DOCKETED	
Docket Number:	19-BSTD-06
Project Title:	Local Ordinances Exceeding the 2019 Energy Code
TN #:	231865
Document Title:	City of Palo Alto City Council Staff Report 2
Description:	12/2/19 Second Reading of Energy Reach Code for Building
	Construction
Filer:	Danuta Drozdowicz
Organization:	City of Palo Alto
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# City of Palo Alto City Council Staff Report

(ID # 10875)

Report Type: Consent Calendar Meeting Date: 12/2/2019

**Summary Title: Energy Reach Code for Building Construction** 

Title: SECOND READING: Adoption of an Ordinance Repealing Chapter 16.17 of Title 16 (Building Regulations) Related to the California Energy Code and Adopting a New Chapter 16.17 Incorporating the 2019 California Energy Code With Local Amendments and Amendments to Title 24, Chapter 6 of the California Code of Regulation (FIRST READING: November 4, 2019, PASSED 7-0)

From: City Manager

**Lead Department: Planning and Development Services** 

## Recommendation

Staff recommends City Council take the following actions:

- Adopt the attached ordinance approving the 2019 California Building Energy Efficiency Standards, Title 24, Part 6, of the California Code of Regulations to include local amendments with certain exceptions, modification and additions which serve as a reach code to promote building electrification and increase building efficiencies and to mandate all-electric residential new construction in April 2020 (Attachment A); and
- 2. Find that the proposed action is exempt from the provisions of the California Environmental Quality Act in accordance with Sections 15308 and 15061(b)(3).

# **Background**

On November 4, 2020, the City Council adopted on first reading an ordinance to approve local amendments to the 2019 California Energy Code<sup>1</sup>. As part of the motion, Council also directed:

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<sup>&</sup>lt;sup>1</sup> November 4, 2019, Staff Report, ID # 10538, retrieved from: https://www.cityofpaloalto.org/civicax/filebank/documents/73790

- 1. The ordinance be amended to include an all-electric requirement for new low rise construction to be effective in April 2020 (this has been incorporated into the attached ordinance)
- 2. For staff to return with a subsequent ordinance to require all-electric service for new construction, including accessory dwelling units; and
- 3. To engage the Utilities Advisory Commission on scalable, cost-effective rebates for retrofitting existing homes to promote more electric utility service.

#### **Discussion**

Attachment A includes an updated ordinance the reflects the Council's direction. The all-electric mandate will cover one- and two-family dwellings and multi-family dwellings of three-stories or less in height and was deemed cost-effective from the Statewide Study.<sup>2</sup>

Staff anticipates returning to the City Council within the next 12 months with an updated energy code ordinance to mandate an all-electric design for all new buildings to be effective by the end of 2020. This ordinance will include all new non-residential buildings, new hotel and motel buildings, new high-rise residential buildings and new detached accessory dwelling units (ADU's), with possible exceptions as necessary. Staff will consult with third party energy consultants on the viability of a cost-effectiveness study for an all-electric design for large commercial buildings greater than 54,000 square feet and for ADU's less than 900 square feet and greater than 150 square feet in area.

Staff will continue to research efficient electric alternatives to replace gas appliances in existing homes and plans to present future customer rebates and outreach activities targeting existing homes, along with funding sources, to the Utilities Advisory Commission in the first quarter of 2020. In parallel, staff is developing a longer term building electrification plan as part of the 2020 Sustainability/Climate Action Plan update, which will be completed in early 2021.

Additionally, staff will begin a process to engage community members and stakeholders in a discussion regarding changes to the zoning and building codes to define when a substantially remodeled structure is considered new construction and therefore, subject to current standards. While there are several aspects to consider with this policy initiative, one anticipated result is that more development projects would be subject to meeting contemporary energy codes helping the City achieve its greenhouse gas emissions reduction goals.

## **Environmental Review**

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<sup>&</sup>lt;sup>2</sup> See November 4, 2019, Staff Report, ID # 10538, Attachment B: 2019 Residential New Construction Cost-Effectiveness Study (2019, August 1). retrieved from: https://www.cityofpaloalto.org/civicax/filebank/documents/73790

The proposed action is exempt from the provisions of the California Environmental Quality Act in accordance with Sections 15308 and 15061(b)(3) because the proposed standards are more stringent than the State energy standards, there are no reasonably foreseeable adverse environmental impacts and there is no possibility that the activity in question may have a significant effect on the environment.

## Attachments:

Attachment A: Council\_Ordinance\_Repealing\_Restating\_Chapter\_16.17\_Energy\_Code (PDF)

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