



**California Energy Commission
December 13, 2023 Business Meeting
Backup Materials for Agenda Item No 03e:
Local Ordinance for the City of San Luis Obispo**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Resolution, attached below.
2. City of San Luis Obispo – 2022 Recommendation Memo

For the complete record, please visit: [Local Ordinance Applications Exceeding the 2022 Energy Code Docket Number 22-BSTD-07](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-BSTD-07)

[<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-BSTD-07>].

To stay informed about this project and receive documents as they are filed, please subscribe to the proceeding Topic - Building Energy Efficiency Standards, which can be accessed here: [California Natural Resources Agency \(govdelivery.com\)](https://public.govdelivery.com/accounts/CNRA/signup/31719)

<https://public.govdelivery.com/accounts/CNRA/signup/31719>. The Topic sends out email notifications and direct links when documents are filed in the proceeding docket.

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN CITY OF SAN LUIS OBISPO'S ORDINANCE NO. 1730 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)

WHEREAS, The City of San Luis Obispo adopted Ordinance No. 1730, which establishes certain locally adopted building energy efficiency standards; and

WHEREAS, Public Resources Code section 25402(a) and (b) establishes that the California Energy Commission (CEC) shall prescribe, by regulation, statewide building energy efficiency standards; and

WHEREAS, Public Resources Code section 25402.1(h)(2) provides that nothing in Public Resources Code section 25402(a) or (b) shall prohibit the enforcement of city or county building energy efficiency standards if: (1) the city or county files the basis of its determination that the standards are cost-effective with the CEC and (2) the CEC finds that the locally adopted standards will require the diminution of energy consumption levels permitted by the rules and regulations adopted pursuant to Public Resources Code section 25402(a) and (b); and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106 establishes a process for local governmental agencies to submit an application to the CEC for a determination that locally adopted building energy efficiency standards meet the requirements set forth in Public Resources Code section 25402.1(h)(2); and

WHEREAS, The City of San Luis Obispo submitted an application to the CEC that included (1) the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 1730 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 1730 will require the diminution of energy consumption levels compared to the 2022 Building Energy Efficiency Standards, as required by California Code of Regulations, Title 24, section 10-106, on October 4, 2023; and

WHEREAS, The CEC has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 1730 will require the diminution of energy consumption levels compared to the 2022 Building Energy Efficiency Standards, and determined that it will do so; and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106(b) requires that the local governmental agency's application include any findings, determinations, declarations, or reports, including any negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq; and

WHEREAS, The City of San Luis Obispo, in its application to the CEC, submitted the California Environmental Quality Act documentation required by California Code of Regulations, Title 24, Part 1, section 10-106(b)(4); and

THEREFORE BE IT RESOLVED, that the CEC finds the locally adopted energy efficiency and conservations standards application filed by the City of San Luis Obispo satisfy the requirements of Title 24, California Code of Regulations, section 10-106; and

THEREFORE, BE IT FURTHER RESOLVED, that, pursuant to Public Resources Code section 25402.1(h)(2), the CEC finds the following: (1) the City of San Luis Obispo has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 1730 are cost-effective, and (2) Ordinance No. 1730 will require the diminution of energy consumption levels compared to the 2022 Building Energy Efficiency Standards; and

THEREFORE BE IT FURTHER RESOLVED, that the CEC directs the executive director to take all actions necessary to implement this Resolution.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the CEC held on 12/13/2023.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Secretariat

Memorandum

To: Drew Bohan
Executive Director

Date: November 30, 2023

Telephone: (916) 698-6018

From: Michael J. Sokol, Director
Efficiency Division
California Energy Commission
715 P Street
Sacramento CA 95814-5512

Subject: POSSIBLE FINDING THAT THE CITY OF SAN LUIS OBISPO LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN: ORDINANCE NO. 1730 SATISFY THE ELEMENTS of PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

Background

The California Energy Commission (CEC) adopts and regularly updates regulations that define a process for local governments to apply for a determination that a locally adopted energy efficiency or conservation design standard meets the requirements of state law (California Code of Regulations (CCR), Title 24, Part 1, section 10-106 and section 10-110; Public Resources Code (PRC) section 25402.1(h)(2)). This process requires a local government to submit an application to the CEC. Before the local energy efficiency or conservation design standard may be enforced, the CEC must make two findings pursuant to PRC section 25402.1(h)(2):

- 1) The proposed local standard will require the diminution of energy consumption levels compared to the 2022 standards, and
- 2) The local jurisdiction has filed the basis of its cost-effectiveness determination with the CEC.

