

SEEC Virtual Forum: Webinar 18 November 12, 2020 | 10:00 – 11:30 PM PST

One Vision, Many Policy Paths to Local Decarbonization



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- Engage in a dialogue with your peers share resources, case studies, and best practices
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Introducing Today's Panelists



Farhad Farahmand

Senior Project Manager TRC







Chris Read Sustainability Manager City of San Luis Obispo





Sarah Moore Sustainability Program Manager City of Berkeley Srinidhi Sampath Kumar Sustainable Housing Policy and Program Manager California Housing Partnership



Electrification and Reach Codes Brief Overview

SEEC Forum

November 12, 2020

Farhad Farahmand Senior Project Manager TRC PRODUCE PURPOSE PIONEER

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- Emissions reductions and decarbonization
 - CA Executive Order B-55-18 for Carbon Neutrality by 2045
 - Electricity grid getting cleaner every day with increased renewable generation



U.S. States with Clean Electricity Mandates & Utilities with Decarbonization Goals, 2019. *Source: World Resources Institute and Smart Electric Power Alliance (Bird 2019).*



- Emissions reductions and decarbonization
 - CA Executive Order B-55-18 for Carbon Neutrality by 2045
 - Electricity grid getting cleaner every day with increased renewable generation
- Lower-risk pathway according to California Energy Commission



Pillars of Decarbonization Source: Deep Decarbonization in a

High Renewables Future, California Energy Commission (E3 2018).



- Emissions reductions and decarbonization
 - CA Executive Order B-55-18 for Carbon Neutrality by 2045
 - Electricity grid getting cleaner every day with increased renewable generation
- Lower-risk pathway according to California Energy Commission
- Cost savings
 - Lower first costs for avoided gas infrastructure
 - Operational costs vary but are comparable
 - All-electric homes can achieve zero-net-energy while being *immediately* cost-effective



Single Family Home Cost Effectiveness, All-Electric Compared to Mixed-Fuel Source: TRC and DNV-GL, available on SiliconValleyReachCodes.Org



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- Emissions reductions and decarbonization
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 - Electricity grid getting cleaner every day with increased renewable generation
- Lower-risk pathway according to California Energy Commission
- Cost savings
 - Lower first costs for avoided gas infrastructure
 - Operational costs vary but are comparable
- Healthier indoor air from eliminating indoor combustion
 - NO, NO_X, NO₂
 - Formaldehyde
 - Carbon Monoxide



Gas Stoves Can Emit Elevated Indoor Nitrogen Dioxide (NO2) Levels Often Exceeding Indoor Guidelines and Outdoor Standards.

Source: Health Effects from Gas Stove Pollution, Rocky Mountain Institute, 2020, <u>https://rmi.org/insight/gasstoves-pollution-health</u>.

The heck is a reach code?



Approved Zero Emission Building Codes in California as of 10/28/2020



- Local amendment to the state code, adopted at any time. Address:
 - New construction
 - Building electrification
 - Electric vehicle charging infrastructure
- Adopted by 39 (and counting) cities -- over 10% of state's population
- Improves economic, energy, and emissions performance of buildings
- More information available at:
 - LocalEnergyCodes.com
 - BuildingDecarb.org/Active-Code-Efforts.html
 - SiliconValleyReachCodes.org



Туре	How it Works
All-Electric Preferred	 Allows mixed fuel buildings with high energy performance Additional energy efficiency measures Battery storage Electric-ready (pre-wiring)
All-Electric Required	 Appliances must be electric Exceptions allowed (e.g., commercial kitchens) Conduits or conductors for exempted appliances
Natural Gas Ban	No gas hookup allowed (via municipal ordinance)



Thank You

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Regional Decarbonization

November 2020

Outline

- 1. Motivation
- 2. Baseline
- 3. Considerations
- 4. Approach
- 5. Results



Baseline

• SVCE carries out annual GHG inventory



Residential Buildings Overview

- Property types analyzed
 - Single-family homes/townhomes
 - Condos
 - Multi-family
- Building attributes analyzed
 - Square footage
 - Vintage
 - All-electric vs. mixed fuel
 - EV vs. non-EV
 - Solar vs. non-solar
- Metrics
 - Electricity consumption (kWh)
 - Gas consumption (therms)
 - Energy use intensity / EUI (energy/ft2)



