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Comment Received From: Miller Starr Regalia

Submitted On: 2/18/2020 Docket Number: 19-BSTD-06

# Objection to Reach Code Approval - Part 1 of 12 pdf

Letter to California Energy Commission with attachments re City of Santa Rosa Ordinance No. ORD-2019-019. Part 1 of 12.

Additional submitted attachment is included below.



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February 18, 2020

#### Via Email

Docket Unit California Energy Commission Docket No. 19-BSTD-06 1516 9th Street, MS-4 Sacramento, CA 95814 Email: docket@energy.ca.gov

Re:

City of Santa Rosa 2019 Ordinance No. ORD-2019-019,

Docket No. 19-BSTD-06

Dear California Energy Commission:

This firm represents William Gallaher with respect to the City of Santa Rosa's adoption of an All Electric Reach Code/Natural Gas Ban ("Reach Code") which is now before the Commission at docket no. 19-BSTD-06. Our client is extremely concerned with the potentially adverse planning and environmental and health and safety effects that may occur from adoption and implementation of the Reach Code.

In short, the Reach Code as proposed cannot satisfy the requirements of Public Resources Code section 25402.1, subdivision (h)(2) or section 10-106 of the state Building Energy Efficiency standards, and therefore its adoption cannot be ratified by the Commission. Moreover, the City's adoption of the Reach Code via claimed exemptions under the California Environmental Quality Act ("CEQA," Public Resources Code section 21000 et seq.) was contrary to the law. Under cover of this letter I am forwarding, and incorporate herein by reference, our correspondence with the City as to this issue, as well as the petition for writ of mandate filed in the Superior Court for the County of Sonoma challenging the Reach Code's adoption.

Moreover, it is clear that any finding or determination the Commission makes to approve or ratify the Reach Code will also be a discretionary action requiring review under CEQA. Because the adoption of the Reach Code may have significant environmental impacts that the City has not analyzed via an initial study and environmental impact report, the Commission cannot itself rely on any CEQA exemption to approve it. (See *Save Our Carmel River v. Monterey Peninsula Water Mgmt. Dist.* (2006) 141 Cal.App.4th 677, 702.)

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California Energy Commission February 18, 2020 Page 2

For all of these reasons, the Commission cannot make the requisite findings under Public Resources Code section 25402.1, subdivision (h)(2) or section 10-106 of the state Building Energy Efficiency standards, nor make the requisite findings under CEQA absent the preparation of an EIR. Thank you for your attention to this matter.

Very truly yours,

MILLER STARR REGALIA

Matthew C. Henderson

MCH:klw encls

cc: Kevin Siegel, Esq. (ksiegel@bwslaw.com)

Arthur F. Coon, Esq. (arthur.coon@msrlegal.com)



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November 19, 2019

Via Email and Hand Delivery

City Council
City of Santa Rosa
City Hall
100 Santa Rosa Ave.
Santa Rosa, CA 95404
Email: citycouncil@srcity.org

Re: City of Santa Rosa Proposed Adoption of All-Electric Residential Reach

Code (November 19, 2019 City Council Meeting Agenda Item No. 15.2)

Dear Mayor Schwedhelm, Vice Mayor Rogers, and City Councilmembers:

As you are aware, this firm represents William Gallaher in conjunction with the above-referenced matter. As we have expressed in the past, our client is extremely concerned with the potentially adverse planning, and environmental and health and safety effects that may occur from adoption and implementation of the All Electric Reach Code/Natural Gas Ban ("Reach Code") currently being considered for adoption as a local ordinance by the City of Santa Rosa ("City").

In spite of my prior correspondence on this issue I did not receive notice that the City was holding a second reading of the Reach Code ordinance today. I also do not see any of the comments we previously provided in the staff report for the ordinance. Accordingly, I am enclosing herewith my prior correspondence on the Reach Code, as well as recent articles relating to both past and potential future PG&E shutdowns which have directly impacted the City and its residents. I request that my correspondence and attachments be included in the administrative record of the City's proceedings.

Very truly yours,

WILLER'S LANK REGA

Matthew C. Henderson

MCH:klw/ encls.

cc: Sean McGlynn (w/encls.; CMOffice@srcity.org)

Sue A. Gallagher, Esq. (w/encls.; via fax, 707-543-3055)

Dina Manis (w/encls.; CityClerk@srcity.org, dmanis@srcity.org)

Arthur F. Coon, Esq.

**ENDORSED** 1 ARTHUR F. COON (Bar No. 124206) MATTHEW C. HENDERSON (Bar No. 229259) MILLER STARR REGALIA DEC 17 2019 A Professional Law Corporation 1331 N. California Blvd., Fifth Floor SUPERIOR COURT OF CALIFORNIA Walnut Creek, California 94596 COUNTY OF SONOMA Telephone: 925 935 9400 Facsimile: 925 933 4126 5 Email: arthur.coon@msrlegal.com matthew.henderson@msrlegal.com 6 Attorneys for Petitioner and Plaintiff 7 WILLIAM P. GALLAHER 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF SONOMA Case No. SCV 265711 10 WILLIAM P. GALLAHER, an individual, 11 Petitioner and Plaintiff. VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR 12 DECLARATORY AND INJUNCTIVE RELIEF 13 CITY OF SANTA ROSA, CITY COUNCIL [CCP §§ 1060, 1085, 1094.5; Pub. Resources OF THE CITY OF SANTA ROSA, and DOES Code, § 21000 et seq; Cal. Code Regs., tit. 14, 14 1 through 25, inclusive, § 15000 et seq.; Cal. Code Regs., tit. 24, pt. 6, 15 Defendants and Respondents. § 10-106] 16 CEQA ACTION 17 18 Petitioner and Plaintiff William P. Gallaher, an individual ("Petitioner"), alleges as 19 follows: 20 **GENERAL ALLEGATIONS** 21 1. Petitioner is an individual, over the age of eighteen who regularly conducts business 22 in the City of Santa Rosa. 23 2. Respondent and Defendant City of Santa Rosa ("City") is and at all relevant times 24 was a political and legal subdivision of the State of California, duly organized and existing under 25 and pursuant to the laws of the State of California. 26 Respondent and Defendant City Council of the City of Santa Rosa ("Council") is, 3. and at all relevant times was, inter alia, the duly organized legislative body of the City existing under and by virtue of the laws of the State of California. The Council is, and at relevant times GLLR\56457\2202838.2

VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND

was, the local body charged with proposing, drafting, amending and passing legislation governing land use and the City's municipal affairs, subject to, and in a manner complying with, all applicable federal, state, and local law.

- 4. Petitioner is unaware of the true names or capacities of the parties fictitiously sued herein as DOES 1 through 25, inclusive, and will amend this complaint to set forth their true names and capacities when the same have been ascertained. Petitioner is informed and believes, and based thereon alleges, that some fictitiously named Respondents were the agents and employees of the other fictitiously named, or actually named, Respondents and, acting within the course of scope of such employment or agency, took some part in the acts or omissions hereinafter set forth, or are the principals and took some part in such acts or omissions, by reason of which said fictitiously-named Respondents are liable to Petitioner for the relief prayed for herein.
- 5. Respondents and Defendants identified in paragraphs 2 through 4 above, inclusive, are sometimes referred to collectively herein as "Respondents."
- 6. This action challenges the approval by the City of a so-called "reach code" via "Ordinance No. ORD-2019-019 Entitled: Ordinance of the Council of the City of Santa Rosa Adopting by Reference, With Local Amendments, the 2019 California Energy Code Including All-Electric, Low-Rise Residential Reach Code" ("Reach Code"), which ordinance was passed by the Council on second reading on November 19, 2019.
- 7. A "reach code" is so called because it "reaches" beyond the ordinary standards of a building or energy code to impose greater restrictions on building and development. Reach codes in California are optional and can only be enacted if specific procedures are followed. Here, the Reach Code forbids the inclusion of natural gas or propane plumbing in new low-rise residential construction in the City.
- 8. Despite the fact that enactment of the Reach Code constituted a discretionary project affecting the use and occupancy of land and structures in the City, and having the potential for reasonably foreseeable and potentially significant adverse physical changes in the environment, the City enacted the Reach Code without undertaking environmental review as required by, and therefore in violation of, the California Environmental Quality Act ("CEQA"; GLLR\\$6457\2202838.2

Pub. Resources Code § 21000 et seq.) and its implementing CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.).

