

## City of Pasadena Locally Adopted Energy Standards Approval

**Contact:** Ingrid Neumann, 651-1461

**Action Requested of Efficiency Lead Commissioner:** Lead Commissioner approval to bring this item before the full California Energy Commission for consideration and approval.

**Business Meeting Date:** November 17, 2014

**Background:** The California Public Resources Code establishes a process that allows local governmental agencies, such as cities or counties, to adopt and enforce local energy standards that are more stringent than, different from, the statewide standards. This process, described in Public Resources Code section 25402.1, subdivision (h)(2) and the 2013 Building Energy Efficiency Standards (Standards) provided in California Code of Regulations, title 24, part 1, chapter 10, section 10-106, requires local governmental agencies to apply to the Energy Commission for approval of these local energy standards.

The local governmental agency must submit an application to the Executive Director of the Energy Commission, and this application must be approved, before the local energy standards may be enforced. This application must contain: (1) the proposed energy standards; (2) the local governmental agency's energy-savings and cost-effectiveness findings and supporting analyses; (3) a statement or finding by the local governmental agency that the local energy standards will require buildings to be designed to consume no more energy than permitted by title 24, part 6; and (4) a finding or determination required under the California Environmental Quality Act. (Standards, § 10-106.)

In reviewing this application, the Energy Commission must find that the standards will require the diminution of energy consumption levels permitted by the current Standards and that the local governmental agency's governing body, at a public meeting, adopted its determination that the standards are cost effective. (Pub. Resources Code, § 25402.1, subd. (h)(2); Standards, § 10-106.)

The details of the application and staff's review of the application are attached.

**Summary of Staff's Application Review:** The complete application, including the local ordinance and cost effectiveness analysis, will be made available on the Energy Commission website as part of the Back-Up Materials for the proposed agenda item when presented to the Commission for action. The application will also be posted on the web-page for Local Ordinances Exceeding the 2013 Building Energy Efficiency Standards upon Energy Commission approval of the local ordinance.

As detailed in the attachment, staff reviewed the City of Pasadena's application for approval of its local energy standards enumerated in Ordinance No. 7234, section 14.04.506. Staff found that the application contains all of the application components

required by section 10-106, subdivision (b) of the Standards. Specifically, the City of Pasadena's application contains:

- The City of Pasadena's proposed energy standards;
- The City of Pasadena's findings and supported analysis on the energy savings and cost effectiveness of the proposed energy standards;
- The City of Pasadena's statement/finding that the local energy standards will require buildings to be designed to consume no more energy than permitted by title 24, part 6; and
- The City of Pasadena's CEQA determination/finding/declaration.

In addition, staff reviewed the application to determine whether the standards will require the diminution of energy consumption levels permitted by the current Standards. Staff also confirmed that the local governmental agency's governing body, at a public meeting, adopted its determination that the standards are cost effective.

**Justification for Action Requested:** Energy Commission staff has found that the application meets all requirements under Public Resources Code section 25402.1, subdivision (h)(2) and section 10-106 of the Standards. Energy Commission staff believes that the City of Pasadena should be commended for seeking to achieve the energy savings that result from this local energy ordinance.

**Pros:** If complied with as anticipated, the local ordinance section will achieve additional energy savings beyond title 24, part 6. The City of Pasadena is endeavoring to be a national leader by adopting this ordinance and keeping ahead of the requirements of the statewide standards. The Energy Commission's approval indicates support for this goal and for active enforcement of both Ordinance No. 7234, section 14.04.506 and the statewide Standards.

**Cons:** A possible con is that builders will react negatively to the local variation of requirements or additional costs that may result from complying with the local ordinance.

**What Happens Next:** Staff will bring the locally adopted energy standards to the November 17, 2014 Business Meeting for approval.

**Summary of Staff's Review of the Application to  
Approve the City of Pasadena's Local Building Energy Efficiency Standards  
Ordinance No. 7234, Section 14.04.506**

Local governmental agencies are required to apply to the Energy Commission for approval of local energy standards pursuant to Public Resources Code section 25402.1, subdivision (h)(2), and the 2013 Building Energy Efficiency Standards (Standards) provided in California Code of Regulations, title 24, part 1, chapter 10, section 10-106.

Staff reviewed the City of Pasadena's application to determine if the application contains the necessary components required by section 10-106, subdivision (b) of the Standards. In addition, staff determined whether the standards will require the diminution of energy consumption levels permitted by the current Standards, and staff confirmed whether the local governmental agency's governing body, at a public meeting, adopted its determination that the standards are cost effective. (Pub. Resources Code, § 25402.1, subd. (h)(2); Standards, § 10-106.)

The following analysis supports staff's position that the City of Pasadena has met the requirements of Public Resources Code section 25402.1, subdivision (h)(2), and section 10-106 of the Standards.

