



2023 Policy Platform and Legislative Ad Hoc Committee

Bena Chang, Senior Manager of Government Affairs
December 14, 2022



Objectives

Requesting SVCE Board approval of:

1. SVCE's 2023 Policy Platform; and
2. Creation of the Ad Hoc Committee of the Board to Address Legislative Response to Industry Transition ("Leg Ad Hoc Committee")

2023 Policy Platform





2022 Legislative Year in Review + Forecast

Historic funding year – significant policy challenges remain

2022 Review

- Historic passage of IRA and state budget with \$53.9 billion on climate and energy.
- State - focus on reliability – new Strategic Reliability Reserve and Diablo Canyon extension

2023 Forecast

- Implement the state's ambitious clean energy goals – focus on interconnection and transmission challenges and reliability.
- State Budget – Legislative Analyst Office projects \$25 billion shortfall
- State – huge first-year legislator class, new Speaker
- Federal – Republicans take over House



2023 Draft Legislative Policy Platform

Principles and policy document to guide legislative positions in 2023.

- **Re-launch process:** internal and external stakeholder conversations.
- **Policy Platform changes from last year include:**
 - Higher-level description of policies paired with example policy proposals.
 - Re-organized policies into broader headings.
 - Incorporated Ad Hoc Committee feedback on interconnection delays, distribution equipment failures, and workforce training.



2023 Draft Legislative Policy Platform

Top Policy Areas

- 1. Clean, Reliable Grid:** Support investments and barrier removal for transmission and renewable projects. Support reliable electric system, including smart build out of distribution grid, addressing interconnection barriers and equipment failures.
- 2. Climate Change Mitigation/Fuel Switching:** Support funding and programs to decarbonize electric, building, and transportation sectors. Remove barriers to fuel switching and decarbonization. Support clean energy workforce development efforts.
- 3. Competitive Equity/Do No Harm:** Supports CCA model of local government governance. System needs should give flexibility to allow local authority and discretion to meet goals.



2023 Draft Legislative Policy Platform

Additional Policy Areas

- **Health Impact/Safety:** Support policies that increase safety of electric infrastructure and health of the community.
- **Equity:** Support policies that consider equitable treatment of low-income and historically underserved communities.
- **Affordability and Rates:** Support rates that are competitive and enable high-value services.

2023 Legislative Ad Hoc Committee





Leg Ad Hoc Committee

Request Board approval to establish Legislative Ad Hoc Committee.

Purpose:

- Respond to industry transitions
- Increase engagement between SVCE Board and staff on legislative issues



Recommendations

1. Approve SVCE's 2023 Policy Platform; and
2. Create the 2023 Legislative Ad Hoc Committee

2023 Rate Setting and Electrification Discount Discussion

Dec 14th, 2022

Don Bray, Director of Strategic Development

Peter Mustacich, Energy Services Lead

Adam Selvin, ESCR Director

A background image of a wind farm on rolling green hills under a clear sky. Several wind turbines are visible, with their long shadows cast across the grass. A white horizontal line is positioned above the title text.

Budget Update

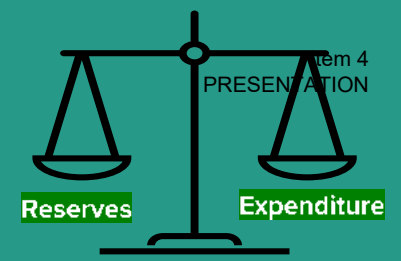


Discount assumptions in the 2023 Budget are to be reviewed and finalized in late 2022.

Discount assumptions in 2023 Budget, as approved in Sept 2022

- 2% discount for all customers in Jan 2023
 - up from 1% in 2022
- Additional ~10% discount for CARE/FERA customers
 - Provides 35-40% net customer discount
 - In lieu of additional 1% discount to all customers
- Overall discount to be revisited in Nov/Dec, and possibly increased, based on latest PG&E rate projections for 2023, and SVCE outlook

Based on the latest rate and financial projections, another \$30m is available for expenditure.



Net Contribution to Reserve Projections

- Budgeted: **\$115 million**
- Updated: **\$139 million**
 - latest PG&E Gen Rate and PCIA rates will result in higher revenues, which more than offset higher Power Supply costs for energy and resource adequacy (RA)

Available for Add'l Expenditure

- Using stress test methodology discussed at budget time . . .
 - ensure if stress test scenario 2* were to occur, over a two-year period, reserves do not fall below 120 days of cash on hand
- Analysis shows the additional amount available for spending of approximately **\$30 million****

** Price collapse results in high PCIA/low PG&E generation rates requiring a significant draw on reserves for SVCE to maintain a 1 percent customer discount*