- 9. The enactment of a reach code is governed by section 10-106 of the 2019 Building Energy Efficiency Standards for Residential and Nonresidential Buildings, title 24, part 6 of the California Code of Regulations ("Reach Code Law"). Before enacting the Reach Code, the Reach Code Law required that the City adopt "[a] determination that the standards are cost effective." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (a)(1).) The City's determination was based on a document entitled "2019 Cost-effectiveness Study: Low-Rise Residential New Construction" dated July 17, 2019 ("Study"), whose material conclusions are contradicted by a separate study entitled "Residential Building Electrification in California." The Reach Code Law also requires the submittal of an application to the Executive Director of the California State Energy Resources Conservation and Development Commission that includes "[a]ny findings, determinations, declarations or reports, *including any negative declaration or environmental impact report*, *required pursuant to the California Environmental Quality Act*, Pub. Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (b)(4), emphasis added.)
- 10. Petitioner is beneficially interested in the City's full compliance with the law regarding the City's approval of the Reach Code, including adhering to the requirements of CEQA. Petitioner has personal, professional, environmental and other interests which will be severely injured by Respondents' failure to comply with CEQA and the Reach Code Law. Petitioner lives close by the City and regularly does business there, including developing projects that would be subject to the Reach Code. Moreover, the Reach Code's impacts are necessarily regional in nature, thereby impacting residents throughout Sonoma County.
- 11. Petitioner is within the class of persons beneficially interested in and aggrieved by the City's failure to comply with CEQA and approval of the Reach Code. Petitioner has expressed his concerns and objections to the approval of the Reach Code in correspondence to the City. Before approving the Reach Code, the City owed a mandatory duty to comply with the legal duties which Petitioner alleges were violated. Petitioner has the right to enforce the mandatory duties which CEQA imposes on the City.

- 12. The City is the lead agency for purposes of CEQA compliance.
- 13. Petitioner has exhausted all available administrative remedies in that the City's approval of the Reach Code is final and not subject to further administrative appeal procedures.
- 14. Petitioner exhausted its administrative remedies to the extent required by law by objecting to the approval of the Reach Code in writing and presenting all alleged grounds for non-compliance with CEQA and the Reach Code Law to the City prior to the close of the public hearing at which the City considered adoption of the Reach Code. (*Tomlinson v. County of Alameda* (2012) 54 Cal.4th 281.)
- 15. On December 6, 2019, Petitioner's counsel requested a copy of any notice of exemption filed by the City for the adoption of the Reach Code. As of the filing of this petition the City has not responded to that request. According to the County of Sonoma CEQA postings database (<a href="https://crarecords.sonomacounty.ca.gov/selfserviceweb/">https://crarecords.sonomacounty.ca.gov/selfserviceweb/</a>), the City filed a notice of exemption for the Reach Code on December 12, 2019. Petitioner will timely file this Petition for Writ of Mandate on or before January 16, 2020, a date not more than thirty-five (35) days after the filing of the notice of exemption as required by Public Resources Code section 21167, subdivision (d).
- 16. Petitioner has caused a Notice of Intent to File Suit to be served on the City as required by Public Resources Code section 21167.5. A true and correct copy of the Notice of Intent to File Suit is attached hereto as Exhibit A.
- 17. Petitioner will have caused a copy of this pleading to be served on the Office of the Attorney General for the State of California not more than ten (10) days after the commencement of this proceeding, as required by Public Resources Code section 21167.7 and Code of Civil Procedure section 388.
- and constitutional rights and those of residents of the City and all others who may be impacted by the Reach Code. Petitioner seeks, on his own behalf and the behalf of said others, that Respondents obey the clear law, conduct required environmental reviews of their discretionary actions, require appropriate and feasible mitigation for their significant impacts, and not act in unlawful, bad faith,

arbitrary, capricious, and confiscatory fashion in noticing, analyzing, enacting and enforcing local land use legislation.

- 19. For these reasons, and others set forth in this Petition and Complaint, the City's actions described herein and the Reach Code are unlawful, invalid, and unenforceable. Petitioner therefore requests this Court issue a writ of mandate invalidating the Reach Code and declaring it, and any actions undertaken thereunder or pursuant thereto, unlawful, null, and void. Petitioner also seeks declaratory relief regarding the parties' respective legal rights and obligations and temporary, preliminary and permanent injunctive relief prohibiting enforcement of the Reach Code in any manner.
- 20. An actual and substantial controversy exists between Petitioner, on the one hand, and Respondents, on the other hand, relating to the legal rights of the respective parties. The controversy is well-defined and imminent in nature, such that the need for, and appropriateness of, judicial determinations at this time is warranted.

#### FIRST CAUSE OF ACTION

(Writ of Mandamus – Violations of CEQA – Code Civ. Proc., §§ 1085, 1094.5; Pub. Resources Code, § 21168.5 –

Against All Respondents)

- 21. The allegations of paragraphs 1 through 20, above, are hereby incorporated herein by reference as though set forth in full.
- 22. The ordinance adopting the Reach Code is a "project" that is subject to CEQA review. The CEQA Guidelines, in relevant part, define "project" as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following: (1) An activity directly undertaken by any public agency including but not limited to... enactment and amendment of zoning ordinances...." (Cal. Code Regs., tit. 14, § 15378, subd. (a)(1).) Indeed, under CEQA's broad definition of a "project," municipal ordinances, laws and regulations affecting the use of land or structures have consistently been held to be CEQA "projects" over the course of many decades.

- 23. The staff report for the Reach Code cites three exemptions: the Class 7 exemption under section 15307 of the CEQA Guidelines, the Class 8 exemption under section 15308 of the Guidelines, and the "common sense" exemption under section 15061, subdivision (b)(3).
- 24. CEQA's co-called "common sense" exemption may properly be invoked only when the lead agency can declare "with certainty that there is no possibility that the activity in question may have a significant effect on the environment." (Cal. Code Regs., tit. 14, § 15061, subd. (b)(3).) Thus, it is the City's burden to provide support for application of the common sense exemption, not Petitioner's burden to disprove its applicability. Any legitimate reasonable question about whether a project might have a significant impact means the project cannot be exempt under the "common sense" exemption. To invoke the common sense exemption, the City was required to consider factual evidence and data relating to possible environmental impacts of the Reach Code, and that consideration must be supported by evidence in the administrative record. (Muzzy Ranch Co. v. Solano County Airport Land Use Commission (2007) 41 Cal.4th 372, 386-387.)
- that constitutes a preservation of the environment. The Reach Code cannot be said to rise to this standard as it merely substitutes one source of energy for another, without any sufficient analysis as to whether that substitution will actually yield any benefit to the environment. (*Dunn-Edwards Corp. v. Bay Area Air Quality Management Dist.* (1992) 9 Cal.App.4th 644; *International Longshoremen's & Warehousemen's Union v. Board of Supervisors* (1981) 116 Cal. App.3d 265.) The City cannot undertake a "net benefit" environmental analysis i.e., reasoning that the project's environmental benefits in one area outweigh its significant adverse effects in another area or areas of environmental impact as such is not permitted under CEQA. (*County Sanitation Dist. No. 2 v. County of Kern* (2005) 127 Cal.App.4th 1544, 1577, 1580.) "There may be environmental costs to an environmentally beneficial project, which must be considered and assessed." (*California Farm Bureau Federation v. California Wildlife Conservation Board* (2006) 143 Cal.App.4th 173, 178.)
- 26. Moreover, to qualify for the Class 8 exemption the City must have a regulatory process to protect the environment that is effectively equivalent to CEQA. The Reach Code lacks

any such regulatory process, and the City has no other regulatory program that would fulfill CEQA's purpose here.

- 27. Neither the common sense nor the class 7 or 8 exemptions apply here. The Reach Code may have a number of significant impacts on the environment, none of which the City has analyzed. These include the following:
  - a) Hazards/Public Safety. The Reach Code was passed at a time when the supply of electrical power to the City and surrounding communities may be less reliable and subject to more and longer planned outages than ever before. In October of 2019 the City and surrounding area were subject to prolonged electricity blackouts and wildfires which may have been caused by electrical infrastructure. But the City failed to analyze how all-electric residential construction would exacerbate these impacts. Without adequate battery storage of electricity, or an alternative power source, such as natural gas which powers backup generators cook-stoves and grills, and other appliances, "all-electric" homes and businesses will be subject to hazards and risks to public safety during outages when heat, life-saving medical equipment, lighting, water, refrigeration, food, and air conditioning may be unavailable. Given the risk of blackouts, some residents will rely on propane or gasoline generators or other combustible sources of power, which are more prone to accident or spillage than fixed natural gas lines. There has been no study or analysis of the risks or impacts associated with such increased usage, including air quality, GHG, and fire impacts.