**1. Proposed energy standards.**

The City of Pasadena is required to submit its proposed energy standards to the Commission as part of its complete application. (Pub. Resources Code, § 25402.1, subd. (h)(2); Standards, § 10-106, subd. (b)(1).) The City of Pasadena submitted its completed application, including its proposed energy standards, on August 9, 2014.

On December 9, 2013, the Pasadena City Council approved Ordinance 7234 adopting and amending the 2013 California Green Building Standard Code (CALGreen). As part of this ordinance, the City added section 14.04.506 to their municipal code, which establishes and mandates minimum thermal emittance and solar reflectance values for roofing materials in newly constructed, and additions and alterations to existing, residential buildings.

**2. Energy-savings and cost-effectiveness findings and supporting analyses.**

The City of Pasadena also submitted its findings and supported analysis on the energy savings and cost effectiveness of the proposed energy standards, as required by section 10-106, subdivision (b)(2) of the Standards, with its completed application.

The City of Pasadena included the Climate Zone 9 Energy Cost-Effectiveness Study for Cool Roofs with their completed application.

In addition, staff confirmed that the City of Pasadena's determination that the standards are cost effective was adopted by the governing body of the City of Pasadena at a public meeting on December 9, 2013. (Pub. Resources Code, § 25402.1, subd. (h)(2).)

### **3. Finding that the local energy standards will require buildings to be designed to consume no more energy than permitted by title 24, part 6.**

Section 10-106, subdivision (b)(3) requires local governmental agencies to submit a statement or finding "that the local energy standards will require buildings to be designed to consume no more energy than permitted by Part 6." The City of Pasadena submitted its finding with its application.

The Energy Commission is also required to find that the City of Pasadena's local energy standards "will require buildings to be designed to consume no more energy than permitted by Title 24, Part 6." (Standards, § 10-106, subd. (a); Pub. Resources Code, § 25402.1, subd. (h)(2).)

The modifications that the City of Pasadena is making will ensure that less energy will be consumed by residential buildings complying with the new ordinance.

### **4. California Environmental Quality Act Assessment.**

The last requirement of section 10-106 of the Standards concerns the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. Section 10-106, subdivision (b)(4) requires the City of Pasadena to submit, with its application, "any findings, determinations, declarations or reports, including any negative declaration or environmental impact report, required pursuant to [CEQA]."

In adopting ordinances like Ordinance No. 7234, the City of Pasadena is required to comply with CEQA. (See Pub. Resources Code, §§ 21080, subd. (a), 21063; Cal. Code Regs., tit. 14, §§ 15020-15022, 15379.) Even though the Energy Commission has the authority to approve local energy standards under section 25402.1, subdivision (h)(2) of the Public Resources Code, and section 10-106 of the Standards, the lead agency for local energy standards is the City of Pasadena because it will implement and enforce these standards (Cal. Code Regs., tit. 14, §§ 15050, 15051).

The Energy Commission staff, acting on behalf of the Energy Commission as a responsible agency, has reviewed and considered the City of Pasadena's CEQA documents and findings prior to recommending approval of Ordinance No. 7234, section 14.04.506.

The Council of the City of Pasadena found with certainty that there is no possibility that the ordinance will have a significant negative effect on the environment. Therefore, the Council of the City of Pasadena found on December 9, 2013, that the project is exempt under the "common sense" provision of CEQA (Cal. Code Regs. tit. 14, § 15061(b)(3)).

The Energy Commission found, in April of 2012, that the 2013 revision of the Building Energy Efficiency Standards would have no net adverse impact on the environment and adopted a Negative Declaration for the 2013 Building Energy Efficiency Standards (see Order Adopting Proposed Regulations and Negative Declaration (May 31, 2012) at [http://www.energy.ca.gov/title24/2013standards/rulemaking/notices/2012-05-31\\_Adoption\\_Order\\_No\\_12-0531-5\\_TN-65677.pdf](http://www.energy.ca.gov/title24/2013standards/rulemaking/notices/2012-05-31_Adoption_Order_No_12-0531-5_TN-65677.pdf)). Since all local codes must be at least as stringent as the Standards, staff can conclude that any ordinance that proposes to exceed such Standards is expected to have no net adverse impact on the environment. Energy Commission staff has considered and concurs with the CEQA assessment that was performed and the findings that were reached.

In addition, staff recommends that the Energy Commission independently find that the City of Pasadena's local energy standards are not subject to CEQA because there is no possibility that implementing the standards may have a significant adverse effect on the environment. (Cal. Code Regs. tit. 14, § 15061, subd. (b)(3).) Instead, staff anticipates that the local energy standards will have significant environmental benefits for the City of Pasadena because the local standards are even more protective of the environment than the state-wide Standards, which were previously found to have no significant adverse effect on the environment.