

DOCKETED

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Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Director of Planning and Building
Carolyn Bloede, Director, Sustainability Department
Subject: Adoption of an ordinance updating local amendments to Title 24 Part 6 of the 2022 California Energy Code.

RECOMMENDATION:

Adoption of an ordinance amending Sections 10.44.080 and 10.44.090 of Chapter 10.44, Green Building Code, of the San Mateo County Ordinance Code to remove Section 4.106.5 (“All-electric buildings”) and Section 5.106.13 (“All-electric buildings”), and repealing Chapter 10.40, Energy Code, of the San Mateo County Ordinance Code and replacing it with a new Chapter 10.40, Energy Code, with local amendments to require higher energy efficiency targets, previously introduced on November 12, 2024, and waiving the reading of the ordinance in its entirety.

BACKGROUND:

Proposal: The Planning and Building Department, in collaboration with the Sustainability Department, proposes that the County adopt an ordinance to implement the provisions of the 2025 California Energy Code as a reach code now – one year ahead of the state cycle. This is a legally viable pathway to advance new building electrification and is consistent with the federal Energy Policy and Conservation Act (EPCA). A summary of the proposed reach code requirements can be found in Attachment A.

Reducing emissions from new buildings is necessary to fulfill the emissions reductions goals this Board committed to with the adoption of Community Climate Action Plan (CCAP). Adopting this reach code now will help prevent new appliances that contribute to methane gas emissions from being installed during the year before the 2025 code takes effect. In addition, this reach code will help communities prepare for upcoming regional and state regulatory efforts that are increasingly requiring all-electric appliances. For example, as early as 2027, as rulings from the Bay Area Air Quality Management District take effect, residents will not be able to purchase gas water heaters that emit nitrogen oxides (NOx).

This approach is recommended by Peninsula Clean Energy (PCE) and is aligned with efforts other jurisdictions in the County and across California are taking in response to the recent Ninth Circuit ruling in California Restaurant Association (CRA) v. City of Berkeley, discussed below. Preventing methane gas equipment in new construction is necessary to achieve the carbon neutrality goals adopted by our County and required by the State.

Recent Reach Code Activity: In 2022, this Board adopted the San Mateo County CCAP with the goal of achieving a 45 percent reduction of greenhouse emissions over 1990 levels by 2030 and carbon neutrality within unincorporated areas by 2040 (Resolution No. 079264). Eliminating the installation of methane gas piping in new buildings was identified in the CCAP as a key strategy to help the County meet its carbon reduction goals, since methane is a powerful greenhouse gas contributing to climate change.

Local governments may make more stringent amendments to the California Energy Code and the California Green Building Standards Code that are designed to help communities shift towards an all-electric future. These are known as “reach codes” because they allow counties and cities to “reach” beyond the State minimum standards in achieving carbon reduction goals. This Board adopted a reach code in the 2019 code cycle and then again in 2022 with the most recent provisions requiring new buildings to be all-electric. (San Mateo County Ordinance Code, Sections 10.44.080 and 10.44.090.)

Subsequent to the County’s adoption of its reach code, the federal Ninth Circuit Court of Appeals issued a decision in *California Restaurant Association (CRA) v. City of Berkeley*. In that decision, the appellate court held that the federal EPCA preempts the City of Berkeley ordinance that prohibited methane gas piping in new buildings. As a result, the Planning and Building Department suspended enforcement of the portions of the County’s reach code that require new buildings to be all-electric.

Upcoming Updates to California Building Code: The California Building Code (Title 24) is updated every three years. The next edition – the 2025 code cycle – takes effect on January 1, 2026. The Energy Code sits within the Building Code and establishes whole-building efficiency requirements that include a building’s water heater, HVAC (heating, ventilation, and air conditioning) system, solar generating system, and insulation, among other design elements. Compliance with the Energy Code includes both a prescriptive pathway and performance pathway based on the building type.

Once the 2025 Energy Code is in effect in 2026, all new residential and non-residential buildings will be required to meet a higher building energy performance standard, resulting in reduced carbon emissions. The easiest way to comply with these higher building energy performance standards will be for new buildings to include only electric appliances and/or mechanical systems. However, mixed-fuel appliances and systems will be allowed if the building has sufficient energy efficiency measures, solar photovoltaic systems, and/or battery systems to reach the required building performance target. These regulations do not cover cooking equipment, laundry dryers, fire pits or other unregulated energy uses.

DISCUSSION:

Adoption Process: Optional local amendments or reach codes must be filed with the California Building Standards Commission prior to taking effect. In addition, the local amendments of the Energy Code must be approved by the California Energy Commission, requiring the jurisdiction to demonstrate that the proposed amendments to the code are cost-effective and do not represent an unreasonable burden to builders and, ultimately, the building's occupants. Cost effectiveness studies that were published by the California Energy Codes and Standards Statewide Utility Program are found in Attachments B, C and D.

Environmental Review: The proposed local amendments are exempt from the requirements of the California Environmental Quality Act ("CEQA") on the grounds that these standards are more stringent than the State energy standards, there are no reasonably foreseeable adverse impacts and there is no possibility that the activity in question may have a significant effect on the environment.

The County Attorney has approved and reviewed the ordinance as to form.

EQUITY IMPACT:

The County's strategy to reduce carbon emissions strives to put historically underserved communities at the center of its action and decision making. This proposed reach code will help reduce carbon emissions and lower indoor air pollution while also preparing communities for regional and state regulation. Staff have explored research addressing upfront and ongoing costs and have determined that this policy does not increase financial burden on applicants.

FISCAL IMPACT:

There is no Net County cost.

ATTACHMENTS:

- A. Summary of Proposed Local Amendments to the 2022 California Energy Code
- B. 2022 Cost-Effectiveness Study: Single Family New Construction
- C. 2022 Cost-Effectiveness Study: Multifamily New Construction
- D. 2022 Code Non-Residential New Construction Reach Code Cost-Effectiveness Study