The 2018 Camp Fire, the deadliest in California history, was apparently caused by electrical transmission lines. There is no analysis whatsoever in the administrative record as to any potential increase in fire risk from expanded electrical service facilities which the Reach Code would necessitate.

b) <u>Utilities/Service Systems/Wildfire</u>. The CEQA Guidelines Appendix G checklist – a template for the initial study the City is required to conduct under CEQA – requires evaluation of the question of whether the project would "[r]equire or result in the

relocation or construction of new or expanded ... electric power, natural gas, or telecommunications facilities, the construction of which could cause significant environmental effects?" Projects requiring significant new construction to rely solely on electricity as a power source clearly have the potential to result in the installation, upgrading, and/or maintenance of associated infrastructure (e.g., roads, fuel breaks, power lines), and where such occurs in or near areas of high fire hazard the resulting environmental impacts must also be studied. (See Appendix G, Section XX WILDFIRE [listing potential impacts such as impairment of adopted emergency response and evacuation plans, exacerbation of wildfire risks, and other human safety and environmental risks and impacts].) And, as noted above, the most deadly fire in California history was started not by natural gas facilities, but by electrical lines. Moreover, also as noted above, increased generator use may give rise to its own increased risk of fire.

c) Similarly, the administrative record does not analyze whether the existing electrical grid is sufficient to satisfy the demand of all new construction under a 100% electricity standard. Given PG&E's warnings about potential blackouts, the grid's ability to handle this new demand is questionable at best. Moreover, the City did not sufficiently discuss the sources of the additional electricity required under the reach Code, nor the impacts related to those sources. Electric power generation powered plants fueled by natural gas or other non-renewable energy sources will obviously negate the supposed benefit of gas-free construction. Wind and solar sources also have their own well-known adverse impacts relating to wildlife, aesthetics, etc. They are also subject to supply issues depending on weather and other conditions. And hydroelectric power comes with its own suite of adverse impacts as well, including harm to anadromous fish and other species and the risk of failure and flood (as with the Oroville Dam crisis of 2017). In fact, hydroelectric facilities in California and the west are being removed, making this source of power uncertain for future electricity needs.

d) GHG/Air Quality. In passing the Reach Code the City assumed that GHGs are the only environmental concern and impact at issue; such a facile assumption is clearly incorrect. The Reach Code would eliminate natural gas-powered heaters, stoves, water heaters, built-in outdoor barbeques, gas burning fireplaces, fire pits, and, as noted above, gas-powered backup generators to protect against losses, disruptions and safety problems from blackouts of a fragile and overburdened electrical grid. Alternative fuel sources – such as wood, gasoline, propane or charcoal – exist for many of these amenities, and could be substituted for the cleaner-burning natural gas that the proposal would eliminate, leading to greater GHG emissions and air quality impacts. Such unintended, but clearly reasonably foreseeable, adverse environmental consequences must be fully evaluated under CEQA. (See, e.g., Rodeo Citizens Association v. County of Contra Costa (2018) 22 Cal. App. 5th 214 [recognizing that to extent captured butane and propane were used to displace use of other fuels such as coal, home heating fuel, fuel oil, diesel, kerosene, gasoline and ethanol, they would also displace GHG emissions otherwise resulting from use of those alternate fuels].) For example, propane barbeques produce only one-third of the GHG emissions of charcoal barbeques (id. at p. 226), and natural gas is similarly a much cleaner burning fuel than propane, charcoal, wood or gasoline. Moreover, the increased use of gasoline, diesel, or propane generators may also give rise to air quality and/or GHG impacts that are completely unanalyzed in the administrative record.

e) <u>Population and Housing/Human Impacts</u>. Projects that would displace substantial numbers of people or housing, or render housing unaffordable, may have significant adverse impacts on the environment and human beings that require CEQA analysis and mitigation. (See CEQA Guidelines, Appdx. G, Section XIV.) To the extent the Reach Code could, for example, substantially increase the cost of new multi-family apartment dwelling construction and/or retrofitting, it could lead to increased rents, unaffordable housing, and tenant displacement from the same, with resulting adverse

human impacts. Alternatively, renters or home buyers may prefer residences with traditional gas appliances and therefore show a greater propensity to move outside of the City and commute. This may also impact the supply of housing in the City. Residential displacement, in and of itself, has been recognized as a significant adverse environmental impact subject to CEQA analysis and mitigation. (Lincoln Place Tenants Assn. v. City of Los Angeles (2007) 155 Cal. App. 4th 425 [holding CEQA mitigation measures designed to mitigate tenant displacement impacts of project, contained in a vesting tentative map, were enforceable and did not conflict with Ellis Act].) Public entities possess the power under existing law "to mitigate adverse impacts on displaced tenants." (San Francisco Apartment Assn. v. City and County of San Francisco (2016) 3 Cal. App. 5th 463, 484, citing Pieri v. City and County of San Francisco (2006) 137 Cal.App.4th 886, 892; see Gov. Code, § 7060.1.) As explained by the Lincoln Place Court of Appeal, "CEQA... is made relevant... by the Ellis Act's explicit exceptions for a public agency's power to regulate, among other things,... the mitigation of adverse impacts on persons displaced by reason of the withdrawal of rental accommodations. Such items are the common focus and byproducts of the CEOA process...." (Lincoln Place Tenants Assn., supra, 155 Cal.App.4th at 451, emph. added.) Indeed, the Supreme Court has recently reaffirmed "that CEQA addresses human health and safety" and "that public health and safety are of great importance in the statutory scheme." (California Building Industry Assn. v. Bay Area Air Quality Management Dist. (2015) 62 Cal.4th 369, 386, citations omitted.) CEQA's "express language... requires a finding of a "significant effect on the environment" ([Pub. Resources Code,] § 21083(b)(3)) whenever the "environmental effects of a project will cause substantial effects on human beings, either directly or indirectly." (Id. at p. 386, emphasis in original.)

f) <u>Land Use/Planning</u>. Given the foregoing, the City failed to adequately analyze the Reach Code's consistency with its General Plan. While the City has discretion in interpreting and applying its General Plan, it cannot do so in a way that frustrates the

purpose of the General Plan. (*Napa Citizens for Honest Government v. Napa County Board of Supervisors* (2001) 91 Cal.App.4th 342, 378-381.) The analysis in the administrative record is far too brief to fully address the proposed ordinance's consistency with the General Plan and its overall purpose.

- 28. Given the foregoing, the Reach Code may have any number of potentially significant impacts on the environment, which makes the City's reliance on the common sense and Class 7 and 8 exemptions improper.
- 29. Even if the Reach Code were subject to a categorical exemption, it is clear that the unusual circumstances exception would apply, rendering the exemptions inapplicable. (Cal Code Regs., tit. 14, § 15300.2, subd. (c).) Substantial evidence supports a finding that the project presents unusual circumstances giving rise to the impacts discussed herein. These unusual circumstances include, but are not limited to, the following: PG&E's express planned electricity service interruptions and/or blackouts that will potentially last for days in this and other Sonoma County areas, creating very serious health and safety problems if power is actually out that long and not resumed from a non-grid source; the jurisdiction and cumulative study area jurisdictions are in very high fire danger areas, increasing both the likelihood and seriousness of electricity blackouts; there are well-known serious traffic problems on Highway 101 making even longer commutes to the City by displaced homebuyers and renters who want a choice other than all-electric more environmentally harmful. Accordingly, even assuming arguendo a categorical exemption applies, there is more than a fair argument that the adoption of the ordinance may have significant adverse environmental effects due to unusual circumstances which require actual analysis in a legally adequate initial study and appropriate environmental document pursuant to CEQA.
- 30. The City's reliance on exemptions also overlooks the Reach Code's potential for contributing to significant and adverse cumulative impacts. (Cal Code Regs., tit. 14, § 15300.2, subd. (b).) If other jurisdictions in Sonoma County or Northern California more broadly enact similar ordinances, the increase in the demand for electricity will be potentially much greater than that from the City's alone, and so would the related impacts.

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- 31. Section 10-106 of the Building Energy Efficiency Standards upon which the City relied to enact the Reach Code requires the submission of materials in support of an application for a reach code. The specific submittals required do not extend to a notice of claimed exemption but a "negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, § 10-106, subd. (b)(4).) The provision clearly does not contemplate the use of an exemption because the Reach Code will invariably require at least an initial study and appropriate environmental analysis under CEQA. Thus, the reliance on an exemption here is in error under the very authority upon which the City has relied to enact it.
- 32. Accordingly, there was no basis in law or fact for the City to conclude that adoption of the Reach Code was exempt under CEQA.
- 33. Under CEQA, a lead agency prejudicially abuses its discretion when it (1) fails to proceed in the manner required by law; or (2) its decision is not supported by the evidence. (Pub. Resources Code, § 21168.5.) By deeming the Reach Code exempt from CEQA review, Respondents abused their discretion in failing to comply with CEQA and failing to proceed in the manner required by law. As a result of Respondents' violations of CEQA, government decision-makers have been deprived of critical information essential to informal and intelligent decision-making, and Petitioner and other members of the public have been deprived and harmed in that they were not fully informed about the significant environmental impacts of the Reach Code and potentially feasible ways to mitigate them prior to Respondents' enactment of the same.

