



**Contra  
Costa  
County**

To: Board of Supervisors  
From: John Kopchik, Director, Conservation & Development Department  
Date: December 14, 2021

Subject: Introduce Ordinance No. 2022-02, adopting and amending the 2019 California Energy Code to require certain newly constructed buildings be all-electric

**RECOMMENDATION(S):**

1. INTRODUCE Ordinance No 2022-02, adopting and amending the 2019 California Energy Code to require that all newly constructed residential buildings, hotels, offices, and retail buildings be constructed as all-electric buildings without natural gas infrastructure; WAIVE reading; and FIX January 18, 2022, at 9:30 a.m. for a public hearing to consider adoption of the ordinance and adoption of findings of local conditions to justify construction standards stricter than those imposed by Health and Safety Code sections 19180 et seq.

2. DIRECT the Clerk of the Board to publish notice of the hearing pursuant to Government Code section 6066.

**FISCAL IMPACT:**

None.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **12/14/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

NO: Candace Andersen, District II Supervisor

ABSENT: Diane Burgis, District III Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 14, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Demian Hardman-Saldana,  
925-655-2816

By: June McHuen, Deputy

cc:

## BACKGROUND:

On August 3, 2021, the Board of Supervisors directed staff to develop an ordinance amending the County building code to require all newly constructed residential buildings, hotels, offices, and retail buildings to be constructed as all-electric buildings without natural gas infrastructure.

Health and Safety Code sections 17958.5 and 18941.5 authorize a local agency to modify the 2019 California Energy Code and establish more restrictive building standards if the local agency finds that the changes and modifications are reasonably necessary because of local climatic, geological, topographical, or environmental conditions. California Public Resources Code section 25402.1(h)(2) further authorizes a local agency to modify the California Energy Code if the local agency finds that the proposed standards are cost-effective and the California Energy Commission (CEC) determines that the proposed standards will require the diminution of energy consumption levels permitted by the 2019 California Energy Code.

The proposed Ordinance No 2022-02 would amend the 2019 California Energy Code due to local climatic, geographical, topographical, and environmental conditions. The attached findings describe the local conditions that make the more restrictive standards reasonably necessary. The attached findings also include the required findings related to energy savings and cost-effectiveness based on several cost-effectiveness studies prepared as part of the Statewide Reach Codes Program. The referenced cost-effectiveness studies are also attached. The proposed substantive changes to the 2019 California Energy Code are described below:

### Modifications to the 2019 California Energy Code

Requires a newly constructed building that is any of the following building types to be an all-electric building:

- Residential (including single-family and multi-family buildings);
- Detached Accessory Dwelling Unit;
- Hotel;
- Office;
- Retail.

An all-electric building is defined to mean a building that has no natural gas or propane plumbing installed within the building, and that uses electricity as the sole source of energy for its space heating (including heating of all indoor and outdoor spaces of the building), water heating (including heating of indoor and outdoor pools and spas), cooking appliances, and clothes drying appliances. An all-electric building may utilize solar thermal pool heating.

The proposed ordinance would exempt development projects from the all-electric building requirement if the development project has obtained an approved vesting tentative map, development agreement, or other vested right pursuant to applicable law,

prior to the operative date of the ordinance. The exemption recognizes existing projects that have obtained vested rights based on entitlements issued before the all-electric building requirements become operative.

The proposed ordinance would not prohibit the use of emergency backup power sources, such as generators, that may be fossil-fuel operated.

#### Outreach Efforts and Public Input

Public outreach related to development of this ordinance occurred through the Board of Supervisors Sustainability Committee. The issue was first discussed at the Sustainability Committee meeting on September 23, 2019, and at subsequent meetings on February 3, 2020, and May 24, 2021. The Sustainability Committee recommended that the Board of Supervisors authorize staff to develop an ordinance amending the County building code to prohibit the use of natural gas and use electricity as the sole source of power for all newly constructed residential buildings, hotels, offices, and retail buildings. On August 3, 2021, the Board of Supervisors approved the Sustainability Committee recommendation and directed staff to prepare the proposed ordinance.

The public has had the opportunity to provide input at each of these meetings. Most public comments have indicated overall support for a building electrification ordinance. At the direction of the Sustainability Committee, County staff also met with staff from the Building Industry Association (BIA) and East Bay Leadership Council (EBLC) to solicit feedback on the Committee's recommendation to the Board. The main concern raised by the BIA was to ensure that the building industry be given sufficient time to adapt to the building code changes so new projects in the pipeline would not require a redesign. The BIA also previously submitted a letter to the Board, which included, among other things, concerns of grid reliability, refuting whether all-electric homes are truly cost-effective, and a request that there not be localized codes. The BIA letter and the issues raised therein were discussed at the Board meeting on August 3, 2021.

