

DOCKETED	
Docket Number:	25-BSTD-04
Project Title:	Applications for Local Ordinances Exceeding the 2025 Energy Code
TN #:	268299
Document Title:	Resolution finding building energy efficiency standards contained in City of Palo Alto Ordinance No 5665
Description:	Resolution No. 26-0121-03cii resolution finding building energy efficiency standards contained in City of Palo Alto's Ordinance no. 5665 satisfy statutory requirements under Public Resources Code section 25402.1(h)(2)
Filer:	Anushka Raut
Organization:	California Energy Commission
Submitter Role:	Commission Staff
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RESOLUTION NO: 26-0121-03cii

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

**RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN THE CITY OF PALO ALTO ORDINANCE NO. 5665 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)**

WHEREAS, The City of Palo Alto adopted Ordinance No. 5665, which establishes certain locally adopted building energy efficiency standards; and

WHEREAS, Public Resources Code section 25402(a) and (b) establishes that the California Energy Commission (CEC) shall prescribe, by regulation, statewide building energy efficiency and conservation standards; and

WHEREAS, Public Resources Code section 25402.1(h)(2) provides that nothing in Public Resources Code section 25402(a) or (b) shall prohibit the enforcement of city or county building energy efficiency standards if: (1) the city or county files the basis of its determination that the standards are cost-effective with the CEC and (2) the CEC finds that the locally adopted standards will require the diminution of energy consumption levels permitted by the rules and regulations adopted pursuant to Public Resources Code section 25402(a) and (b); and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106 establishes a process for local governmental agencies to submit an application to the CEC for a determination that locally adopted building energy efficiency standards meet the requirements set forth in Public Resources Code section 25402.1(h)(2); and

WHEREAS, The City of Palo Alto submitted an application to the CEC that included (1) the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 5665 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 5665 will require the diminution of energy consumption levels compared to the 2025 Building Energy Efficiency Standards (Energy Code), as required by California Code of Regulations, Title 24, Part 1, section 10-106, on September 25, 2025; and

WHEREAS, The City of Palo Alto adopted a determination at a public meeting on September 16, 2025, that the locally adopted energy efficiency standards contained in Ordinance No. 5665 are cost effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency

standards contained in Ordinance No. 5665 will require the diminution of energy consumption levels compared to the 2025 Energy Code, and determined that it will do so; and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106(b)(4) requires that the local governmental agency's application include any findings, determinations, declarations, or reports, including any negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq.; and

WHEREAS, The City of Palo Alto, in its application to the CEC, submitted the California Environmental Quality Act documentation required by California Code of Regulations, Title 24, Part 1, section 10-106(b)(4); and

WHEREAS, CEC staff has considered the application of the California Environmental Quality Act (CEQA) to approval of the City of Palo Alto's application to enforce its local energy efficiency ordinance and finds that the approval is ministerial and does not meet the definition of a "project" under Cal. Code Regs., Title 14, section 15378(a), because the approval has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, and even if the approval was to be considered a project, then the project would fall under the "common sense exemption" in California Code of Regulations, Title 14, section 15061(b)(3) because it can be seen with certainty that there is no possibility the approval of City of Palo Alto's application would have a significant effect on the environment; and

WHEREAS, The locally adopted energy efficiency and conservation standards application filed by the City of Palo Alto satisfies the requirements of California Code of Regulations, Title 24, Part 1, section 10-106; and

THEREFORE, BE IT RESOLVED, that, pursuant to Public Resources Code section 25402.1(h)(2), the CEC finds the following: (1) The City of Palo Alto has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 5665 are cost-effective, and (2) Ordinance No. 5665 will require the diminution of energy consumption levels compared to the 2025 Energy Code; and

THEREFORE, BE IT FURTHER RESOLVED, that on the basis of the entire record before it, the CEC hereby adopts staff's finding that the approval of the City of Palo Alto's application to enforce its local energy efficiency ordinance is not subject to CEQA because the approval is ministerial and does not meet the definition of a "project" as it is not an activity that has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and even if it was a project, it is exempt from CEQA pursuant to the Common-Sense Exemption (Cal. Code Regs., tit 14, 15061(b)(3)) because it can be seen with certainty that there is no possibility that the activity will have a significant effect on the environment; and

THEREFORE, BE IT FURTHER RESOLVED, that the CEC directs the Executive Director to take all actions necessary to implement this Resolution.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on January 21, 2026.

AYE: Hochschild, McAllister, Skinner

NAY: NONE

ABSENT: Gunda, Gallardo

ABSTAIN: NONE

Dated: January 22, 2026

SIGNED BY:

Kim Todd
Secretariat