  Petitioner, as well as members of the general public, will suffer irreparable harm if the relief requested herein is not granted, as the Reach Code will be implemented in the absence of a full and adequate environmental review under CEQA. For the foregoing reasons, inter alia, Petitioner seeks an immediate stay of the Reach Code.
- 34. Petitioner has exhausted all administrative remedies made available to him to address Respondents' unlawful conduct to the extent required and not excused, and any further attempts would in any event have been an idle and futile exercise even if available. Petitioner has no plain, speedy, and adequate remedy in the ordinary course of law to challenge the Reach Code, GLLR\\$6457\2202838.2

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and a writ of ordinary mandamus under Code of Civil Procedure section 1085 or 1094.5 is the prescribed remedy for violations of this type. Petitioner is herewith or shortly will be filing and serving on Respondents his election to prepare the administrative record pursuant to Public Resources Code section 21167, subdivision (b)(2), and all other applicable laws. Petitioner has also performed all other conditions precedent to issuance of a writ of mandate, including service of written notice of the commencement of this action on Respondents in accordance with the requirements of Public Resources Code section 21167.5, and mail service of the petition on the California Attorney General no more than ten (10) days after its filing (see Code Civ. Proc., § 388).

35. The adoption of the Reach Code are in violation of CEQA and the CEQA Guidelines.

WHEREFORE, Petitioner prays for judgment as hereinafter set forth.

#### SECOND CAUSE OF ACTION

(Writ of Mandamus – Violations of Cal. Code Regs., tit. 24, pt. 6, § 10-106 – Code Civ. Proc., §§ 1085, 1094.5 –

Against All Respondents)

- 36. The allegations of paragraphs 1 through 35, above, are hereby incorporated by reference as though set forth in full.
- 37. Section 10-106 of the Reach Code Law requires that a jurisdiction enacting a reach code satisfy certain substantive and procedural requirements. As noted above, the City was required to make "[a] determination that the standards are cost effective." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (a)(1).) The City relied upon the Study to make this determination. However, the Study was prepared for PG&E, and based on information and belief, the City did not prepare any other materials to comply with the Reach Code Law.
- 38. The Study concludes that there will be a cost savings associated with all-electric low-rise residential uses with respect to consumer bills and lifecycle costs based on a "Statewide Electric Residential Average Rate" of 2% per year from 2020 to 2025 and 1% thereafter. However, an April 2019 study that was also authored by Frontier Energy, Inc. showed an increase in costs for

"Bay Area" consumers purchasing new homes based specifically on PG&E electric rates, which would be applicable to the City. In support of its conclusion, the April 2019 study states that "PG&E's electric rates are assumed to increase faster than the natural gas rates due to wildfire risk and liability...." Based on the failure of the Study to account for specific PG&E electric rates and the evidence that based upon electric rates specific to PG&E, costs would increase, the City has failed to show that the Reach Code would be cost effective. Moreover, the Study fails to account for tiered electricity pricing and fails to analyze how that would apply to all-electric construction under the Reach Code. It also is not clear as to whether all-electric construction would lead to residential units that cannot meet the requirements of the Building Energy Efficiency standards in Part 6 of Title 24, which would preclude building altogether. The City could therefore not make the proper determination under the Reach Code Law to pass the Reach Code.

- Director of the California State Energy Resources Conservation and Development Commission that includes "[a]ny findings, determinations, declarations or reports, *including any negative* declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Pub. Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (b)(4), emphasis added.) As noted above, the City did not prepare a negative declaration or EIR in support of the Reach Code. Accordingly, it cannot make the requisite submittal under the Reach Code Law.
- 40. Respondents' action in adopting the Reach Code was therefore arbitrary and capricious and/or constituted a prejudicial abuse of discretion in that Respondents failed to proceed in a manner required by law.

WHEREFORE, Petitioner prays for judgment as hereinafter set forth.

#### THIRD CAUSE OF ACTION

(Declaratory and Injunctive Relief

- Against All Respondents)
- 41. The allegations of paragraphs 1 through 40, above, are hereby incorporated by reference as though set forth in full.

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- 42. An actual controversy has arisen and now exists between Petitioner and the Respondents. Petitioner contends that the Reach Code is invalid due to Respondents' failure to follow CEQA and/or the Reach Code Law. Petitioner is informed and believes, and on that basis alleges, that Respondents contend that the Reach Code is valid and enforceable and was properly enacted.
- 43. Petitioner desires a judicial determination of the validity of the Reach Code. In particular, Petitioner desires a declaration that the Reach Code is invalid and unenforceable due to Respondents' failure to follow CEQA and the Reach Code Law.
- 44. Such a declaration is necessary and appropriate at this time in order that Petitioner and similarly situated persons understand their rights and obligations with respect to the Reach Code.
- 45. Petitioner also seeks to enjoin Respondents from applying or enforcing the Reach Code, and to require that Respondents rescind their approval of the Reach Code.

WHEREFORE, Petitioner prays for judgment as follows:

#### A. On the First Cause of Action

- 1. For a stay, temporary restraining order, and preliminary injunction directed to Respondents' and Defendants' unlawful enactment and enforcement of the Reach Code without required CEQA review, analysis and mitigation as required by law, and for a peremptory writ of ordinary mandamus invalidating, voiding, and setting aside the adoption of Reach Code and any actions taken under or pursuant to it;
- 2. For attorneys' fees pursuant to Code of Civil Procedure section 1021.5, Government Code section 800, and all applicable law.

#### B. On the Second Cause of Action

3. For a stay, temporary restraining order, and preliminary injunction directed to Respondents' and Defendants' unlawful enactment and enforcement of Reach Code, and for a peremptory writ of ordinary mandamus invalidating, voiding, and setting aside their adoption of the Reach Code and any actions taken under or pursuant to it; and

1		4.	For attorneys' fees purs	uant to Code of Civil Procedure section 1021.5,
2	Government	Code s	section 800, and all applica	ble law.
3	C.	On t	he Third Cause of Action	
4		1.	For a stay, temporary re	estraining order, and preliminary injunction directed t
5	Defendants'	unlawi	ul enactment and enforcen	nent of the Reach Code, and preventing the Reach
6	Code from b	eing er	nforced or given effect in a	ny manner;
7		2.	For a declaration that the	e Reach Code is invalid; and
8		3.	For a permanent injunct	tion preventing enforcement of the Reach Code.
9	D.	On A	All Causes of Action	
10		1.	For costs and reasonabl	e attorneys' fees as provided by law, including but
11	not limited to	o attorn	eys' fees provided by Cod	e of Civil Procedure section 1021.5; and
12		2.	For such other and furth	ner relief as the Court may deem just and proper.
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14	Dated: Dece	ember 1	.7, 2019 MII	LER STARR REGALIA
15				1/1/0 1/1
16			By:	Mother Hend
17				MATTHEW C. MENDERSON Attorneys for Petitioner and Plaintiff
18				WILLIAM P. GALLAHER
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#### **VERIFICATION**

I have read the foregoing Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief and know its contents.

I am one of the attorneys for William P. Gallaher, a party to this action. Such party is absent from the county where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I am informed and believe and on that ground allege that the matters stated in the foregoing document are true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on December 17, 2019, at Walnut Creek, California.