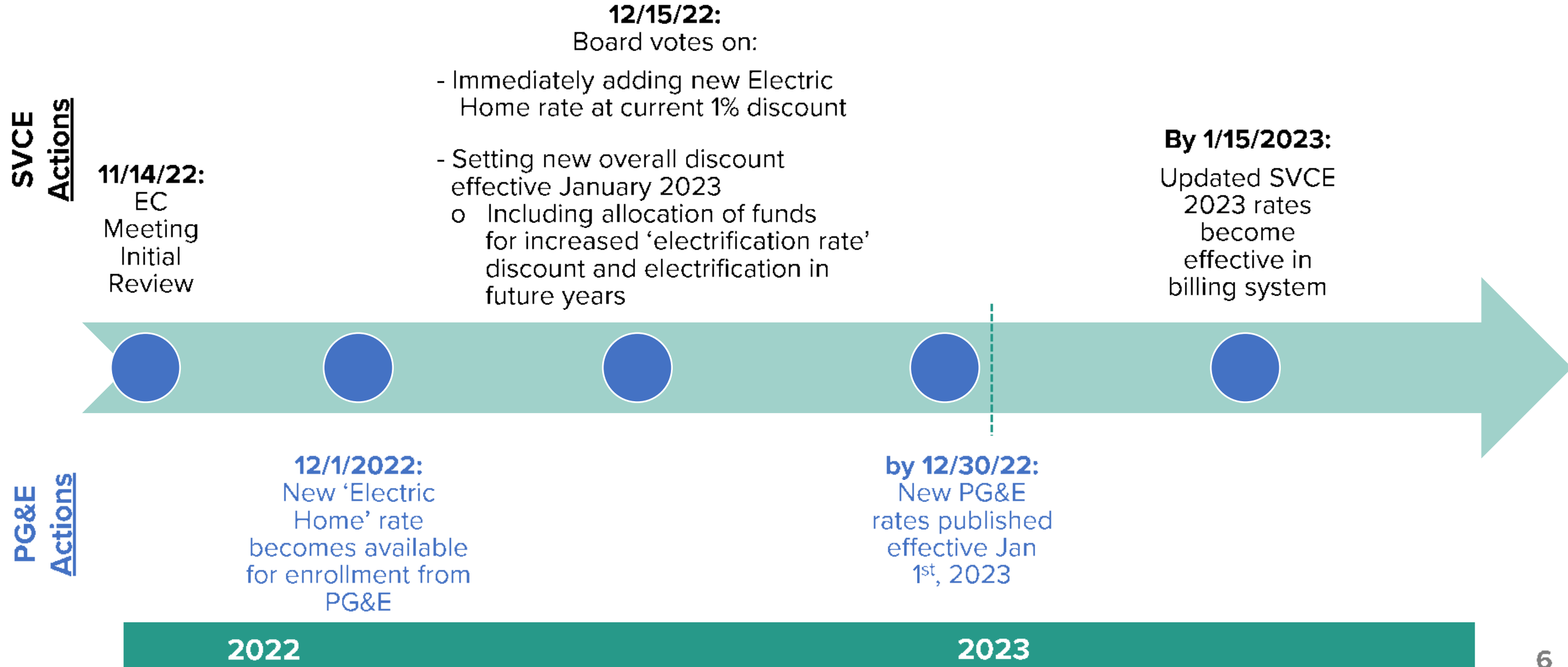
*** Two summer months of power supply costs are accounted for in reserves for the potential new Provider of Last Resort (POLR) posting requirements (~\$95 million).*

The background of the slide is a photograph of a wind farm. Several large, white, three-bladed wind turbines are visible, spaced out across rolling green hills. The hills are covered in grass and have some winding roads or paths. The sky is a pale, hazy blue. The entire image is overlaid with a semi-transparent teal or green tint. A small white horizontal line is positioned above the first word of the title.

Timeline for Setting 2023 Rates and Discounts



In December, the BOD will vote on adding the 'Electric Home' rate, and overall 2023 discount.



A photograph of a wind farm with several turbines on rolling green hills under a clear sky. The image is overlaid with a semi-transparent teal filter. A white horizontal line is positioned above the title text.

Discussion of 2023 Discount Options



Should SVCE consider a discounting approach that further promotes electrification?

Strategic focus areas for 2023 include ‘doubling down’ on the electrification value proposition and leveraging SVCE’s balance sheet to provide financing solutions to customers.

How can \$30M best be returned to customers in a way that’s mission-aligned?

- as in past years, we can modify (increase) our **uniform discount** to all customers for the coming year
or . . .
- we could take a **hybrid approach**:
 - 1) some increase in our overall discount
 - 2a) provide funding for a strategic ‘electrification discount’
 - 2b) expand our Multifamily Direct-Install program for low-income renters

Why an electrification discount?





For existing homes, electrifying gas appliances often leads to modest increases on monthly energy bills.