#### California Energy Commission

Modification to the California Energy Code, and the associated findings, must be submitted to the California Energy Commission (CEC) for review and approval before the modifications take effect. If adopted by the Board, staff will transmit the adopted ordinance and findings to the CEC. Staff is informed that the CEC review and approval process may take approximately 30-60 days.

#### Ordinance Effective and Operative Dates

If adopted by the Board, the ordinance will be effective upon approval by the California Energy Commission or 30 days after adoption, whichever is later. Staff recommends that the Board adopt the ordinance with an operative date of June 1, 2022, to provide the building industry and other stakeholders additional notice and lead time prior to enforcement of the new all-electric building requirements. That is, staff recommends that a building permit issued before June 1, 2022, for a newly constructed residential building, hotel, office, or retail building would not require the building to be an

all-electric building. Additionally, a building permit issued after June 1, 2022 would not require a newly constructed residential building, hotel, office, or retail building to be all-electric if the building is part of a development project that has obtained an approved vesting tentative map, development agreement, or other vested right pursuant to applicable law, prior to June 1, 2022.

### Electricity Reliability

Control of the electricity grid, including ensuring reliability, is the responsibility of the State of California. There are multiple State agencies that collaborate to ensure grid reliability. These include the California Independent System Operator (CAISO), the California Energy Commission (CEC), and the California Public Utilities Commission (CPUC). These agencies engage in a rigorous effort to forecast and procure sufficient electricity to meet power demand within the state, and to ensure the utility companies operate the electrical grid responsibly. The following summarizes the activities of various state agencies in this process.

CAISO was created by the California Legislature and is responsible for managing the flow of electricity throughout the State. CAISO has an annual long-term Transmission Planning Process completed every 15 months that uses other tools to ensure the grid has adequate supply, or in rare cases a strategy for working through undersupply situations.

The CEC adopts an Integrated Energy Policy Report (IEPR) every two years that includes an assessment of major energy trends and issues facing California's electricity, natural gas, and transportation fuel sectors, which includes energy reliability. The IEPR provides policy recommendations on these issues.

The CPUC has a biennial process through the Integrated Resource Plan (IRP) Proceeding that requires load-serving entities (LSEs) such as MCE (the County's Community Choice Aggregator) and investor-owned utilities such as Pacific Gas and Electric (PG&E) to detail the procured and planned resources in their portfolio to ensure that the State has safe, reliable, and cost-effective electricity supply. The CPUC's IRP Proceeding(s) also serve as the umbrella venue for considering comprehensive issues in the portion of the California electricity sector under the purview of the Commission. The IRP proceeding was the successor to multiple long-term procurement planning (LTPP) proceedings, and continues to require investor-owned utilities (IOUs) such as PG&E to submit procurement plans to project their resource needs for their bundled customers, and their action plans for meeting those needs over a ten-year horizon.

The CEC recently released a Midterm Reliability Analysis report in September 2021, which provides an analysis conducted by CEC staff to inform decisions about the future resource procurement to support energy reliability for calendar years 2023 – 2026. The report was prepared for the CPUC to consider as part of their IRP as the CPUC decides whether to adopt their next plan. The report finds that the ordered resource procurement for 2023 through 2026 appears to be sufficient, indicating system reliability. The report also concludes that the reliance on zero-emitting resources does not appear to diminish

reliability compared to procuring thermal resources. However, the report acknowledges that the CEC demand forecast is being further enhanced to capture the frequency and dispersion of extreme climate impacts. Additionally, the study acknowledges that it did not include resource retirements beyond those assumed in the CPUC's mid-term reliability decision and that additional retirements would increase the likelihood of system reliability challenges.

Another issue of concern related to grid reliability is the occurrence of Public Safety Power Shutoff (PSPS) events. The State continues to work with utilities to reduce the need for PSPS events. However, such events will likely occur again in the future, subject to weather conditions. Property owners can mitigate their risk of losing power during PSPS events by installing a source of backup power, such as a generator or battery storage.

#### CONSEQUENCE OF NEGATIVE ACTION:

If the proposed ordinance is not approved, the County would not implement one of the actions specified in its Climate Emergency Resolution adopted by the Board of Supervisors on September 22, 2020.

#### CHILDREN'S IMPACT STATEMENT:

Not applicable.

#### CLERK'S ADDENDUM

Speakers: Name not given; Lisa Jackson, 350 Contra Costa; Wes Sullens ,Chair Contra Costa Sustainability Commission; Fred Bialy, Contra Costa Climate Action Squad ;Floy Andrews, Richmond;

#### ATTACHMENTS

Ordinance No. 2022-02

Findings ISO Energy Reach Code Adoption

Cost Effectiveness Studies