Matthew C. Henderson
Print Name of Signatory

Maller Hend Signature

# **EXHIBIT A**

1 2 3 4 5	ARTHUR F. COON (Bar No. 124206) MATTHEW C. HENDERSON (Bar No. 229259 MILLER STARR REGALIA A Professional Law Corporation 1331 N. California Blvd., Fifth Floor Walnut Creek, California 94596 Telephone: 925 935 9400 Facsimile: 925 933 4126 Email: arthur.coon@msrlegal.com matthew.henderson@msrlegal.com	
6 7	Attorneys for Petitioner and Plaintiff WILLIAM P. GALLAHER	
8	SUPERIOR COURT OF TH	IE STATE OF CALIFORNIA
9	COUNTY (	OF SONOMA
10		
11	WILLIAM P. GALLAHER, an individual,	Case No.
12	Petitioner and Plaintiff,	NOTICE OF INTENT TO COMMENCE CEQA ACTION
13	v.	[Pub. Resources Code, § 21167.5]
14 15	CITY OF SANTA ROSA, CITY COUNCIL OF THE CITY OF SANTA ROSA, and DOES 1 through 25, inclusive,	CEQA Action
16	Defendants and Respondents.	
17		
18	TO: CITY OF SANTA ROSA a	and CITY COUNCIL OF THE CITY OF
19	SANTA ROSA:	
20	PLEASE TAKE NOTICE that, 1	pursuant to Public Resources Code section
21	21167.5, Petitioner and Plaintiff WILLIAM P. G	ALLAHER will commence a civil action under
22	the California Environmental Quality Act ("CEQ	A"; Pub. Resources Code, § 21000 et seq.)
23	against the City of Santa Rosa and City Council	of the City of Santa Rosa (collectively
24	"Respondents") challenging the approval, impler	mentation and enforcement by Respondents of
25	"Ordinance No. ORD-2019-019 Entitled: Ordina	nce of the Council of the City of Santa Rosa
26	Adopting by Reference, With Local Amendment	s, the 2019 California Energy Code Including
27	All-Electric, Low-Rise Residential Reach Code"	("Reach Code") without undertaking
28	environmental review of such action as required	by CEQA, and in violation of other requirements
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NOTICE OF INTENT TO COMMENCE CEQA ACTION

1	of law, and all related actions of Respondents in furtherance of implementation and enforcement
2	of the Reach Code.
3	The action will be filed in the Sonoma County Superior Court, on or about
4	December 17, 2019.
5	
6	Dated: December 17, 2019 MILLER STARR REGALIA
7	
8	By: MATTHEW C. HENDERSON
10	Attorneys for Petitioner and Plaintiff WILLIAM P GALLAHER
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1 2 3 4 5 6 7 8		m T HE STATE OF CALIFORNIA
9	COUNTY	OF SONOMA
10	WILLIAM P. GALLAHER, an individual,	Case No.
11	Petitioner and Plaintiff,	VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR
12 13 14 15 16 17 18	CITY OF SANTA ROSA, CITY COUNCIL OF THE CITY OF SANTA ROSA, and DOES 1 through 25, inclusive,  Defendants and Respondents.	DECLARATORY AND INJUNCTIVE RELIEF  [CCP §§ 1060, 1085, 1094.5; Pub. Resources Code, § 21000 et seq; Cal. Code Regs., tit. 14, § 15000 et seq.; Cal. Code Regs., tit. 24, pt. 6, § 10-106]  CEQA ACTION
19	follows:	. Gallaher, an individual ("Petitioner"), alleges as
20	GENERAL A	ALLEGATIONS
21	1. Petitioner is an individual, over th	ne age of eighteen who regularly conducts business
22	in the City of Santa Rosa.	
23	2. Respondent and Defendant City o	of Santa Rosa ("City") is and at all relevant times
24	was a political and legal subdivision of the State	of California, duly organized and existing under
25	and pursuant to the laws of the State of Californi	a.
26	3. Respondent and Defendant City C	Council of the City of Santa Rosa ("Council") is,
27	and at all relevant times was, inter alia, the duly	organized legislative body of the City existing
28	VERIFIED PETITION FOR WRIT OF MANDAT	-1- E AND COMPLAINT FOR DECLARATORY AND
	INJUNCT	IVE RELIEF

was, the local body charged with proposing, drafting, amending and passing legislation governing land use and the City's municipal affairs, subject to, and in a manner complying with, all applicable federal, state, and local law.

- 4. Petitioner is unaware of the true names or capacities of the parties fictitiously sued herein as DOES 1 through 25, inclusive, and will amend this complaint to set forth their true names and capacities when the same have been ascertained. Petitioner is informed and believes, and based thereon alleges, that some fictitiously named Respondents were the agents and employees of the other fictitiously named, or actually named, Respondents and, acting within the course of scope of such employment or agency, took some part in the acts or omissions hereinafter set forth, or are the principals and took some part in such acts or omissions, by reason of which said fictitiously-named Respondents are liable to Petitioner for the relief prayed for herein.
- 5. Respondents and Defendants identified in paragraphs 2 through 4 above, inclusive, are sometimes referred to collectively herein as "Respondents."
- 6. This action challenges the approval by the City of a so-called "reach code" via "Ordinance No. ORD-2019-019 Entitled: Ordinance of the Council of the City of Santa Rosa Adopting by Reference, With Local Amendments, the 2019 California Energy Code Including All-Electric, Low-Rise Residential Reach Code" ("Reach Code"), which ordinance was passed by the Council on second reading on November 19, 2019.
- 7. A "reach code" is so called because it "reaches" beyond the ordinary standards of a building or energy code to impose greater restrictions on building and development. Reach codes in California are optional and can only be enacted if specific procedures are followed. Here, the Reach Code forbids the inclusion of natural gas or propane plumbing in new low-rise residential construction in the City.
- 8. Despite the fact that enactment of the Reach Code constituted a discretionary project affecting the use and occupancy of land and structures in the City, and having the potential for reasonably foreseeable and potentially significant adverse physical changes in the environment, the City enacted the Reach Code without undertaking environmental review as required by, and therefore in violation of, the California Environmental Quality Act ("CEQA";

Pub. Resources Code § 21000 et seq.) and its implementing CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.).

- 9. The enactment of a reach code is governed by section 10-106 of the 2019 Building Energy Efficiency Standards for Residential and Nonresidential Buildings, title 24, part 6 of the California Code of Regulations ("Reach Code Law"). Before enacting the Reach Code, the Reach Code Law required that the City adopt "[a] determination that the standards are cost effective." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (a)(1).) The City's determination was based on a document entitled "2019 Cost-effectiveness Study: Low-Rise Residential New Construction" dated July 17, 2019 ("Study"), whose material conclusions are contradicted by a separate study entitled "Residential Building Electrification in California." The Reach Code Law also requires the submittal of an application to the Executive Director of the California State Energy Resources Conservation and Development Commission that includes "[a]ny findings, determinations, declarations or reports, *including any negative declaration or environmental impact report*, required pursuant to the California Environmental Quality Act, Pub. Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (b)(4), emphasis added.)
- 10. Petitioner is beneficially interested in the City's full compliance with the law regarding the City's approval of the Reach Code, including adhering to the requirements of CEQA. Petitioner has personal, professional, environmental and other interests which will be severely injured by Respondents' failure to comply with CEQA and the Reach Code Law. Petitioner lives close by the City and regularly does business there, including developing projects that would be subject to the Reach Code. Moreover, the Reach Code's impacts are necessarily regional in nature, thereby impacting residents throughout Sonoma County.
- 11. Petitioner is within the class of persons beneficially interested in and aggrieved by the City's failure to comply with CEQA and approval of the Reach Code. Petitioner has expressed his concerns and objections to the approval of the Reach Code in correspondence to the City. Before approving the Reach Code, the City owed a mandatory duty to comply with the legal duties which Petitioner alleges were violated. Petitioner has the right to enforce the mandatory duties which CEQA imposes on the City.

- 12. The City is the lead agency for purposes of CEQA compliance.
- 13. Petitioner has exhausted all available administrative remedies in that the City's approval of the Reach Code is final and not subject to further administrative appeal procedures.
- 14. Petitioner exhausted its administrative remedies to the extent required by law by objecting to the approval of the Reach Code in writing and presenting all alleged grounds for non-compliance with CEQA and the Reach Code Law to the City prior to the close of the public hearing at which the City considered adoption of the Reach Code. (*Tomlinson v. County of Alameda* (2012) 54 Cal.4th 281.)
- 15. On December 6, 2019, Petitioner's counsel requested a copy of any notice of exemption filed by the City for the adoption of the Reach Code. As of the filing of this petition the City has not responded to that request. According to the County of Sonoma CEQA postings database (<a href="https://crarecords.sonomacounty.ca.gov/selfserviceweb/">https://crarecords.sonomacounty.ca.gov/selfserviceweb/</a>), the City filed a notice of exemption for the Reach Code on December 12, 2019. Petitioner will timely file this Petition for Writ of Mandate on or before January 16, 2020, a date not more than thirty-five (35) days after the filing of the notice of exemption as required by Public Resources Code section 21167, subdivision (d).
- 16. Petitioner has caused a Notice of Intent to File Suit to be served on the City as required by Public Resources Code section 21167.5. A true and correct copy of the Notice of Intent to File Suit is attached hereto as Exhibit A.
- 17. Petitioner will have caused a copy of this pleading to be served on the Office of the Attorney General for the State of California not more than ten (10) days after the commencement of this proceeding, as required by Public Resources Code section 21167.7 and Code of Civil Procedure section 388.
- 18. Petitioner brings this action as a private attorney general to vindicate his own legal and constitutional rights and those of residents of the City and all others who may be impacted by the Reach Code. Petitioner seeks, on his own behalf and the behalf of said others, that Respondents obey the clear law, conduct required environmental reviews of their discretionary actions, require appropriate and feasible mitigation for their significant impacts, and not act in unlawful, bad faith,

arbitrary, capricious, and confiscatory fashion in noticing, analyzing, enacting and enforcing local land use legislation.