Our incentive programs help keep **up-front electrification project costs** competitive with gas replacements.

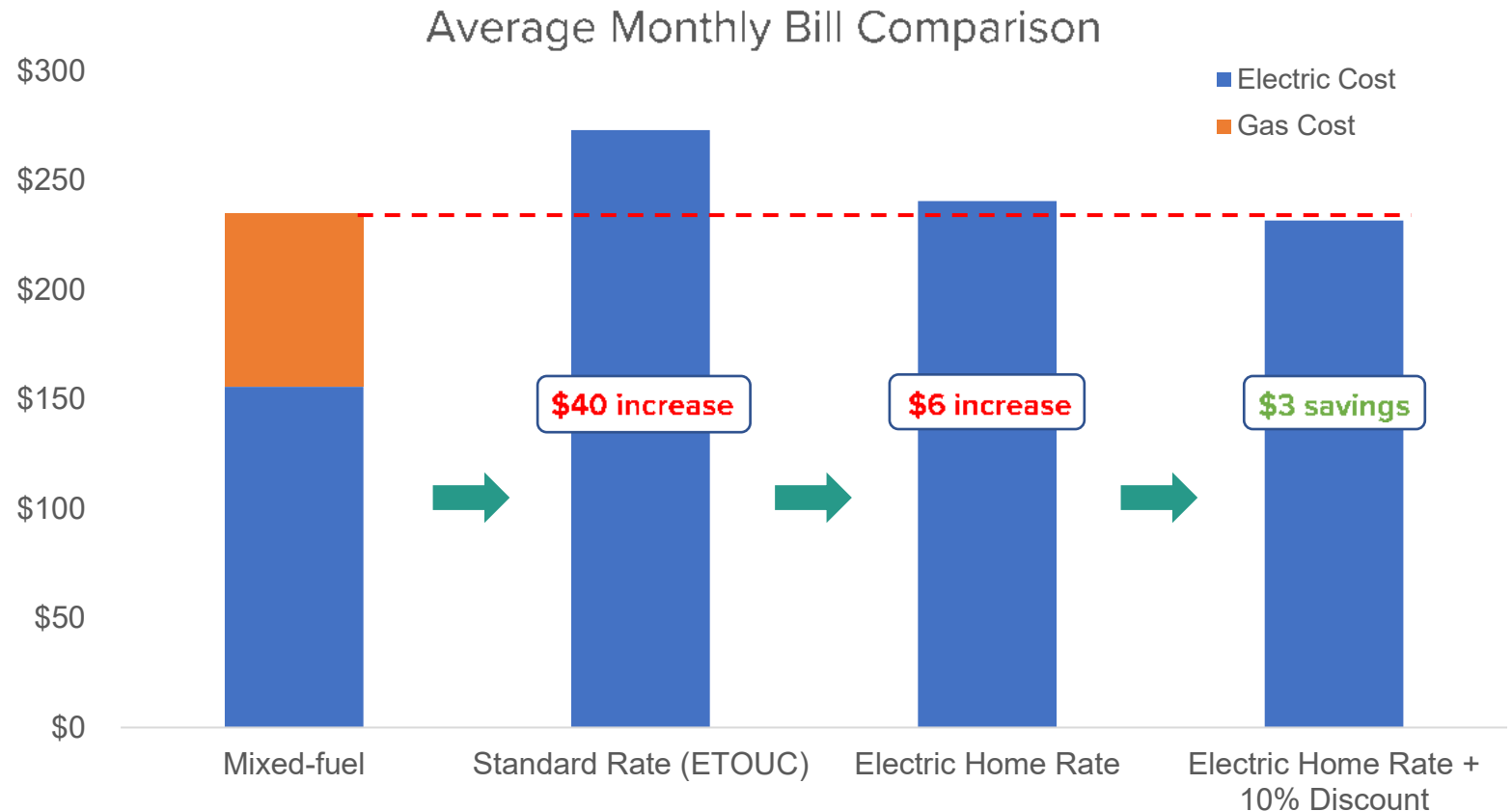
We can help keep **ongoing bill costs** competitive by:

- Raising **awareness** of PG&E's new electrification-friendly rate ("Electric Home")
- Adding a **deeper discount** for residential customers on the Electric Home rate to help achieve **bill neutrality or savings**



A 10% SVCE discount on the Electric Home rate would enable total energy bill parity or savings.

- Electrifying an existing home often **increases** monthly utility bills compared to a mixed-fuel home
- Enrolling in the “Electric Home” rate significantly **reduces** this increased cost
- An SVCE ‘Electrification Discount’ helps achieve **on-bill parity or savings**



Notes: “All-electric” scenarios represent electrification of major end-use appliances (space & water heating)

Sources:

1. 2019-2021 SVCE residential customer usage data
2. 2019 SVCE Buildings Baseline Study for usage by end-use category
3. Database for Energy Efficient Resources (DEER) for climate zone-specific 8760 hourly end-use profiles



We propose NEM customers not initially be eligible for the Electrification Discount, mirroring PG&E's requirements.