Pursuant to CCR, Title 24, Part 1, section 10-106 and section 10-110, the application must contain all of the following:

- 1) The proposed energy efficiency or conservation design standard;
- 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 standard will require buildings to be designed to consume no more energy than permitted by the Energy Code; and

- 4) Any findings, determinations, declarations, or reports, including any negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act.

In reviewing the application, the CEC must find that the local standard contains all of the above and that the local governmental agency's governing body, at a public meeting, adopted its determination that the standards are cost-effective.

Summary of the Local Ordinance

The City of San Luis Obispo Ordinance No. 1730 specifies:

- For nonresidential buildings a proposed design source energy margin of seven (7) percent.
- For single family residential buildings, a proposed design source energy compliance margin of six (6).
- For multifamily buildings with three or fewer stories, a source energy budget nine (9) percent lower than a standard design building.
- For multifamily buildings with four or more stories a source energy budget three (3) percent lower than a standard design building.

Staff Analysis

On October 18, 2023, staff posted the complete application, including the local ordinance and adopted cost effectiveness analysis, on the CEC's website under Docket [22-BSTD-07](#) for a mandatory public review period.

Staff reviewed the application to determine whether the ordinance contains energy efficiency or conservation design standards and whether said standards will diminish energy consumption levels permitted by the 2022 Energy Code, per the requirements in PRC section 25402.1(h)(2). Staff found that the ordinance does contain one or more energy efficiency or conservation design standards, which are discussed below, that will reduce the amount of energy consumed and will not lead to increases in energy consumption inconsistent with state law¹.

The requirements in Exhibit A, Section 15.04.060 E, G and J of the ordinance diminish the consumption of energy resources by the required efficiency measures summarized in the section above: Summary of the Local Ordinance.

Staff further confirmed that the City of San Luis Obispo publicly adopted and filed a finding of cost-effectiveness for the standard. More information about the

¹ Staff notes that its analysis is limited to the ordinance's requirements that staff determined to be conservation design standards subject to the requirements in PRC section 25402.1(h)(2).

anticipated energy efficiency and conservation effects of the ordinance can be found in the cost-effectiveness analysis submitted by the City of San Luis Obispo.

Project Manager

Danuta Drozdowicz, Building Standards Branch

Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the Energy Code.

The City of San Luis Obispo has been informed that, once the CEC makes the requisite findings, its energy efficiency or conservation design standards will be enforceable during the time that the 2022 Energy Code is effective. If the statewide Energy Code is subsequently revised (as it is regularly on a three-year cycle), the standards will no longer be enforceable if the revisions create "a substantial change in the factual circumstances affecting the determination." In such a case, if the City of San Luis Obispo wishes to enforce either these or other local energy efficiency or conservation design standards revised in response to the updated statewide Energy Code, the City of San Luis Obispo may be required to submit a new application.

Oral Presentation Outline

Staff will be available at the December 13, 2023, business meeting to provide a brief summary of the ordinance and to answer questions.

Business Meeting Participants

Danuta Drozdowicz, Building Standards Branch

Commission Action Requested

Adoption of findings regarding the City of San Luis Obispo locally adopted energy standards.

Staff recommends that the CEC find that: (1) the City of San Luis Obispo locally adopted energy standards will require the diminution of energy consumption levels compared to the 2022 standards, and (2) the City of San Luis Obispo has filed the basis of its cost-effectiveness determination with the CEC.