- 19. For these reasons, and others set forth in this Petition and Complaint, the City's actions described herein and the Reach Code are unlawful, invalid, and unenforceable. Petitioner therefore requests this Court issue a writ of mandate invalidating the Reach Code and declaring it, and any actions undertaken thereunder or pursuant thereto, unlawful, null, and void. Petitioner also seeks declaratory relief regarding the parties' respective legal rights and obligations and temporary, preliminary and permanent injunctive relief prohibiting enforcement of the Reach Code in any manner.
- 20. An actual and substantial controversy exists between Petitioner, on the one hand, and Respondents, on the other hand, relating to the legal rights of the respective parties. The controversy is well-defined and imminent in nature, such that the need for, and appropriateness of, judicial determinations at this time is warranted.

### **FIRST CAUSE OF ACTION**

(Writ of Mandamus – Violations of CEQA –
Code Civ. Proc., §§ 1085, 1094.5; Pub. Resources Code, § 21168.5 –
Against All Respondents)

- 21. The allegations of paragraphs 1 through 20, above, are hereby incorporated herein by reference as though set forth in full.
- 22. The ordinance adopting the Reach Code is a "project" that is subject to CEQA review. The CEQA Guidelines, in relevant part, define "project" as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and that is any of the following: (1) An activity directly undertaken by any public agency including but not limited to... enactment and amendment of zoning ordinances...." (Cal. Code Regs., tit. 14, § 15378, subd. (a)(1).) Indeed, under CEQA's broad definition of a "project," municipal ordinances, laws and regulations affecting the use of land or structures have consistently been held to be CEQA "projects" over the course of many decades.

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23. The staff report for the Reach Code cites three exemptions: the Class 7 exemption under section 15307 of the CEQA Guidelines, the Class 8 exemption under section 15308 of the Guidelines, and the "common sense" exemption under section 15061, subdivision (b)(3).

- 24. CEQA's co-called "common sense" exemption may properly be invoked only when the lead agency can declare "with certainty that there is no possibility that the activity in question may have a significant effect on the environment." (Cal. Code Regs., tit. 14, § 15061, subd. (b)(3).) Thus, it is the City's burden to provide support for application of the common sense exemption, not Petitioner's burden to disprove its applicability. Any legitimate reasonable question about whether a project might have a significant impact means the project cannot be exempt under the "common sense" exemption. To invoke the common sense exemption, the City was required to consider factual evidence and data relating to possible environmental impacts of the Reach Code, and that consideration must be supported by evidence in the administrative record. (Muzzy Ranch Co. v. Solano County Airport Land Use Commission (2007) 41 Cal.4th 372, 386-387.)
- 25. With respect to the Class 7 and 8 exemptions, such can only be used for an action that constitutes a preservation of the environment. The Reach Code cannot be said to rise to this standard as it merely substitutes one source of energy for another, without any sufficient analysis as to whether that substitution will actually yield any benefit to the environment. (*Dunn-Edwards Corp. v. Bay Area Air Quality Management Dist.* (1992) 9 Cal.App.4th 644; *International Longshoremen's & Warehousemen's Union v. Board of Supervisors* (1981) 116 Cal. App.3d 265.) The City cannot undertake a "net benefit" environmental analysis i.e., reasoning that the project's environmental benefits in one area outweigh its significant adverse effects in another area or areas of environmental impact as such is not permitted under CEQA. (*County Sanitation Dist. No. 2 v. County of Kern* (2005) 127 Cal.App.4th 1544, 1577, 1580.) "There may be environmental costs to an environmentally beneficial project, which must be considered and assessed." (*California Farm Bureau Federation v. California Wildlife Conservation Board* (2006) 143 Cal.App.4th 173, 178.)
- 26. Moreover, to qualify for the Class 8 exemption the City must have a regulatory process to protect the environment that is effectively equivalent to CEQA. The Reach Code lacks

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any such regulatory process, and the City has no other regulatory program that would fulfill CEQA's purpose here.

- 27. Neither the common sense nor the class 7 or 8 exemptions apply here. The Reach Code may have a number of significant impacts on the environment, none of which the City has analyzed. These include the following:
  - a) Hazards/Public Safety. The Reach Code was passed at a time when the supply of electrical power to the City and surrounding communities may be less reliable and subject to more and longer planned outages than ever before. In October of 2019 the City and surrounding area were subject to prolonged electricity blackouts and wildfires which may have been caused by electrical infrastructure. But the City failed to analyze how all-electric residential construction would exacerbate these impacts. Without adequate battery storage of electricity, or an alternative power source, such as natural gas which powers backup generators cook-stoves and grills, and other appliances, "all-electric" homes and businesses will be subject to hazards and risks to public safety during outages when heat, life-saving medical equipment, lighting, water, refrigeration, food, and air conditioning may be unavailable. Given the risk of blackouts, some residents will rely on propane or gasoline generators or other combustible sources of power, which are more prone to accident or spillage than fixed natural gas lines. There has been no study or analysis of the risks or impacts associated with such increased usage, including air quality, GHG, and fire impacts.

The 2018 Camp Fire, the deadliest in California history, was apparently caused by electrical transmission lines. There is no analysis whatsoever in the administrative record as to any potential increase in fire risk from expanded electrical service facilities which the Reach Code would necessitate.

b) <u>Utilities/Service Systems/Wildfire</u>. The CEQA Guidelines Appendix G checklist – a template for the initial study the City is required to conduct under CEQA – requires evaluation of the question of whether the project would "[r]equire or result in the

relocation or construction of new or expanded ... electric power, natural gas, or telecommunications facilities, the construction of which could cause significant environmental effects?" Projects requiring significant new construction to rely solely on electricity as a power source clearly have the potential to result in the installation, upgrading, and/or maintenance of associated infrastructure (e.g., roads, fuel breaks, power lines), and where such occurs in or near areas of high fire hazard the resulting environmental impacts must also be studied. (See Appendix G, Section XX WILDFIRE [listing potential impacts such as impairment of adopted emergency response and evacuation plans, exacerbation of wildfire risks, and other human safety and environmental risks and impacts].) And, as noted above, the most deadly fire in California history was started not by natural gas facilities, but by electrical lines. Moreover, also as noted above, increased generator use may give rise to its own increased risk of fire.

c) Similarly, the administrative record does not analyze whether the existing electrical grid is sufficient to satisfy the demand of all new construction under a 100% electricity standard. Given PG&E's warnings about potential blackouts, the grid's ability to handle this new demand is questionable at best. Moreover, the City did not sufficiently discuss the sources of the additional electricity required under the reach Code, nor the impacts related to those sources. Electric power generation powered plants fueled by natural gas or other non-renewable energy sources will obviously negate the supposed benefit of gas-free construction. Wind and solar sources also have their own well-known adverse impacts relating to wildlife, aesthetics, etc. They are also subject to supply issues depending on weather and other conditions. And hydroelectric power comes with its own suite of adverse impacts as well, including harm to anadromous fish and other species and the risk of failure and flood (as with the Oroville Dam crisis of 2017). In fact, hydroelectric facilities in California and the west are being removed, making this source of power uncertain for future electricity needs.