Qualifications for PG&E's new "Electric Home" rate:

- Residential customer
- Own at least one of the following:
 - Heat pump (space and/or water heating)
 - EV
 - Battery (charged by the grid)



NEM customers are not initially eligible for the new rate

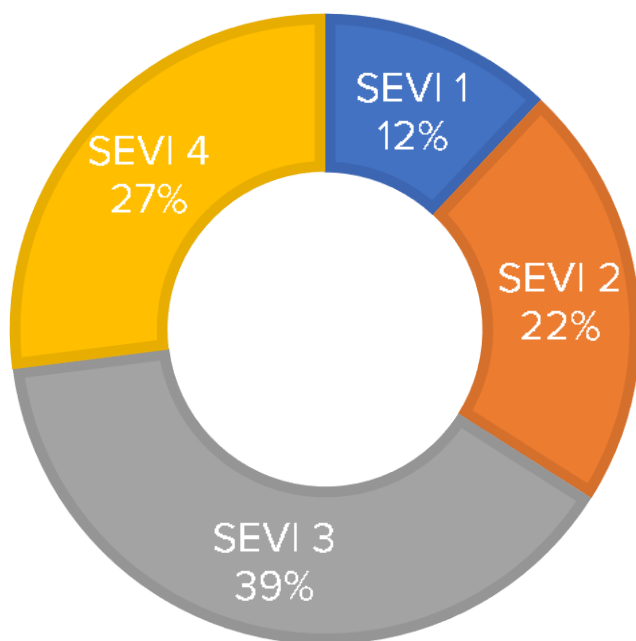
- NEM 1.0 & 2.0 to be included in PG&E's phase 2 rate update (Q3 2023)
- SVCE to revisit NEM discount eligibility once phase 2 details are released
- Anticipate new rate will not incentivize adoption by NEM 1.0 & 2.0 customers

Who does this
leave behind?



An electrification discount would mostly benefit homeowners, versus renters.

Distribution of Multifamily Units in SVCE Territory



- Most voluntary electrification is pursued by **single-family homeowners** in SEVIs 1 and 2
- Renters in multifamily buildings **lack opportunity** to pursue electrification
- This **disproportionately** impacts customers in SEVIs 3 and 4

Notes:

1. SEVI = [Socioeconomic Vulnerability Index](#)
2. SEVI describes the relative socioeconomic characteristics of communities in terms of poverty, unemployment, educational attainment, linguistic isolation, and percent of income spent on housing



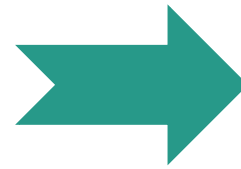
Our Multifamily Direct-Install (D.I.) Program addresses the electrification gap for renters, but has limits...

- Approved **\$2M** reaches ~150-300 units (75k total in SVCE territory)
- Only renters with **gas heating** are eligible to participate
- 40% of renters (30k customers) have **electric resistance heating** and are currently **ineligible**
- These renters predominantly live in **low-income areas**





By including electric heating retrofits, our D.I. program could reach more customers and reduce heating bills.



The **problem** with electric baseboards:

- Expensive to use
- Tenants are stuck with them

Switching to heat pump technology:

- Saves up to 65% on heating bills¹
- Provides A/C and improved comfort
- Grants access to electrification rates

1. Rewiring America's [updated analysis](#) the EIA [2022 Winter Fuels Outlook](#)

Recommendation





We propose a 'hybrid' approach, allocating the available \$30M to fund a combination of the following:

1) Increase SVCE's overall discount rate for 2023

2a) New 'Electrification Discount':

- 10+% discount on PG&E's new "Electric Home" rate
- Set aside sufficient funding now, so discount can be available for at least ~5 years (2023-28)
- Potential reach of up to 50k customers

2b) Expanded Multifamily Direct-Install Program:

- Increase budget for the already-approved Multifamily Direct-Install program to help a higher number of low-income renters
- Include electric heating retrofits in our program, making an additional 30k Multifamily customers eligible to benefit



Funding to be flexible between 2a & 2b to adapt to future findings



Alt 3 balances an overall discount increase, a higher electrification discount, and expanded MUD DI program.

