



**California Energy Commission,
September 11, 2024 Business Meeting
Backup Materials for Agenda Item No: 03d Local Ordinances for the Cities of San
Luis Obispo, Encinitas, Palo Alto, East Palo Alto, and San Rafael**

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

1. Proposed Resolution, attached below.
2. Executive Director Recommendation Memorandum, 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 Building Energy Efficiency Standards 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 THE CITY OF SAN LUIS OBISPO ORDINANCE NO. 1736 (2024
SERIES) SATISFY STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES
CODE SECTION 25402.1(h)(2)

WHEREAS, The City of San Luis Obispo adopted Ordinance No. 1736 (2024 Series), 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 and conservation 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. 1736 (2024 Series) are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 1736 (2024 Series) 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, Part 1, section 10-106, on June 17, 2024; and

WHEREAS, The City of San Luis Obispo adopted a determination at a public meeting on June 4, 2024, that the locally adopted energy efficiency standards contained in Ordinance No. 1736 (2024 series) are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 1736 (2024 Series) 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)(4) 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

WHEREAS, the locally adopted energy efficiency and conservation standards application filed by the City of San Luis Obispo satisfies the requirements of California Code of Regulations, Title 24, Part 1, 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. 1736 (2024 Series) are cost-effective, and (2) Ordinance No. 1736 (2024 Series) 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 September 11, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: California Energy Commission
Telephone: (916)-909-2537

Date: September 11, 2024

From: Drew Bohan
Executive Director
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. 1736 (2024 SERIES) SATISFY THE ELEMENTS OF PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

I. 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 adopted its determination that the standards are cost-effective at a public meeting.

A. Summary of the Local Ordinance

The City of San Luis Obispo Ordinance No. 1736 (2024 Series) specifies:

- Additional electric readiness and energy efficiency requirements for major additions and alterations of 500 square feet or more to existing single-family residential buildings beyond the 2022 Energy Code. A [major addition is any change](#) to an existing building that increases the conditioned floor area by 500 or more square feet in a one-year period, and a major alteration is any change to an existing building that increases the conditioned floor area by 500 or more square feet in a one-year period.
- Homeowners can choose from a menu of options that includes heat pump water heating or space conditioning, rooftop solar, or a combination of other energy efficiency measures to achieve a total target score that is equal to or greater than 8.

II. STAFF EVALUATION

On August 13, 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 15.02.060 and Section 15.04.065 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 City of San Luis Obispo publicly adopted and filed with the CEC 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 Luis Obispo.

A. Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the 2022 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. 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 Luis Obispo wishes to enforce either these or other local energy efficiency or conservation design standards revised in response to the updated statewide

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).

Energy Code, the City of San Luis Obispo may be required to submit a new application.

III. RECOMMENDATION OF THE EXECUTIVE DIRECTOR

Pursuant to PRC section 25402.1(h)(2) and based upon staff's review and validation of the application submitted by the City of San Luis Obispo, I recommend that the CEC confirm the following findings regarding the City of San Luis Obispo's locally adopted energy standards:

- (1) The City of San Luis Obispo's locally adopted energy standards will result in the diminution of energy consumption levels compared to the 2022 Energy Code; and
- (2) The City of San Luis Obispo has filed the basis of its cost-effectiveness determination with the CEC.



Drew Bohan
Executive Director
California Energy Commission

Date

8/28/2024

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN THE CITY OF ENCINITAS ORDINANCE NO. 2024-04 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)

WHEREAS, The City of Encinitas adopted Ordinance No. 2024-04, 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 and conservation 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 Encinitas 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. 2024-04 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 2024-04 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, Part 1, section 10-106, on June 18, 2024; and

WHEREAS, The City of Encinitas adopted a determination at a public meeting on June 12, 2024, that the locally adopted energy efficiency standards contained in Ordinance No. 2024-04 are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 2024-04 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)(4) 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 Encinitas, 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

WHEREAS, the locally adopted energy efficiency and conservation standards application filed by the City of Encinitas satisfies the requirements of California Code of Regulations, Title 24, Part 1, 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 Encinitas has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 2024-04 are cost-effective, and (2) Ordinance No. 2024-04 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 September 11, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: California Energy Commission
Telephone: (916)-909-2537

Date: September 11, 2024

From: Drew Bohan
Executive Director
California Energy Commission
715 P Street
Sacramento CA 95814-5512

Subject: POSSIBLE FINDING THAT THE CITY OF ENCINITAS LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN ORDINANCE NO. 2024-04 SATISFY THE ELEMENTS OF PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

I. 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 adopted its determination that the standards are cost-effective at a public meeting.

A. Summary of the Local Ordinance

The City of Encinitas Ordinance No. 2024-04 specifies:

- Additional electric readiness requirements.

- For newly constructed single-family homes, increased source energy compliance margin by 4.5%.
- For newly constructed multifamily dwellings, increased source energy compliance margin by 8%.