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- d) GHG/Air Quality. In passing the Reach Code the City assumed that GHGs are the only environmental concern and impact at issue; such a facile assumption is clearly incorrect. The Reach Code would eliminate natural gas-powered heaters, stoves, water heaters, built-in outdoor barbeques, gas burning fireplaces, fire pits, and, as noted above, gas-powered backup generators to protect against losses, disruptions and safety problems from blackouts of a fragile and overburdened electrical grid. Alternative fuel sources – such as wood, gasoline, propane or charcoal – exist for many of these amenities, and could be substituted for the cleaner-burning natural gas that the proposal would eliminate, leading to greater GHG emissions and air quality impacts. Such unintended, but clearly reasonably foreseeable, adverse environmental consequences must be fully evaluated under CEQA. (See, e.g., Rodeo Citizens Association v. County of Contra Costa (2018) 22 Cal. App. 5th 214 frecognizing that to extent captured butane and propane were used to displace use of other fuels such as coal, home heating fuel, fuel oil, diesel, kerosene, gasoline and ethanol, they would also displace GHG emissions otherwise resulting from use of those alternate fuels].) For example, propane barbeques produce only one-third of the GHG emissions of charcoal barbeques (id. at p. 226), and natural gas is similarly a much cleaner burning fuel than propane, charcoal, wood or gasoline. Moreover, the increased use of gasoline, diesel, or propane generators may also give rise to air quality and/or GHG impacts that are completely unanalyzed in the administrative record.
- e) <u>Population and Housing/Human Impacts</u>. Projects that would displace substantial numbers of people or housing, or render housing unaffordable, may have significant adverse impacts on the environment and human beings that require CEQA analysis and mitigation. (See CEQA Guidelines, Appdx. G, Section XIV.) To the extent the Reach Code could, for example, substantially increase the cost of new multi-family apartment dwelling construction and/or retrofitting, it could lead to increased rents, unaffordable housing, and tenant displacement from the same, with resulting adverse

human impacts. Alternatively, renters or home buyers may prefer residences with traditional gas appliances and therefore show a greater propensity to move outside of the City and commute. This may also impact the supply of housing in the City. Residential displacement, in and of itself, has been recognized as a significant adverse environmental impact subject to CEQA analysis and mitigation. (Lincoln Place Tenants Assn. v. City of Los Angeles (2007) 155 Cal. App. 4th 425 [holding CEQA mitigation measures designed to mitigate tenant displacement impacts of project, contained in a vesting tentative map, were enforceable and did not conflict with Ellis Act].) Public entities possess the power under existing law "to mitigate adverse impacts on displaced tenants." (San Francisco Apartment Assn. v. City and County of San Francisco (2016) 3 Cal. App.5th 463, 484, citing Pieri v. City and County of San Francisco (2006) 137 Cal. App. 4th 886, 892; see Gov. Code, § 7060.1.) As explained by the *Lincoln Place* Court of Appeal, "CEQA... is made relevant... by the Ellis Act's explicit exceptions for a public agency's power to regulate, among other things,... the mitigation of adverse impacts on persons displaced by reason of the withdrawal of rental accommodations. Such items are the common focus and byproducts of the CEQA process...." (Lincoln Place Tenants Assn., supra, 155 Cal.App.4th at 451, emph. added.) Indeed, the Supreme Court has recently reaffirmed "that CEQA addresses human health and safety" and "that public health and safety are of great importance in the statutory scheme." (California Building Industry Assn. v. Bay Area Air Quality Management Dist. (2015) 62 Cal.4th 369, 386, citations omitted.) CEQA's "express language... requires a finding of a "significant effect on the environment" ([Pub. Resources Code,] § 21083(b)(3)) whenever the "environmental effects of a project will cause substantial effects on human beings, either directly or indirectly." (Id. at p. 386, emphasis in original.)

f) <u>Land Use/Planning</u>. Given the foregoing, the City failed to adequately analyze the Reach Code's consistency with its General Plan. While the City has discretion in interpreting and applying its General Plan, it cannot do so in a way that frustrates the

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purpose of the General Plan. (*Napa Citizens for Honest Government v. Napa County Board of Supervisors* (2001) 91 Cal.App.4th 342, 378-381.) The analysis in the administrative record is far too brief to fully address the proposed ordinance's consistency with the General Plan and its overall purpose.

- 28. Given the foregoing, the Reach Code may have any number of potentially significant impacts on the environment, which makes the City's reliance on the common sense and Class 7 and 8 exemptions improper.
- 29. Even if the Reach Code were subject to a categorical exemption, it is clear that the unusual circumstances exception would apply, rendering the exemptions inapplicable. (Cal Code Regs., tit. 14, § 15300.2, subd. (c).) Substantial evidence supports a finding that the project presents unusual circumstances giving rise to the impacts discussed herein. These unusual circumstances include, but are not limited to, the following: PG&E's express planned electricity service interruptions and/or blackouts that will potentially last for days in this and other Sonoma County areas, creating very serious health and safety problems if power is actually out that long and not resumed from a non-grid source; the jurisdiction and cumulative study area jurisdictions are in very high fire danger areas, increasing both the likelihood and seriousness of electricity blackouts; there are well-known serious traffic problems on Highway 101 making even longer commutes to the City by displaced homebuyers and renters who want a choice other than all-electric more environmentally harmful. Accordingly, even assuming arguendo a categorical exemption applies, there is more than a fair argument that the adoption of the ordinance may have significant adverse environmental effects due to unusual circumstances which require actual analysis in a legally adequate initial study and appropriate environmental document pursuant to CEQA.
- 30. The City's reliance on exemptions also overlooks the Reach Code's potential for contributing to significant and adverse cumulative impacts. (Cal Code Regs., tit. 14, § 15300.2, subd. (b).) If other jurisdictions in Sonoma County or Northern California more broadly enact similar ordinances, the increase in the demand for electricity will be potentially much greater than that from the City's alone, and so would the related impacts.

- 31. Section 10-106 of the Building Energy Efficiency Standards upon which the City relied to enact the Reach Code requires the submission of materials in support of an application for a reach code. The specific submittals required do not extend to a notice of claimed exemption but a "negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, § 10-106, subd. (b)(4).) The provision clearly does not contemplate the use of an exemption because the Reach Code will invariably require at least an initial study and appropriate environmental analysis under CEQA. Thus, the reliance on an exemption here is in error under the very authority upon which the City has relied to enact it.
- 32. Accordingly, there was no basis in law or fact for the City to conclude that adoption of the Reach Code was exempt under CEQA.
- 33. Under CEQA, a lead agency prejudicially abuses its discretion when it (1) fails to proceed in the manner required by law; or (2) its decision is not supported by the evidence. (Pub. Resources Code, § 21168.5.) By deeming the Reach Code exempt from CEQA review, Respondents abused their discretion in failing to comply with CEQA and failing to proceed in the manner required by law. As a result of Respondents' violations of CEQA, government decision-makers have been deprived of critical information essential to informal and intelligent decision-making, and Petitioner and other members of the public have been deprived and harmed in that they were not fully informed about the significant environmental impacts of the Reach Code and potentially feasible ways to mitigate them prior to Respondents' enactment of the same.

  Petitioner, as well as members of the general public, will suffer irreparable harm if the relief requested herein is not granted, as the Reach Code will be implemented in the absence of a full and adequate environmental review under CEQA. For the foregoing reasons, inter alia, Petitioner seeks an immediate stay of the Reach Code.
- 34. Petitioner has exhausted all administrative remedies made available to him to address Respondents' unlawful conduct to the extent required and not excused, and any further attempts would in any event have been an idle and futile exercise even if available. Petitioner has no plain, speedy, and adequate remedy in the ordinary course of law to challenge the Reach Code, GLLR\\$6457\2202838.2

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and a writ of ordinary mandamus under Code of Civil Procedure section 1085 or 1094.5 is the prescribed remedy for violations of this type. Petitioner is herewith or shortly will be filing and serving on Respondents his election to prepare the administrative record pursuant to Public Resources Code section 21167, subdivision (b)(2), and all other applicable laws. Petitioner has also performed all other conditions precedent to issuance of a writ of mandate, including service of written notice of the commencement of this action on Respondents in accordance with the requirements of Public Resources Code section 21167.5, and mail service of the petition on the California Attorney General no more than ten (10) days after its filing (see Code Civ. Proc., § 388).

35. The adoption of the Reach Code are in violation of CEQA and the CEQA Guidelines.

WHEREFORE, Petitioner prays for judgment as hereinafter set forth.

#### SECOND CAUSE OF ACTION

(Writ of Mandamus – Violations of Cal. Code Regs., tit. 24, pt. 6, § 10-106 – Code Civ. Proc., §§ 1085, 1094.5 –

#### Against All Respondents)

- 36. The allegations of paragraphs 1 through 35, above, are hereby incorporated by reference as though set forth in full.
- 37. Section 10-106 of the Reach Code Law requires that a jurisdiction enacting a reach code satisfy certain substantive and procedural requirements. As noted above, the City was required to make "[a] determination that the standards are cost effective." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (a)(1).) The City relied upon the Study to make this determination. However, the Study was prepared for PG&E, and based on information and belief, the City did not prepare any other materials to comply with the Reach Code Law.
- 38. The Study concludes that there will be a cost savings associated with all-electric low-rise residential uses with respect to consumer bills and lifecycle costs based on a "Statewide Electric Residential Average Rate" of 2% per year from 2020 to 2025 and 1% thereafter. However, an April 2019 study that was also authored by Frontier Energy, Inc. showed an increase in costs for

"Bay Area" consumers purchasing new homes based specifically on PG&E electric rates, which would be applicable to the City. In support of its conclusion, the April 2019 study states that "PG&E's electric rates are assumed to increase faster than the natural gas rates due to wildfire risk and liability...." Based on the failure of the Study to account for specific PG&E electric rates and the evidence that based upon electric rates specific to PG&E, costs would increase, the City has failed to show that the Reach Code would be cost effective. Moreover, the Study fails to account for tiered electricity pricing and fails to analyze how that would apply to all-electric construction under the Reach Code. It also is not clear as to whether all-electric construction would lead to residential units that cannot meet the requirements of the Building Energy Efficiency standards in Part 6 of Title 24, which would preclude building altogether. The City could therefore not make the proper determination under the Reach Code Law to pass the Reach Code.