Discount Scenario Examples - A -	1) 2023 SVCE Gen Discount, All Customers (%, incremental \$) - B -	2A) Electrification Discount funding for ~5 years (\$ / Customers) - C -	2B) Expanded Multifamily D.I. Program (\$ / Customers) - D -	Total Incremental Cost in 2023 (\$) - E -
Base Case (FY 2023)	2%, --	-	-	--
Alt 1	2%, --	\$15M / 50k	\$15M / 3k	\$30M
Alt 2	3%, \$5.5M	\$12.3M / 41k	\$12.3M / 2.5k	\$30M
★ Alt 3	4%, \$11M	\$9.5M / 32k	\$9.5M / 2k	\$30M
Alt 4	5%, \$16.5M	\$6.8M / 23k	\$6.8M / 1.4k	\$30M

Note: All scenarios include a ~10% additional bill credit in 2023 for CARE/FERA customers, as planned in the FY23 budget



Adopt Resolution 2022-39

- 1) Authorizing the CEO to implement SVCE generation rate changes effective January 1, 2023 or within three weeks thereafter, increasing from a 1% to a 4% discount to PG&E's new generation rates, and
- 2) Authorizing the CEO to allocate \$19.0M to fund a) an electrification discount (\$9.5M), and b) expansion of the low-income multifamily direct-install program (\$9.5M).

APPENDIX SLIDES



Stress Test Scenarios

Extreme but plausible scenarios that can deplete reserves and make SVCE uncompetitive.

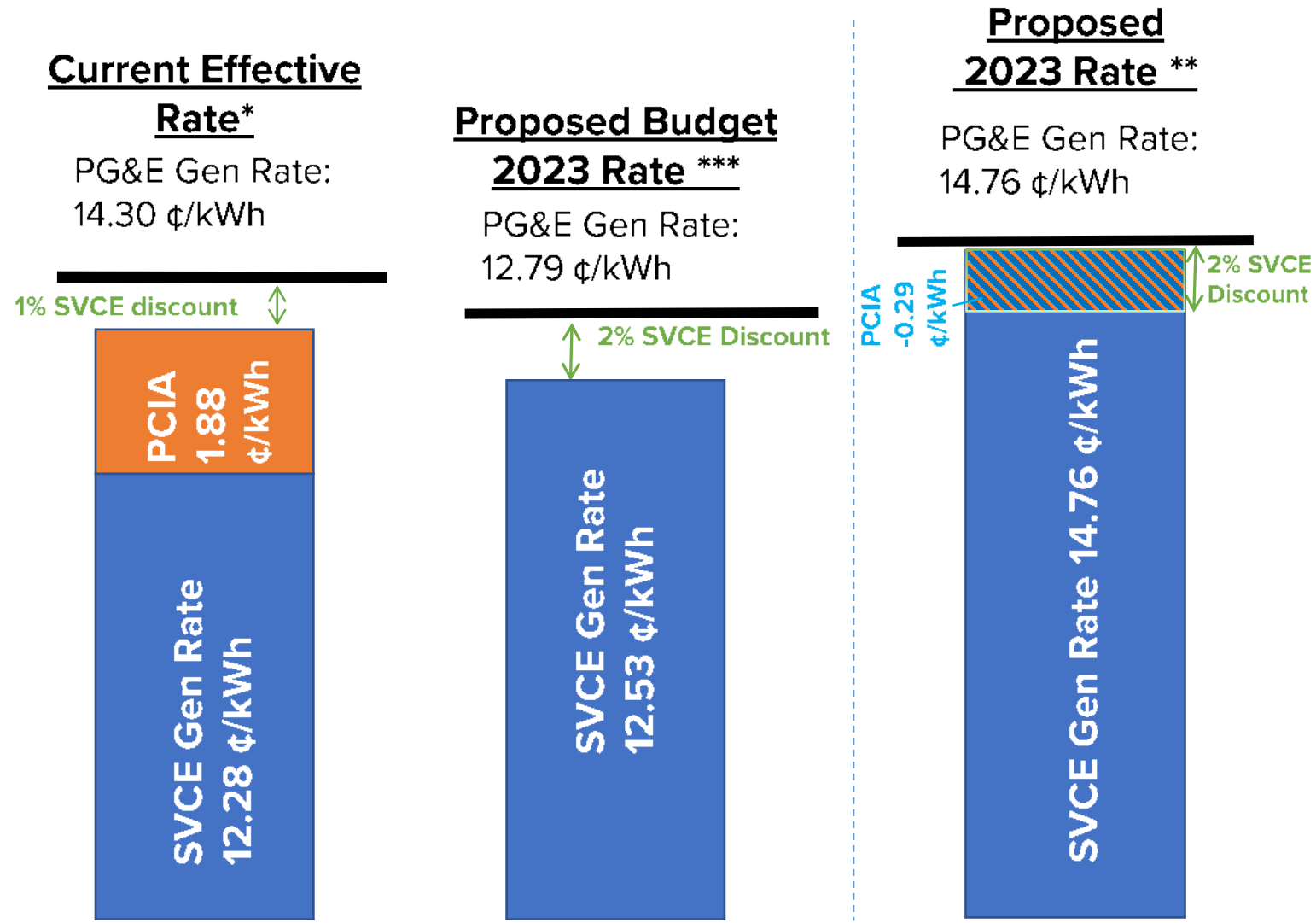
- Ensure adequacy of reserves and organizational resiliency
- Guide development of strategic plan
- Shape FY 22-23 budget and reserve targets
- Price uncertainty Drives the first 4 scenarios