II. STAFF EVALUATION

On August 9, 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 law².

The requirements in Section 23.12.080 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 City of Encinitas publicly adopted and filed with the CEC 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 Encinitas.

B. Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the 2022 Energy Code.

The City of Encinitas 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 Encinitas 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 Encinitas may be required to submit a new application.

III. RECOMMENDATION OF THE EXECUTIVE DIRECTOR

Pursuant to PRC section 25402.1(h)(2) and based upon staff’s review and validation of the application submitted by the City of Encinitas, I recommend that the CEC confirm the following findings regarding the City of Encinitas’s locally adopted energy standards:

- (1) The City of Encinitas’s locally adopted energy standards will result in the diminution of energy

² 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).

consumption levels compared to the 2022 Energy Code; and

(2) The City of Encinitas has filed the basis of its cost-effectiveness determination with the CEC.



Drew Bohan
Executive Director
California Energy Commission

Date

____ **8/28/2024** _____

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN THE CITY OF PALO ALTO ORDINANCE NO. 5627 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)

WHEREAS, The City of Palo Alto adopted Ordinance No. 5627, 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 and conservation 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 Palo Alto 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. 5627 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 5627 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, Part 1, section 10-106, on June 24, 2024; and

WHEREAS, The City of Palo Alto adopted a determination at a public meeting on June 17, 2024, that the locally adopted energy efficiency standards contained in Ordinance No. 5627 are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 5627 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)(4) 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 Palo Alto, 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

WHEREAS, the locally adopted energy efficiency and conservation standards application filed by the City of Palo Alto satisfies the requirements of California Code of Regulations, Title 24, Part 1, 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 Palo Alto has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 5627 are cost-effective, and (2) Ordinance No. 5627 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 September 11, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: California Energy Commission

Date: September 11, 2024

Telephone: (916)-909-2537

From: Drew Bohan

Executive Director

California Energy Commission

715 P Street

Sacramento CA 95814-5512

Subject: POSSIBLE FINDING THAT THE CITY OF PALO ALTO LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN ORDINANCE NO. 5627 SATISFY THE ELEMENTS OF PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

I. 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 adopted its determination that the standards are cost-effective at a public meeting.

A. Summary of the Local Ordinance

The City of Palo Alto Ordinance No. 5627 specifies:

- Additional electric readiness requirements.
- For nonresidential buildings, increased source energy compliance margins ranging from 7% to 12%, depending on the occupancy type.
- For single-family homes, the increased source energy compliance margin is 8%.
- For multifamily dwellings, the increased source energy compliance margin is at least 9% lower than that of the Standard Design for newly constructed low-rise multifamily dwellings and is at least 1% lower for newly constructed high-rise multifamily dwellings.

II. STAFF EVALUATION

On August 9, 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 law³.

The requirements in Chapter 16.17 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 City of Palo Alto publicly adopted and filed with the CEC 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 Palo Alto.

C. Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the 2022 Energy Code.

The City of Palo Alto 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 Palo Alto 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 Palo Alto may be required to submit a new application.

III. RECOMMENDATION OF THE EXECUTIVE DIRECTOR

³ 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).

Pursuant to PRC section 25402.1(h)(2) and based upon staff's review and validation of the application submitted by the City of Palo Alto, I recommend that the CEC confirm the following findings regarding the City of Palo Alto's locally adopted energy standards:

- (1) The City of Palo Alto's locally adopted energy standards will result in the diminution of energy consumption levels compared to the 2022 Energy Code; and
- (2) The City of Palo Alto has filed the basis of its cost-effectiveness determination with the CEC.



Drew Bohan
Executive Director
California Energy Commission

Date

____8/28/2024_____

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN THE CITY OF EAST PALO ALTO ORDINANCE NO. 03-2024
SATISFY STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE
SECTION 25402.1(h)(2)

WHEREAS, The City of East Palo Alto adopted Ordinance No. 03-2024, 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 and conservation 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 East Palo Alto 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. 03-2024 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 03-2024 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, Part 1, section 10-106, on June 21, 2024; and

WHEREAS, The City of East Palo Alto adopted a determination at a public meeting on June 18, 2024, that the locally adopted energy efficiency standards contained in Ordinance No. 03-2024 are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 03-2024 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)(4) 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 East Palo Alto, 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

WHEREAS, the locally adopted energy efficiency and conservation standards application filed by the City of East Palo Alto satisfies the requirements of California Code of Regulations, Title 24, Part 1, 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 East Palo Alto has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 03-2024 are cost-effective, and (2) Ordinance No. 03-2024 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 September 11, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: California Energy Commission
Telephone: (916)-909-2537

Date: September 11, 2024

From: Drew Bohan
Executive Director
California Energy Commission
715 P Street
Sacramento CA 95814-5512

Subject: POSSIBLE FINDING THAT THE CITY OF EAST PALO ALTO LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN ORDINANCE NO. 03-2024 SATISFY THE ELEMENTS OF PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

IV. 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 adopted its determination that the standards are cost-effective at a public meeting.