Overview of residential buildings in SVCE territory

	Property Type	Number of Units	Total Building Area [ft²]	Fuel Type	% by Unit
Cingle Femily Home		154.045	210 022 002	All-electric	5%
Singi	Single-ramily nome	154,945	310,023,893	Mixed fuel	95%
	Condo	0 1 9 1	7 028 004	All-electric	17%
	Condo	9,181	7,930,004	Mixed fuel	83%
	Multi-Eamily	63,711	50 250 244	All-electric	8%
	-Multi-Falliny		59,250,244	Mixed fuel	92%

Baseline

Buildings Emissions by End Use (2018)



Considerations

Awareness	Availability	Assuredness	Affordability
Top of mind	Equipment	Established	First cost
Ubiquity	Expertise	Longevity	Ongoing
Resources	Supply Chain	Support	Disparities

Markets and Mandates	Transparency
Individual and Community	Data
Local and Regional	Collaboration



A. CalEnviroScreen - DAC



C. Area Median Income - AMI



B. Regionalized CalEnviroScreen – CES



D. Socioeconomic Vulnerability Index – SEVI



Disparity Analysis

Approach

Develop a series of collaboratively constructed joint action plans with our city partners and other stakeholders









Approach

City partners Utilities CCAs Entrepreneurs Advocates DOE Local Business





Cost-Effectiveness

Table 53: Single Family Climate Zone 4 Results Summary



Title 24, Parts 6 and 11 Local Energy Efficiency Ordinances

Study: uction

ct on ability

PG&	E	Annual	A	PV Size		PV Size Emissions (lbs/sf) Li		Lifetime	NPV of Lifetime Ratio (B/C		2019 Cost-effectiveness			
Sing	le Family	kWh	therms	Margin ⁴	(kW) ⁵	Total	Reduction	Cost (\$)	On-Bill TDV		Low-Rise Residential New Constru			
-	Code Compliant													
Fue	Efficiency-Non-Preempted		With a	anal c	onstruct	ion co	sts ("Nou	itral Cost"	י ז					
xed	Efficiency-Equipment	with <u>equal construction costs</u> (Neutral Cost),												
Ē	Efficiency & PV/Battery													
~	Code Compliant	All-electric homes are <u>More energy efficient</u>								Beneficial impa				
tric	Efficiency-Non-Preempted	(TDV benefit >1)								Housing Afforda				
lect	Efficiency-Equipment													
All-E	Efficiency & PV					and								
	Efficiency & PV/Battery													
el to ric ³	Code Compliant		Hav	e lowe	r utility l	bills (O	n-Bill be	nefit >1).						
d Fu	Efficiency & PV													
Mixe All-F	Neutral Cost	2,166	0	10.0	1.35	0.70	1.18	\$0	>1	>1				

ICON VALLEY EAN ENERGY

https://localenergycodes.com/download/1180/file_path/fieldList/2019%20Res%20Retrofit%20Cost-eff%20Report.pdf

Approach – Reach Codes

Regional Effort (34 Cities) in collaboration with another CCA 3rd Party Technical Expertise – TRC + DNV/GL 3rd Party Outreach support – Joint Venture Silicon Valley Dedicated informational website (www.siliconvalleyreachcodes.org) \$10k grant upon presenting reach code for vote



Approach – Reach Codes

TRC – DNV/GL	JVSV	SVCE
Prenare model codes	Conduct meetings.	Engage Cities
Website	Labor	Council members
Technical support	Affordable Housing	City managers
Stakeholder meetings	Developers	Sustainability
Templates		Building officials
Assistance post adoption		Advocates

Share progress with elected officials in group meetings



Approach

Challenges	Solutions
Reach code as local policy option	City council study sessions
Existing energy efficiency (EE) bias	Translate EE into GHG reduction
Awareness of code cycle	Outreach to impacted groups
Former truths (gas is cheaper for heat, heat pumps not ready)	Handouts, presentations, website, graphics, data, discussions
Some cities lacked community support	Advocacy groups collaborated
Belief that utility can't handle growth	PG&E provided support letter to each city
Developer opposition	Pro-electrification peer developers, lots of engagement

Approach – Reach Codes

Given - New construction comprises a small percentage of overall buildings in our territory Given - Buildings last 50+ years

Therefore – building codes in effect today contribute to 50+ years of GHG reductions

Any building not built to reduce GHG today becomes a future retrofit program expense... at a much higher cost to address!