Stress Scenarios for CY 2023 to CY2027 (five-year horizon):

1. Significant drop in energy prices including REC
 - Higher PCIA and lower PG&E Gen Rate
2. Insufficient financial liquidity
 - Price collapse triggers credit downgrade
 - Collateral calls from counterparties and CAISO
 - Increase in POLR (Provider of Last Resort) funding (called FSR – Financial Security Requirement)
3. PPAs default, renegotiate for higher prices, and/or delay start
 - RPS non-compliance penalty
 - Replacement at higher prices
4. Load loss due to direct access and distributed load
5. Threat to Public Services or Facilities

Improved Margins

- PG&E's October rate update relative to budget assumptions:
 - PG&E generation rate higher by 15.4%
 - PCIA going negative
 - SVCE Margin higher by ~18%
- Since budget time, PG&E has agreed to allow PCIA to be partially negative accounting for the portion of PCIA that trues up actual to forecast expenses.
- Parties still presenting arguments to CPUC that PCIA should be further negative based on 2023 forward prices
- CPUC expected to approve PCIA and PG&E generation rate in late December



* Source: PG&E June 2022 Updated Rates

** Source: PG&E 2022 October ERRA Forecast (Weighted for SVCE Portfolio Load)

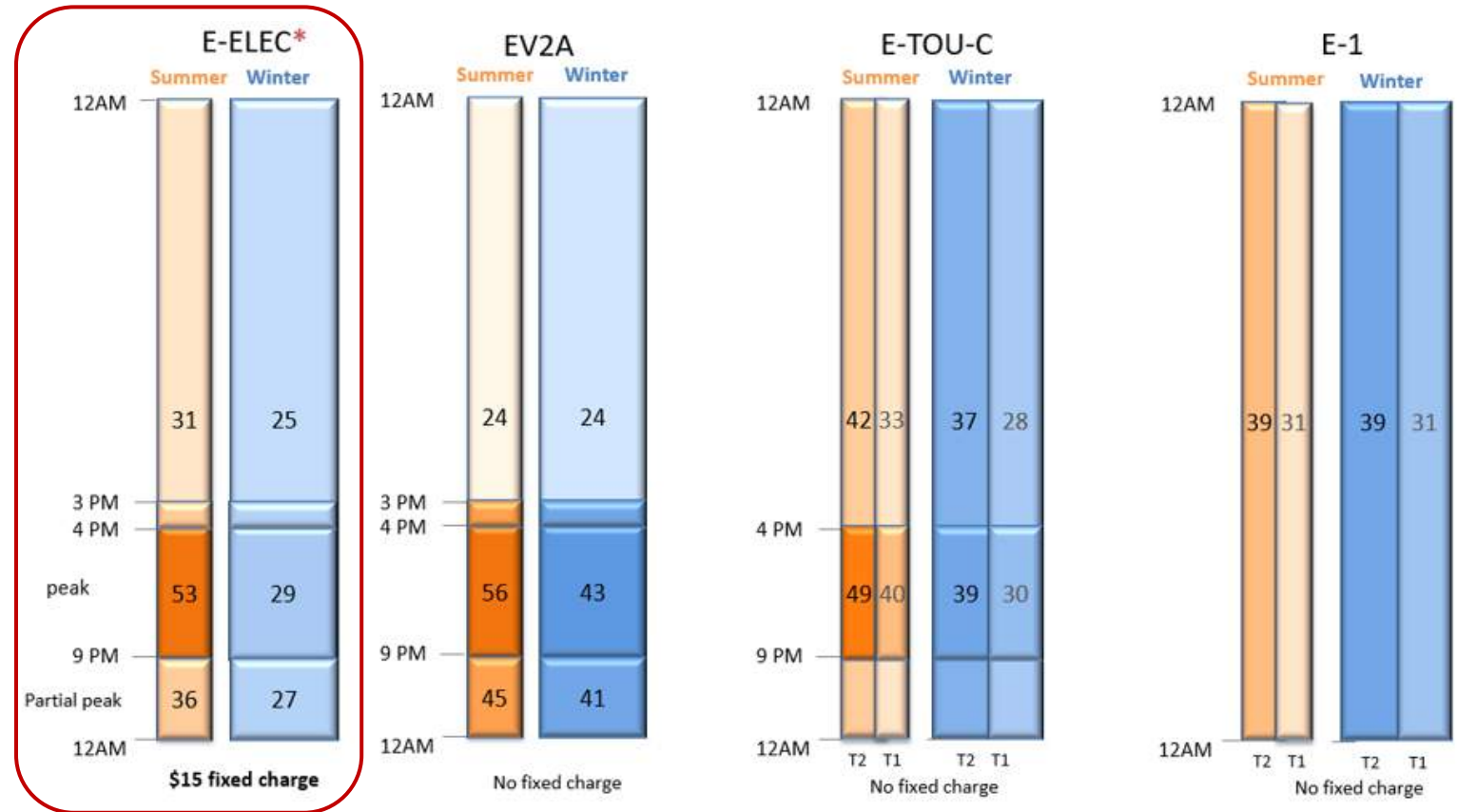
*** Above margin analyses ignore minor reductions for franchise fees (0.09 ¢/kWh)