A. Summary of the Local Ordinance

The City of East Palo Alto Ordinance No. 03-2024 specifies:

- Additional electric readiness requirements.

- For nonresidential buildings, increased source energy compliance margin of 7%.
- For single-family homes, increased source energy compliance margin of 9%.
- For multifamily dwellings, increased source energy compliance margins of 10% for low-rise and 4% for high-rise building types.

V. STAFF EVALUATION

On August 13, 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 law⁴.

The requirements in Section 15.25.020 of Chapter 15.25 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 City of East Palo Alto publicly adopted and filed with the CEC 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 East Palo Alto.

D. Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the 2022 Energy Code.

The City of East Palo Alto 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 East Palo Alto 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 East Palo Alto may be required to submit a new application.

VI. RECOMMENDATION OF THE EXECUTIVE DIRECTOR

Pursuant to PRC section 25402.1(h)(2) and based upon staff’s review and validation of the application submitted by the City of East Palo Alto, I recommend that the CEC confirm the following findings regarding the City of East Palo Alto’s locally adopted energy standards:

(1) The City of East Palo Alto’s locally adopted energy standards will result in the diminution of energy

⁴ 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).

consumption levels compared to the 2022 Energy Code; and

(2) The City of East Palo Alto has filed the basis of its cost-effectiveness determination with the CEC.



Drew Bohan
Executive Director
California Energy Commission

Date

_____**8/28/2024**_____

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION FINDING BUILDING ENERGY EFFICIENCY STANDARDS
CONTAINED IN THE CITY OF SAN RAFAEL ORDINANCE NO. 2036 SATISFY
STATUTORY REQUIREMENTS UNDER PUBLIC RESOURCES CODE SECTION
25402.1(h)(2)

WHEREAS, The City of San Rafael adopted Ordinance No. 2036, 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 and conservation 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 Rafael 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. 2036 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 2036 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, Part 1, section 10-106, on June 25, 2024; and

WHEREAS, The City of San Rafael adopted a determination at a public meeting on June 3, 2024, that the locally adopted energy efficiency standards contained in Ordinance No. 2036 are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency standards contained in Ordinance No. 2036 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)(4) 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 Rafael, 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

WHEREAS, the locally adopted energy efficiency and conservation standards application filed by the City of San Rafael satisfies the requirements of California Code of Regulations, Title 24, Part 1, 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 Rafael has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 2036 are cost-effective, and (2) Ordinance No. 2036 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 May 8, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kristine Banaag
Secretariat

Memorandum

To: California Energy Commission
Telephone: (916)-909-2537

Date: September 11, 2024

From: Drew Bohan
Executive Director
California Energy Commission
715 P Street
Sacramento CA 95814-5512

Subject: POSSIBLE FINDING THAT THE CITY OF SAN RAFAEL LOCAL BUILDING ENERGY CONSERVATION DESIGN STANDARDS CONTAINED IN ORDINANCE NO. 2036 SATISFY THE ELEMENTS OF PUBLIC RESOURCES CODE SECTION 25402.1(h)(2)

VII. 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 adopted its determination that the standards are cost-effective at a public meeting.

A. Summary of the Local Ordinance

The City of San Rafael Ordinance No. 2036 specifies:

- Additional energy efficiency requirements for additions, alterations, or remodel projects exceeding 500 square feet to existing single-family homes beyond the 2022 Energy Code.

- Homeowners can select from a menu of energy efficiency measures. In addition to mandatory lighting measures, homeowners can choose from options that include various heat pump systems, solar PV, insulation, duct sealing, and other measures, each with assigned point values, to achieve a target score of 4, 8, or 12, depending on the home's vintage.

VIII. STAFF EVALUATION

On August 13, 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 those 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 law⁵.

The requirements in Section 12.220.020 and Chapter 12.360 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 City of San Rafael publicly adopted and filed with the CEC 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 Rafael.

E. Staff Position

Staff has found that the application meets all requirements under PRC section 25402.1(h)(2), and section 10-106 of the 2022 Energy Code.

The City of San Rafael 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 Rafael 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 Rafael may be required to submit a new application.

IX. RECOMMENDATION OF THE EXECUTIVE DIRECTOR

Pursuant to PRC section 25402.1(h)(2) and based upon staff's review and validation of the application submitted by the City of San Rafael, I recommend that the CEC confirm the following findings regarding the City of San Rafael's locally adopted energy standards:

(1) The City of San Rafael's locally adopted energy standards will result in the diminution of energy consumption levels compared to the 2022 Energy Code; and

⁵ 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).

(2) The City of San Rafael has filed the basis of its cost-effectiveness determination with the CEC.



Drew Bohan
Executive Director
California Energy Commission

Date

____**8/28/2024**____