Results – Reach Codes

9 communities have adopted.

2 more on deck.

					Buil	ding Reach		EV Reach
Member Agency	Status	Next Meeting	Date of Next Meeting	Code Language	Encourage Electric (1 + 2 + 2A)	Mostly Electric (1 + 2A)	All Electric (1 only)	Higher than CalGREEN
Mountain View	00000	Арр	proved	Begins on pg. 23			×	x
Morgan Hill	00000	Арр	roved	Begins on pg. 45			x	
Milpitas	66666	Арр	proved	Begins on pg. 1132	×			x
Monte Sereno	22222	Арр	proved	Begins on pg. 3	X1			x
Saratoga	00000	Арр	proved	Begins on pg. 33		×		x
Los Gatos	66666	Арр	roved	Begins on pg. 93			×	x
Cupertino	66666	Арр	roved	<u>Ordinance</u>			x	x
Los Altos Hills	66666	Арр	roved	Ordinance		×		x
Campbell	44444	Арр	roved	Begins on pg. 41		×		
Los Altos	1111	2 nd Vote	2 nd Vote Nov 2020			×		x
Sunnyvale	1000	2 nd Vote Dec 2020		Ordinance			×	x
Santa Clara County	22	Staff Proposal postponed						
Gilroy	-	Declined						

Results – assessment

Exceeded expectations

Goal = 3 reach codes Actual = 11 reach codes (ok, 9... but 2 are close)

Improvements for next cycle:

Longer engagement window Possible emphasis on regional consistency where applicable Success stories from current cycle



Thank you!

John Supp SVCE John.supp@svcleanenergy.org



HOW CAN CITIES LEAD THE WAY?

SEEC | NOVEMBER 12, 2020





NO FOSSIL FUELS IN NEW BUILDINGS



Our Approach

BUILDING CODE AMENDMENTS

Electric-Preferred | Technical Assistance | Regulatory Flexibility

QUALIFIED CAP & GHG THRESHOLDS

Compliance Checklist | Discretionary Review

CARBON OFFSET PROGRAM

Offsetting New Emissions



DEEP FOSSIL FUEL REDUCTIONS IN EXISTING BUILDINGS



Our Approach

CONVENE PARTIES

Local Governments are Trusted and Connected

EXPLORE PILOTS AND REGULATION

Who is Interested? | What is Possible? | How is Equity Centered? | Lead by Example

CALL FOR COLLABORATION

How can we work together?

THANKS!

CHRIS READ | SUSTAINABILITY MANAGER CREAD@SLOCITY.ORG



PATH FORWARD: GETTING TO ZERO CARBON EQUITABLY

Srinidhi Sampath Kumar Sustainable Housing Policy and Program Manager ssampath@chpc.net Nov 12th, 2020

Why electrify affordable housing?

- Gas infrastructure, stranded assets
- Considerable increase in gas rates
- Health concerns
- Increasing climate related emergencies
- Programs and incentives that support electrification in low-income multifamily buildings but largely for existing buildings

Programs Funding Decarb Efforts

- Existing Buildings
 - Low Income Weatherization Programs (LIWP)
 - Solar On multifamily Affordable Housing (SOMAH)
 - Self Generation Incentive Program (SGIP)
 - Local REN, CCA programs
- New Construction
 - Building Initiative for Low Emissions Development (BUILD)

What are we waiting for then?

