

Reach Code Options, Timelines and Next Steps

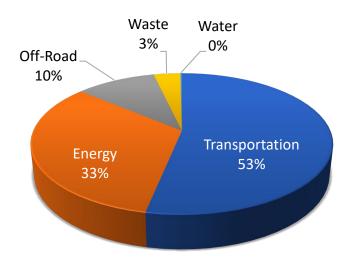
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What are Reach Codes?



- Reach Codes are local building code amendments that exceed the State Building Code to achieve community environmental and sustainability goals, including:
 - Increase energy efficiency standards
 - Expand electric vehicle charging infrastructure
 - Water and waste reduction
 - Encourage clean energy through solar or electric equipment
 - Reduce greenhouse gas emissions



2021 Final: 415,114 MT CO₂e

City of Mountain View Reach Codes



- 2019 City adopts Reach Codes that require all-electric new construction and major renovations
- 2022 City expands Reach Codes to include more solar and electric vehicle (EV) requirements

Main Components of Our Reach Codes

- All-electric appliance/equipment requirement, with limited exceptions
- Install solar to accommodate 100% of annual energy consumption of building
- Greater EV installation and EV ready requirements
- Bird-safe glass required for nonresidential development

Impact of Our All-Electric Reach Code



BUILDING PERMITS FINALED UNDER ALL-ELECTRIC CODE REQUIREMENTS				
	DEVELOPMENT TYPE			
YEAR	Single-Family and Duplexes	Townhomes/Rowhomes and Condominiums	Commercial and Mixed-Use Buildings	Total Per Year
2020	49	67	1	117
2021	98	148	4	250
2022	71	89	12	172
2023	72	29	8	109
2024 (Q1 only)	8	1	2	11
			Grand Total	659

Events Leading to Suspension



- November 2019: California Restaurant Association (CRA) sued City of Berkeley for all-electric code.
- July 2021: District Court rejected lawsuit. CRA appealed.
- **April 2023:** Ninth Circuit reversed District Court rejection; determined local jurisdictions cannot directly or indirectly regulate gas appliances.
- May 2023: Berkeley filed a petition for a Ninth Circuit rehearing.
- January 2024: Ninth Circuit denied rehearing.
- **February 2024:** Silicon Valley Clean Energy (SVCE) meets with City Attorneys from its member agencies to discuss court ruling and alternatives
- February/March 2024: SVCE meets with board members and City staff (3 meetings)
- Late March 2024: Berkeley settles lawsuit, will rescind code, and is not seeking review by US
 Supreme Court

Events Leading to Suspension



- Ongoing: City participates in regional groups discussing alternative options:
 - Silicon Valley Clean Energy (SVCE)
 - International Code Council Peninsula Chapter (ICC)
 - Santa Clara County Planning Collaborative (SCAPPO)
 - Bay Area Regional Energy Network (BayRen)
- Ongoing: Approximately 80 people have approached City Building staff regarding gas appliances in single-family residential projects to:
 - Modify their remodel permit to include a gas appliance (e.g. stoves, BBQs, and outdoor firepits)
 - Delay the removal of their gas appliance during construction
 - Are unable to pass final inspection due to non-removal of gas appliance
 - Inquiries by licensed professionals preparing to submit for a permit
- April 9, 2024 City suspension of natural gas appliance prohibition in Reach Codes; all other components of Reach Codes remain in effect.

Actions by Other Jurisdictions



Suspended Enforcement

Several jurisdictions have suspended enforcement of their all-electric requirements and <u>do not</u> have an alternative option adopted yet, including:

- City of Milpitas
- City of Palo Alto
- City of Half Moon Bay
- City of Menlo Park
- City of Atherton
- City of San Mateo
- City of South San Francisco
- City of Belmont
- County of San Mateo

Continuing to Enforce:

Some jurisdictions continue to enforce allelectric requirements, including:

- County of Santa Clara
- County and City of San Francisco
- City of San Jose

Regional and State Decarbonization Efforts



- Silicon Valley Clean Energy provides clean electricity to 96% of residents and businesses
- Bay Area Air Quality Management District (BAAQMD) adopted indoor air quality standards that requires water heaters and space heating equipment to be zero nitrogen oxides (NOx) starting in 2027
- California Air Resource Board (CARB) will consider setting a zero emissions standard for water heaters and space heating equipment similar to BAAQMD for implementation in 2030
- Current 2022 State Building Code requires pre-wiring for new single-family homes to be allelectric in the future and prewiring for heating, clothes dryers, and stoves in multifamily residential buildings
- Upcoming 2025 State Building Code may include additional pre-wiring for multifamily residential; zero-emission standards (zero NOx) are unlikely to be considered in this cycle

Exploring Alternatives to Encourage Electrification



1. Expanded Pre-Wiring Requirement

- Require pre-wiring of electrical line and outlet to all natural gas appliances, allowing for easy transition to electric appliance/equipment in the future
- Include multifamily residential and nonresidential requirements beyond State Code, which currently includes single-family and some multifamily residential
- Amends the CalGreen Code

2. Air Quality Approach

- Regulate air quality emissions from equipment/appliances
- Example is "Zero Nitrogen Oxide (NOx)" equipment requirement
- Amends the CalGreen Code

3. Energy Performance Approach

- Regulate energy performance from equipment at a set percentage above the State Code;
 can allow gas appliances
- Often referred to as "Single Margin" or "One Margin"
- Amends the California Energy Code, requires Cost Effectiveness Study

Expanded Pre-Wiring Requirements



Minimum State Code Requirements

- Single-Family Residential New Construction:
 - Heat pump water heater
 - Solar
 - Energy storage
 - Stove
 - Clothes dryer
- Multi-Family Residential New Construction:
 - Heat pump water heater
 - Stove
 - Clothes Dryer