- Director of the California State Energy Resources Conservation and Development Commission that includes "[a]ny findings, determinations, declarations or reports, *including any negative* declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Pub. Resources Code Section 21000 et seq." (Cal. Code Regs., tit. 24, pt. 6, § 10-106, subd. (b)(4), emphasis added.) As noted above, the City did not prepare a negative declaration or EIR in support of the Reach Code. Accordingly, it cannot make the requisite submittal under the Reach Code Law.
- 40. Respondents' action in adopting the Reach Code was therefore arbitrary and capricious and/or constituted a prejudicial abuse of discretion in that Respondents failed to proceed in a manner required by law.

WHEREFORE, Petitioner prays for judgment as hereinafter set forth.

#### THIRD CAUSE OF ACTION

(Declaratory and Injunctive Relief

- Against All Respondents)
- 41. The allegations of paragraphs 1 through 40, above, are hereby incorporated by reference as though set forth in full.

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,	42.	An actual controversy has arisen and now exists between Petitioner and the
Respon	dents.	Petitioner contends that the Reach Code is invalid due to Respondents' failure to
follow (	CEQA	and/or the Reach Code Law. Petitioner is informed and believes, and on that basis
alleges,	that Ro	espondents contend that the Reach Code is valid and enforceable and was properly
enacted	_	

- 43. Petitioner desires a judicial determination of the validity of the Reach Code. In particular, Petitioner desires a declaration that the Reach Code is invalid and unenforceable due to Respondents' failure to follow CEQA and the Reach Code Law.
- 44. Such a declaration is necessary and appropriate at this time in order that Petitioner and similarly situated persons understand their rights and obligations with respect to the Reach Code.
- 45. Petitioner also seeks to enjoin Respondents from applying or enforcing the Reach Code, and to require that Respondents rescind their approval of the Reach Code.

WHEREFORE, Petitioner prays for judgment as follows:

## A. On the First Cause of Action

- 1. For a stay, temporary restraining order, and preliminary injunction directed to Respondents' and Defendants' unlawful enactment and enforcement of the Reach Code without required CEQA review, analysis and mitigation as required by law, and for a peremptory writ of ordinary mandamus invalidating, voiding, and setting aside the adoption of Reach Code and any actions taken under or pursuant to it;
- 2. For attorneys' fees pursuant to Code of Civil Procedure section 1021.5, Government Code section 800, and all applicable law.

#### B. On the Second Cause of Action

3. For a stay, temporary restraining order, and preliminary injunction directed to Respondents' and Defendants' unlawful enactment and enforcement of Reach Code, and for a peremptory writ of ordinary mandamus invalidating, voiding, and setting aside their adoption of the Reach Code and any actions taken under or pursuant to it; and

1	4. For attorneys' fees pursuant to Code of Civil Procedure section 1021.5,
2	Government Code section 800, and all applicable law.
3	C. On the Third Cause of Action
4	1. For a stay, temporary restraining order, and preliminary injunction directed to
5	Defendants' unlawful enactment and enforcement of the Reach Code, and preventing the Reach
6	Code from being enforced or given effect in any manner;
7	2. For a declaration that the Reach Code is invalid; and
8	3. For a permanent injunction preventing enforcement of the Reach Code.
9	D. <u>On All Causes of Action</u>
10	1. For costs and reasonable attorneys' fees as provided by law, including but
11	not limited to attorneys' fees provided by Code of Civil Procedure section 1021.5; and
12	2. For such other and further relief as the Court may deem just and proper.
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14	Dated: December, 2019 MILLER STARR REGALIA
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16	By:
17	MATTHEW C. HENDERSON Attorneys for Petitioner and Plaintiff
18	WILLIAM P. GALLAHER
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1	VERIFICATION
2	I have read the foregoing Verified Petition for Writ of Mandate and Complaint for
3	Declaratory and Injunctive Relief and know its contents.
4	I am one of the attorneys for William P. Gallaher, a party to this action. Such party
5	is absent from the county where such attorneys have their offices, and I make this verification for
6	and on behalf of that party for that reason. I am informed and believe and on that ground allege
7	that the matters stated in the foregoing document are true.
8	I declare under penalty of perjury under the laws of the State of California that the
9	foregoing is true and correct.
10	Executed on December, 2019, at Walnut Creek, California.
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12	Matthew C. Henderson
13	Print Name of Signatory Signature
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#### PROOF OF SERVICE 2 At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Contra Costa, State of California. My business address is 1331 N. California Blvd., Fifth Floor, Walnut Creek, CA 94596. 4 On December 17, 2019, I served true copies of the following document(s) described as NOTICE OF INTENT TO COMMENCE CEQA ACTION on the interested parties in this 5 action as follows: City Council of the City of Santa Rosa 6 City Clerk City of Santa Rosa City of Santa Rosa 7 100 Santa Rosa Avenue, Room 10 100 Santa Rosa Avenue Santa Rosa, CA 95404 Santa Rosa, CA 95404 8 9 **BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing, following our ordinary business practices. I am readily familiar with the practice of Miller Starr Regalia for collecting and processing correspondence for mailing. On the same day 11 that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I 12 am a resident or employed in the county where the mailing occurred. The envelope was placed in the mail at Walnut Creek, California. 13 I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. 14 15 Executed on December 17, 2019, at Walnut Creek, California. 16 17 18 19 20 21 22 23 24 25 26

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1331 N. California Blvd. Fifth Floor Walnut Creek, CA 94596 T 925 935 9400 F 925 933 4126 www.msrlegal.com

Matthew C. Henderson Direct Dial: 925 941 3271 matthew.henderson@msrlegal.com

February 18, 2020

#### Via Email

Docket Unit California Energy Commission Docket No. 19-BSTD-06 1516 9th Street, MS-4 Sacramento, CA 95814 Email: docket@energy.ca.gov

Re:

City of Santa Rosa 2019 Ordinance No. ORD-2019-019.

Docket No. 19-BSTD-06

#### Dear California Energy Commission:

This firm represents William Gallaher with respect to the City of Santa Rosa's adoption of an All Electric Reach Code/Natural Gas Ban ("Reach Code") which is now before the Commission at docket no. 19-BSTD-06. Our client is extremely concerned with the potentially adverse planning and environmental and health and safety effects that may occur from adoption and implementation of the Reach Code.

In short, the Reach Code as proposed cannot satisfy the requirements of Public Resources Code section 25402.1, subdivision (h)(2) or section 10-106 of the state Building Energy Efficiency standards, and therefore its adoption cannot be ratified by the Commission. Moreover, the City's adoption of the Reach Code via claimed exemptions under the California Environmental Quality Act ("CEQA," Public Resources Code section 21000 et seq.) was contrary to the law. Under cover of this letter I am forwarding, and incorporate herein by reference, our correspondence with the City as to this issue, as well as the petition for writ of mandate filed in the Superior Court for the County of Sonoma challenging the Reach Code's adoption.

Moreover, it is clear that any finding or determination the Commission makes to approve or ratify the Reach Code will also be a discretionary action requiring review under CEQA. Because the adoption of the Reach Code may have significant environmental impacts that the City has not analyzed via an initial study and environmental impact report, the Commission cannot itself rely on any CEQA exemption to approve it. (See Save Our Carmel River v. Monterey Peninsula Water Mgmt. Dist. (2006) 141 Cal.App.4th 677, 702.)

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Offices: Walnut Creek / San Francisco / Newport Beach

California Energy Commission February 18, 2020 Page 2

For all of these reasons, the Commission cannot make the requisite findings under Public Resources Code section 25402.1, subdivision (h)(2) or section 10-106 of the state Building Energy Efficiency standards, nor make the requisite findings under CEQA absent the preparation of an EIR. Thank you for your attention to this matter.

Very truly yours,

MILLER STARR REGALIA

Matthew C. Henderson

MCH:klw encls

cc: Kevin Siegel, Esq. (ksiegel@bwslaw.com)

Arthur F. Coon, Esq. (arthur.coon@msrlegal.com)