CALIFORNIA NEEDS 1.3 MILLION MORE AFFORDABLE RENTAL HOMES

While the shortfall has declined by 11% since 2014, the share of housing need not being met has remained relatively constant because the number of low-income households has also declined.*



Source: California Housing Partnership analysis of 2018 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

*The proportion of total unmet housing demand for low-income renters (shortfall / total demand) from 2014 to 2018, was 68%, 67%, 67%, 67%, and 66%, respectively.

79% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 7% OF MODERATE-INCOME HOUSEHOLDS



Source: California Housing Partnership analysis of 2018 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

**ELI: Extremely Low-Income, VLI: Very Low-Income, LI: Low-Income, MI: Moderate-Income, >MI: Above Moderate-Income

Housing Financing Landscape and Other Costs Considerations

DESPITE THE 2017 HOUSING PACKAGE, STATE FUNDING STILL FALLS SHORT, UNDERMINING PROGRESS ON HOUSING INDIVIDUALS EXPERIENCING HOMELESSNESS



Source: California Dept. of Housing and Community Development (HCD) Redevelopment Housing Activities Report 2009 -2011. HCD Program Reports, 2009-2019. U.S. Dept. of Housing and Urban Development (HUD) PIT and HIC Data since 2007. California Business, Consumer Services and Housing Agency, Homeless Emergency Aid Program, 2018. California Strategic Growth Council Affordable Housing and Sustainable Communities Program, 2014-2019. Note: Fiscal years are represented by the second half of the fiscal year (e.g. FY 2008-2009 is presented as 2009).

Other Challenges

- Developer size
- Property size
- Portfolio region and disparate local reach codes
- Maintenance staff and vendors
- Availability of equipment that have operating history, contractor availability and experience, willingness of the team
- Equipment challenges: central domestic hot water and laundry systems
- Resilience during shut offs and storage issues
- System Sizing issues

Partnership led Affordable Housing Convenings

Gas stoves

• EV

Prevailing Wages

Costs

Commercial lease

Funding

Risks

Recommendations

- T24 and housing program alignment
- Increased Technical Assistance
- Just more funding (like SB 1477)
- Guidance document for property managers on how to be decarb ready
- Training: residents, contractors, engineers
- Fast- tracking permits both from utilities and code enforcement
- Pilot decarb buildings in different regions and track costs gaps
- Huge opportunity to do health related upgrades
- Align goals of providing affordable housing and electrification



- 2020 California Affordable Housing Needs Report: <u>https://chpc.net/resources/2020-statewide-housing-needs-report/</u>
- COVID-19 Exacerbates Cost of Living Challenges Throughout the State: <u>https://chpc.net/covid-19-exacerbates-cost-of-living-challenges-throughout-the-state/</u>
- To release in Q1 2020: Guidance document on Affordable Housing Decarbonization



Decarbonization Efforts in Berkeley SEEC Virtual Forum

November 12, 2020



Climate Action Goals

SERKELEY

- Climate Action Plan
 (2009)
- Climate Emergency Declaration (2018)
- Fossil Fuel Free City (2018)
 - Net Zero Carbon Emissions



2018 Greenhouse Gas Emissions Inventory



RKELE

1. Reduce energy use

2. Promote cleaner electricity

- 3. Electrify transportation & buildings
 - Electric mobility
 - Building electrification





Electric Mobility Roadmap

All-Electric New Construction

Electrification of Existing Buildings

Berkeley Electric Mobility Roadmap





Berkeley Electric Mobility Roadmap



Vision

Create a fossil fuel-free transportation system that supports the City's ongoing efforts to increase walking, biking, and public transportation use in Berkeley and ensures equitable access to the benefits of clean transportation

O Electric Mobility Roadmap

All-Electric New Construction

Electrification of Existing Buildings

Natural Gas Prohibition (BMC Chapter 12.80)





- No natural gas infrastructure in newly constructed buildings
 - Limited exceptions & public interest exemption
- Implemented through Condition of Approval
- Land Use Permit applications submitted (as of January 1, 2020)

Reach Code (BMC Chapter 19.36)





