit will require its own charger in the future—especially with potential innovations on the horizon—some form of onsite charging will remain essential.

To tackle this challenge, Attachment 1 outlines an action to install EV charging infrastructure on multifamily properties, aiming to enhance nearby or on-site charging for approximately 5,000 units, which amounts to 25% of the total multifamily units in Mountain View. This effort strives

[1] Based on the update to the Council Sustainability Committee regarding the Decarbonization Goal Analysis, dated June 26 and November 6, 2025.

to meet current needs while maintaining flexibility to adapt to advancements in EV charging technologies.

Other Transportation Actions

The plan will also include complementary actions to EV adoption, such as multimodal transportation and transit-oriented development. Additional actions outlined in Attachment 1 include:

- A transit benefit district
- Expanded shuttle services
- Mobility hubs
- Affordable access to public transit
- Zero-emission delivery and rideshare services
- Electric vehicle outreach and education
- Expanding the availability of e-bikes and e-scooters

Conclusion

Local action remains indispensable. Its value extends beyond the modest direct emissions reductions that are possible through local effort alone. Local actions engage the community, create the local conditions needed for future progress, and provide proof of concept that decarbonization actions work and can be scaled.

By investing in building and transportation electrification through infrastructure, removing barriers, expanding access, and recognizing and aligning with regional, state, and federal actions, the actions in the five-year decarbonization plan position the City as a key contributor within a larger network of climate action—helping translate ambitious policies into tangible, lasting outcomes at the community level.

This approach minimizes vulnerability to changes in policy at any single level. When momentum slows in one area, actions in other areas can maintain forward momentum, ensuring sustained progress toward long-term climate goals. This ultimately supports planning for uncertainty and creates space for trailblazing opportunities.

Next Steps

With the CSC's input and approval of the proposed actions outlined in Attachment 1, staff will present these actions to the City Council during the Study Session scheduled for May 26. Staff proposes the following Study Session questions for Council input:

1. Does the Council agree with the approach to develop a five-year plan focusing on local actions for building and transportation electrification that seek to support the success of regional and state actions to move the City toward a 2045 decarbonization goal to the fullest extent possible?

2. Does the Council agree with the draft actions for the five-year decarbonization plan or have input on any additions, deletions, or modifications?

With Council feedback and endorsement, the project team will develop a draft five-year decarbonization plan document that provides additional information on the actions outlined in Attachment 1, to be brought back to the City Council for adoption. Staff will continue to explore funding opportunities to support the five-year decarbonization plan, including incentives, grants, and public-private partnerships. Any remaining funds from SAP may also be allocated to support the five-year decarbonization plan.

Attachments: 1. Draft actions for the five-year decarbonization plan