



**California Energy Commission
March 13, 2024 Business Meeting
Backup Materials for Agenda Item No 24-0313-:
Local Ordinances for the City of San Jose and the Town of San Anselmo**

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

1. Proposed Resolutions, attached below.
2. Recommendation documents, attached below.

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) at

[<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, which can be accessed here: [California Natural Resources Agency \(govdelivery.com\)](https://public.govdelivery.com/accounts/CNRA/signup/31895) at

[<https://public.govdelivery.com/accounts/CNRA/signup/31895>]. 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 JOSE'S ORDINANCE NO. 30950 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)**

WHEREAS, The City of San Jose adopted Ordinance No. 30950, 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 Jose 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. 30950 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 30950 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 11, 2023; and

WHEREAS, The CEC has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 30950 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 Jose, 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 Jose 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 Jose has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 30950 are cost-effective, and (2) Ordinance No. 30950 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 March 13, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: Drew Bohan
Executive Director

Date: February 20, 2024

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 JOSE LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN: ORDINANCE NO. 30950 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 to the CEC to make certain findings regarding locally adopted energy efficiency or conservation design standard (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 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 Energy Code, 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 Jose Ordinance No. 30950 specifies:

- Additional solar readiness requirements for some hotel/motel, high-rise multifamily and nonresidential buildings
- Increases source energy compliance margins for nonresidential and hotel/motel occupancies
- Increases source energy compliance margins for single family residential buildings

Staff Analysis

On December 12, 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 Section 24.12.410 and Section 24.12.600 of the ordinance diminish the consumption of energy resources by the efficiency measures required in the section above, Summary of the Local Ordinance.

AND:

The requirements in Section 24.12.200 of the ordinance diminish the consumption of depletable energy resources by enabling loads to be served by renewable resources.

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).

Staff further confirmed that the City of San Jose publicly adopted and filed a finding of cost-effectiveness for the standards. More information about the anticipated energy efficiency and conservation effects of the ordinance can be found in the cost-effectiveness analysis submitted by the City of San Jose.

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 Jose has been informed that, once the CEC makes the requisite findings, its energy efficiency or conservation design standards will be enforceable . If the statewide Energy Code is subsequently revised (as it is regularly done on a three-year cycle), the standards may 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 Jose 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 Jose may be required to submit a new application.

Oral Presentation Outline

If needed, staff will be available at the March 13, 2024, 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 Jose's locally adopted energy standards.

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

STATE OF CALIFORNIA

STATE ENERGY RESOURCES

CONSERVATION AND DEVELOPMENT COMMISSION

**RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN TOWN OF SAN ANSELMO'S ORDINANCE NO. 1181 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)**

WHEREAS, The Town of San Anselmo adopted Ordinance No. 1181, 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 Town of San Anselmo 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. 1181 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 1181 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 10, 2023; and

WHEREAS, The CEC has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 1181 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 Town of San Anselmo, 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 Town of San Anselmo 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 Town of San Anselmo has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 1181 are cost-effective, and (2) Ordinance No. 1181 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 March 13, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: Drew Bohan
Executive Director

Date: February 20, 2024

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 TOWN OF SAN ANSELMO LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN: ORDINANCE NO. 1181 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 the CEC to make certain findings regarding locally adopted energy efficiency or conservation design standard(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 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 Energy Code, 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 Town of San Anselmo Ordinance No. 1181 specifies:

Additions and alterations to single-family and duplex residential buildings, where the modifications are equal to or greater than 750 square feet must meet a target score that exceeds the statewide code by installing efficiency measures from a menu of options that include lighting, water heating, air sealing, insulation, duct sealing, space conditioning, and clothes drying. **Staff Analysis**

On February 5, 2024, 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 Section 9-19.030 of the ordinance diminish the consumption of energy resources by the efficiency measures required in the section above, Summary of the Local Ordinance.

Staff further confirmed that the Town of San Anselmo publicly adopted and filed a finding of cost-effectiveness for the standards. More information about the anticipated energy efficiency and conservation effects of the ordinance can be found in the cost-effectiveness analysis submitted by the Town of San Anselmo.

Project Manager

Danuta Drozdowicz, Building Standards Branch

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).

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

Oral Presentation Outline

If needed, staff will be available at the March 13, 2024, 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 Town of San Anselmo's locally adopted energy standards.

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