Building Electrification: New Construction

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7		RKE
3	1	
		\prec

	Natural Gas Prohibition	Rea (local amendme	ach Code ents to the Energy Code)	Electric Vehicle (EV) Charging Requirements (local amendments to	
Occupancy Type	Covers newly constructed buildings with Land Use	Covers newly o Building Permit after	constructed buildings with applications submitted on or January 1, 2020		
	Permit applications submitted on or after January 1, 2020	All-Electric Building Requirements	Mixed Fuel Building Requirements	CALGreen)	
Single family, detached Accessory Dwelling Unit (ADU), two-family dwellings, and townhomes	Natural gas prohibited ¹	All-electric, solar PV ³	10 Total EDR compliance margin ⁴ , solar PV ³ , electric ready ⁵	One EV Charger Ready ⁶ space per dwelling unit with on-site parking	
Low-rise multifamily (3 stories or less)	Natural gas prohibited ¹	All-electric, solar PV ³	10 Total EDR compliance margin⁴, solar PV³, electric ready⁵	20% EV Charger Ready ⁶ , 80% "EV Spaces Raceway Equipped ^{"7}	
High-rise multifamily (4 stories or more)	4 stories or more) Natural gas prohibited ¹ otel Natural gas prohibited ¹		10% compliance margin ⁴ , solar PV, electric ready ⁵	20% EV Charger Ready ⁶ , 80% "EV Spaces Raceway Equipped ⁷⁷	
Hotel/Motel			10% compliance margin ⁴ , solar PV, electric ready ⁵	10% EVCS installed, 40% "EV Spaces Raceway Equipped" ⁷	
Other Nonresidential ²	Natural gas prohibited ¹	All-electric, solar PV	10% compliance margin ⁴ , solar PV, electric ready ⁵	10% EVCS installed ⁸ , 40% "EV Spaces Raceway Equipped" ⁷	

O Electric Mobility Roadmap

All-Electric New Construction

Electrification of Existing Buildings

Building Energy Savings Ordinance (BESO)



Align BESO with Emissions Reduction & Resilience Goals



Streamline requirements for small and medium sized buildings



Increase upgrades and utilization of rebate/incentive programs



Increase transparency and information sharing in the building sale process

Building Electrification Initiative





Building Electrification Initiative

Residential Units, Year Built



CITY OF

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RKELE

Large residential buildings

Building Electrification Initiative





Low Income (LI) is defined as <80% of area median income (AMI) = < \$60,500*

Medium-High Income (MHI) is defined as >80% of AMI = >\$60,500

Observations:

- Ongoing displacement in Western half of Berkeley.
- Parts of Berkeley around college campus are not yet losing low income households, or are at risk of losing them.

Distribution by Typology

	College town	LI - At Risk	LI - Not Losing	LI - Ongoing	MHI - Advanced Exclusion	Advanced Gentri- fication	MHI - At Risk	MHI - Not Losing	MHI - Ongoing Exclusion
1 - Single-Family	434	391	1,629	7,006	1,566	251	6,942	1,647	1,322
2 - Duplex	278	180	753	2,179	166	119	681	102	323
3 - 3-4 family homes	305	146	529	1,647	41	55	217	13	117
4 - 5+ unit multi- family, low rise	541	112	457	960	20	57	124	4	37
5 - 5+ unit multi- family, mid-high rise	85	4	42	30	0	2	1	o	o

*Based on Census Bureau, American Community Survey 5-year estimate for 2017

Berkeley Existing Building Electrification Strategy

- Carbon-free energy future
- Improved home health, comfort, and resilience
- Flexible grid capable of addressing next-gen supply issues
- More affordable housing stock
- More diverse and stable workforce
- No more gas leaks or explosions
- Model for others to follow

Berkeley Existing Building Electrification Strategy

Equity Goals

- Equitable access to health and comfort improvements
- Minimized installation burden
- Equitable access to economic benefits
- Prevent displacement due to increased home value/taxes
- Protecting communities from future increased gas prices

Berkeley Existing Building Electrification Strategy



Outreach Education and

Point of Replacement

Point of Sale

Natural Gas Decommissioning Funding and Financing

Electrification & Natural Gas Decommissioning



ELAB ACCELERATOR

Thank You!

Sarah Moore

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