Background: E-ELEC Rate

PG&E will be launching a new E-ELEC rate on 12/1/22, referred to as “Electric Home”

- Opt-in, un-tiered residential rate
- Qualification:
 - EV,
 - ESS charging, and/or
 - HP or HPWH
- Fixed monthly charge to lower volumetric rates (T&D)
- Benefits higher usage customers by reducing fixed cost bill component
- Code H not applicable

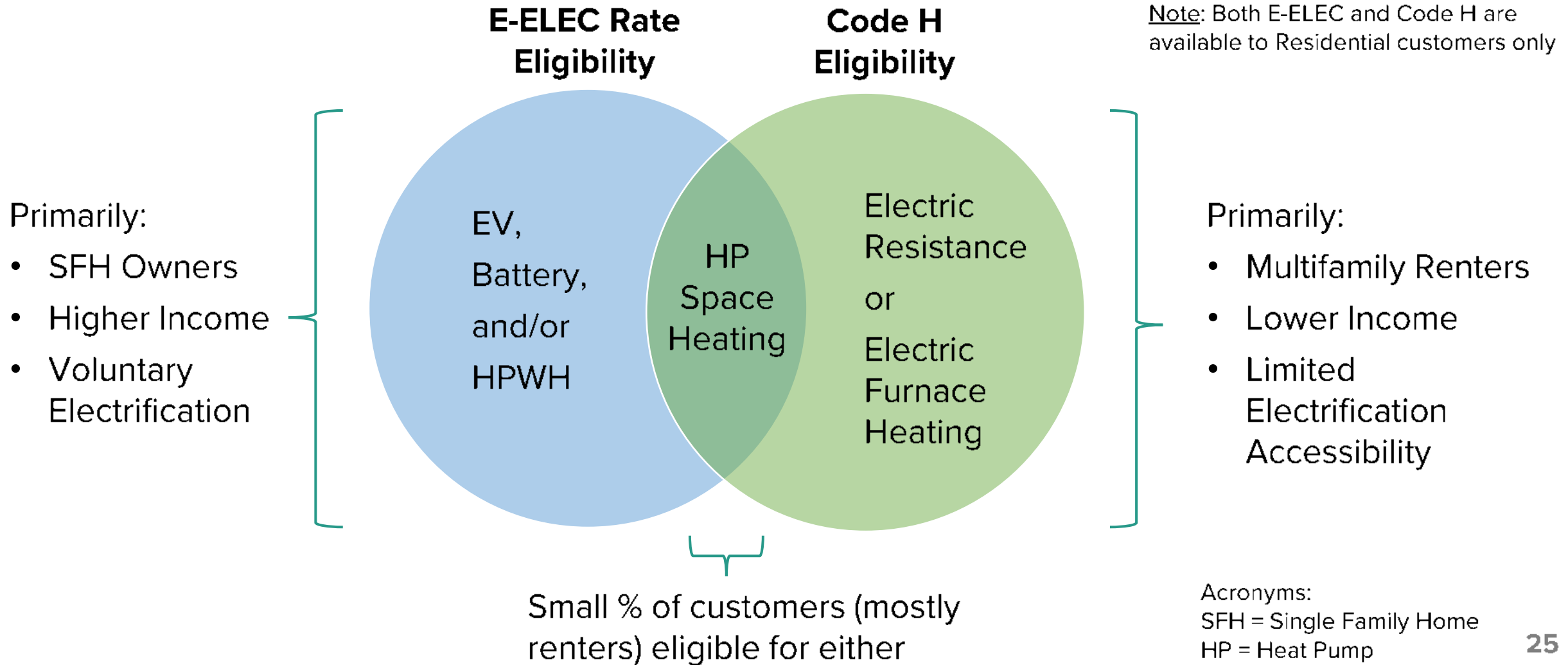


Notes: 1) The E-ELEC rates above are illustrative rates (cents/kwh) based on March 2022 Rev and Sales. All other rates are Mar 2022 actual rates.
2) E-1 also has a HUC tier, which is for high usage over 400% of baseline. A few customer-months hit HUC.