Phase 1 Updates

Use City's existing threshold for new construction (incl. major renovations) to:

- Expand Single-Family and Multi-Family Residential requirements
- Add Nonresidential New Construction

Phase 2 Updates

Evaluate beyond City's current threshold:

- Smaller Remodels/Renovations (Residential and Nonresidential)
- Any residential new gas appliance at time of upgrade (if you touch it, you prewire it)

Air Quality (Zero NOx) – Town of Los Altos Hills



- Adopted in February 2024
- Applies to new construction and major renovations of single-family residential
- Applies to water heater, heating/cooling (furnace), and clothes dryer
 - <u>Does not apply to</u>: indoor and outdoor cooking equipment, outdoor fireplaces, generators, and pool/spa heaters
- If indoor cooking appliance is NOx emitting, must be pre-wired, be "240V ready", and have a circuit breaker labeled in the panel for easy transition to electric
- Amendment to CalGreen, no Cost Effectiveness Study Required

CONSIDERATIONS

- No gas equipment available on the market that meets Zero NOx
- No example of multifamily residential or nonresidential development in effect
- New York State's adopted Zero NOx program is a phased requirement over 3-4 years



Energy Performance Program – City of Santa Cruz



- Suspended all-electric requirements in June 2023
- Adopted Energy Performance approach in November 2023; awaiting California Energy Commission (CEC) approval (4+ months) – not in effect
- Applies to single-family, multifamily, and nonresidential new construction
 - <u>Does not</u> include existing buildings
- If gas or propane appliance installed, must be pre-wired, have a circuit breaker labeled in the panel for easy transition to electric, and adequate space for appliance
- Amendment to Energy Code, required Cost Effectiveness Study and approval by CEC



- Will cost the applicant a little more; may extend City permit review time; more complicated regulation to explain
- Encourages electric as the simpler alternative to preparing an "energy budget"; allows for gas appliances
- Will take staff longer to develop thresholds, particularly for nonresidential and existing buildings



Estimated Timelines

Expanded Pre-Wiring Requirements

Phase 1

Pre-Wiring Using Existing City Thresholds (No Community Outreach)

Draft & Review (with current workload)

Council Adoption 2 months

Anticipate Sept. 2024

2 to 3 months

Phase 2

Pre-Wiring Beyond Existing City Thresholds

(With Community Outreach)

Additional Analysis 1 to 2 months

CSC/Council Direction May/June 2024

Draft, Review & Outreach

(with current workload)

Council Adoption 2 months

State Acceptance 1 to 2 months

Anticipate Q1 2025

3 to 4 months

Air Quality Approach

Initial Analysis 1 to 2 months

CSC/Council Direction May/June 2024

Draft, Review & Outreach 3 to 4 months

(with current workload)

Council Adoption 2 months

State Acceptance 1 to 2 months

Anticipate Q1 2025

Energy Performance Approach

Initial Analysis 1 to 2 months

CSC/Council Direction May/June 2024

Draft, Review & Outreach 6 to 7 months (with current workload)

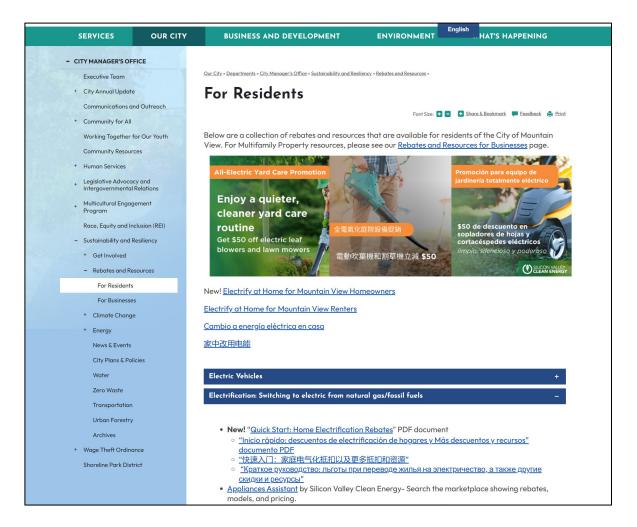
Council Adoption 2 months

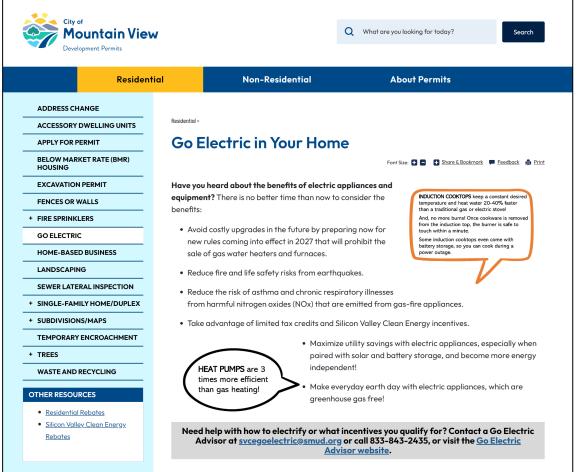
State CEC Approval Req. 2 to 4+ months

Anticipate Q2 2025

Ongoing Efforts by City Staff







Next Steps



- Continue to work with SVCE in exploring alternative electric requirements
- Increase public education/communication on benefits of electrification and encourage use of electric appliances/equipment
- Add topic to the City's federal and state legislative platform
- Return to Council Sustainability Committee for a recommendation on a path forward in May 2024
- Seek Council direction on a path forward in June 2024

Thank you