

**DOCKETED**

<b>Docket Number:</b>	22-BSTD-07
<b>Project Title:</b>	Local Ordinance Applications Exceeding the 2022 Energy Code
<b>TN #:</b>	252623-2
<b>Document Title:</b>	San Luis Obispo October 3 Council Agenda Report
<b>Description:</b>	Staff report to the San Luis Obispo Council
<b>Filer:</b>	Danuta Drozdowicz
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
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**Department:** Administration  
**Cost Center:** 1005  
**For Agenda of:** 10/3/2023  
**Placement:** Consent  
**Estimated Time:** N/A

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**SUBJECT:** SECOND READING OF ORDINANCE NO. 1730 (2023 SERIES) TO ADOPT LOCAL AMENDMENTS TO THE CALIFORNIA ENERGY CODE

## RECOMMENDATION

1. Adopt Ordinance No. 1730 (2023 Series) entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, adopting Local Amendments to Part 6 of the Building Construction and Fire Prevention Code, 2023," to be codified under San Luis Obispo Municipal Code Chapter 15.04.060 – "Amendments – Energy Standards"; and
2. Direct staff to submit the approved local amendments and accompanying required submittal forms and information to the California Energy Commission to initiate the local amendments to California Energy Code review and approval process.

## POLICY CONTEXT

- [Resolution 11159 \(2020 Series\)](#) adopts a communitywide goal of carbon neutrality and a building sector goal of no net new increase of building GHG emissions as the result of new buildings starting in 2020.
- [Ordinance 1717 \(2022 Series\)](#) adds Chapter 8.11 (All-Electric Buildings) to the Municipal Code requiring that all new buildings be all-electric, with certain limited exceptions.
- [Administrative Order 01 \(2023 Series\)](#) pauses enforcement of Municipal Code Chapter 8.11 (All-Electric Buildings). Should the City resume enforcement of Chapter 8.11, as set forth in Administrative Order No. 01 (2023 Series), Chapter 8.11 will supersede Ordinance No. 1730.
- [2023-25 Financial Plan Climate Action Major City Goal 4.1.h](#) directs staff to continue to monitor impacts to Municipal Code 8.11 (All-Electric New Buildings), and if necessary, return to Council with an alternative approach to achieving the City's climate action goals as they relate to new buildings.

## DISCUSSION

### Background

On September 19, 2023, the City Council voted 4-0 (Council Member Pease recused) to introduce Ordinance No. 1730, which provides local amendments (also referred to as a “reach code”) to the California Energy Code for the purpose of reducing energy use and reducing greenhouse gas emissions in support of the City’s climate action goals. The Ordinance is provided as Attachment A and includes additional efficiency standards for single-family residential buildings, multi-family buildings, and non-residential buildings.

Public Resources Code Section 25402.1(h)(2) and Section 10-106 of the Building Energy Efficiency Standards establish a process that allows local adoption of energy standards that are more stringent than the statewide standards. Under this process, the California Energy Commission requires any local amendments to the California Energy Code that affect energy use in regulated buildings to be cost effective and use less energy than the standard requirements. At the September 19, 2023 meeting, Council found the amendments proposed in the Ordinance to reduce energy and to be cost effective.<sup>1</sup> These findings were based on cost effectiveness studies conducted by the California Energy Codes and Standards Statewide Utility Program.<sup>2,3,4</sup>

### Previous Council or Advisory Body Action

Previous Council Action is described in detail in the September 19, 2023 Council Agenda Report. The ordinance proposed for adoption was introduced at the [City Council meeting on September 19, 2023](#).

### Public Engagement

The City conducted a public engagement process as outlined in the [September 19, 2023 Council Agenda Report](#) .

### Schedule and Next Steps

Should Council approve staff’s recommendations, work would proceed on the timeline provided in the table below. It is important to note that the California Building Code, which includes the California Energy Code, is updated every three years. Should Council adopt staff’s recommendation, the local reach code would expire with the current Building Code on December 31, 2025.

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<sup>1</sup> The September 19, 2023 Council Agenda Report is available at: <https://pub-slocity.escribemeetings.com/filestream.ashx?DocumentId=10192>

<sup>2</sup> The 2022 Cost-Effectiveness Study: Single Family New Construction Study is available at: <https://pub-slocity.escribemeetings.com/filestream.ashx?DocumentId=10194>

<sup>3</sup> The 2022 Cost-Effectiveness Study: Multifamily New Construction Study is available at: <https://pub-slocity.escribemeetings.com/filestream.ashx?DocumentId=10195>

<sup>4</sup> The 2022 Code: Non-Residential New Construction Reach Code Cost-Effectiveness Study is available at: <https://pub-slocity.escribemeetings.com/filestream.ashx?DocumentId=10196>

Task	Timeframe
Receive approval from the California Energy Commission	November - December
Reach code goes into effect	January 1, 2024

**CONCURRENCE**

Staff from Administration, Community Development, and the City Attorney’s Office concur with this report.

**ENVIRONMENTAL REVIEW**

Staff’s recommendations are found to be exempt from CEQA under the general rule, 15061(b)(3), because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment. Further, this ordinance is also exempt from CEQA under the categorical exemptions in Section 15308 of the CEQA Guidelines in that the proposed ordinance would institute regulatory requirements intended to protect the environment and natural resources.

**FISCAL IMPACT**

Budgeted: Yes

Budget Year: 2023-24

Funding Identified: Yes

**Fiscal Analysis:**

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund	\$	\$	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

The reach code requirements will be implemented through the development review and/or building permit review process. The staff time to review projects is already budgeted and is a core work task of the Community Development Department. This work can be directly supported by the 3C-REN [Energy Code Coach Program](#), which provides technical support for code interpretation. Funded under the auspices of the California Public Utilities Commission, Energy Code Coach is free to the user and can be accessed by project applicants and City staff.

**ALTERNATIVES**

1. ***Council could request more information, suggest changes, or request that the proposed local amendments to the California Energy Code be presented for adoption at a later date.*** Should Council pursue this alternative, staff requests specific direction and feedback.
2. ***Council could take no action and direct staff to pursue other initiatives.*** This action is not recommended by staff because it is inconsistent the City's climate action goals and prior Council direction and adopted policy.

**ATTACHMENTS**

A - Ordinance No. 1730 (2023 Series)