Note: Rates above reflect fully bundled rates



How to align with PG&E rate eligibility?

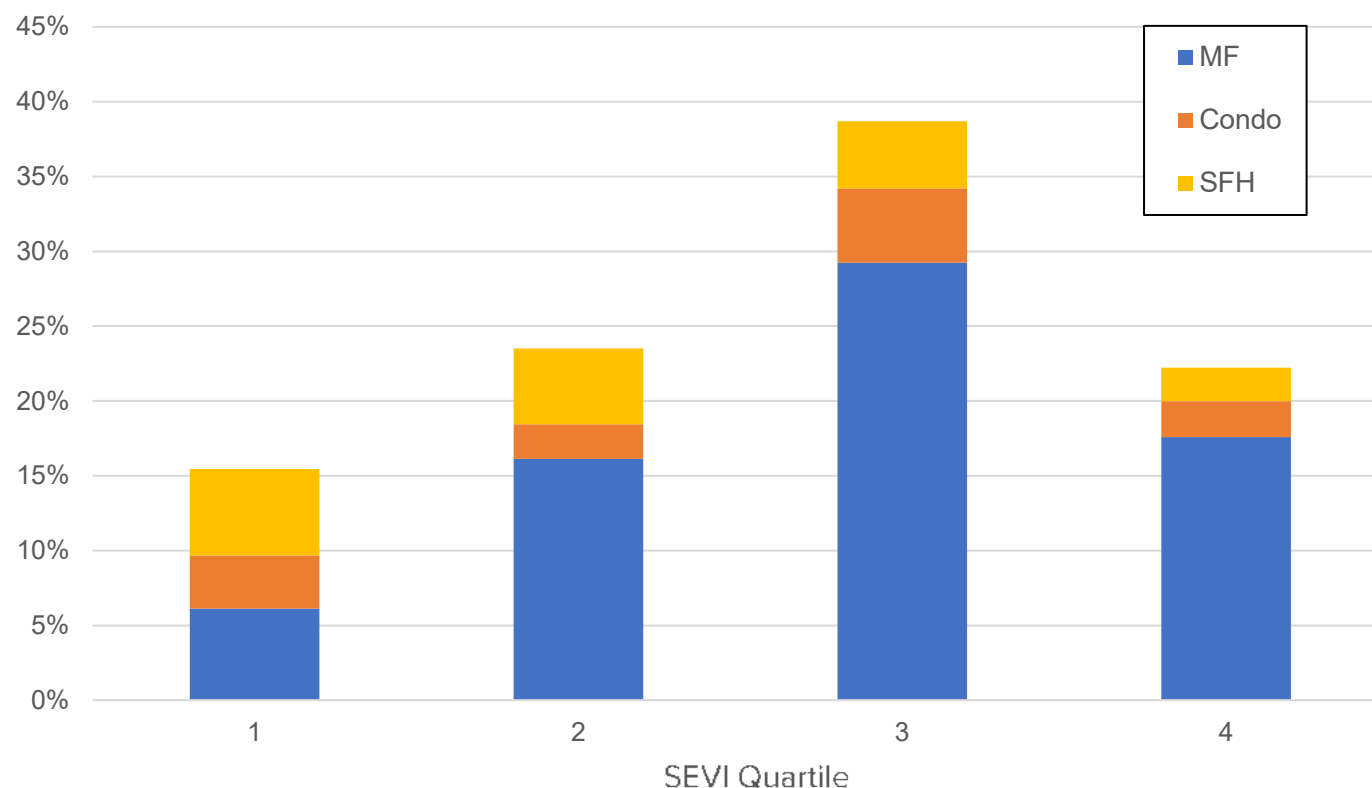




Customers w/Electric Resistance Heating

- PG&E already offers a small discount to customers with permanently installed electric heating who request it (“Code H”)
- ~52k SVCE customers
- 70% of Code H customers live in multifamily buildings
- Over 60% live in SEVIs 3-4*
- Primarily electric baseboard heating (inefficient, but also contributing to decarb)

SVCE Code H Account Demographics



*Despite this, CARE/FERA participation for Code H customers remains at 10%, SVCE's overall average



Rate Analysis

Annual Electricity Costs per Residential Rate





Examples of Equity Components

Path 1: Code H Discount

- Provide expanded discount to electric heating customers (“Code H”)
- Primarily multifamily residents located in SEVIs 3 & 4
- Mostly electric baseboard heating (ineligible for E-ELEC)

★ **Path 2: Multifamily Direct Install (D.I.) Program Expansion**

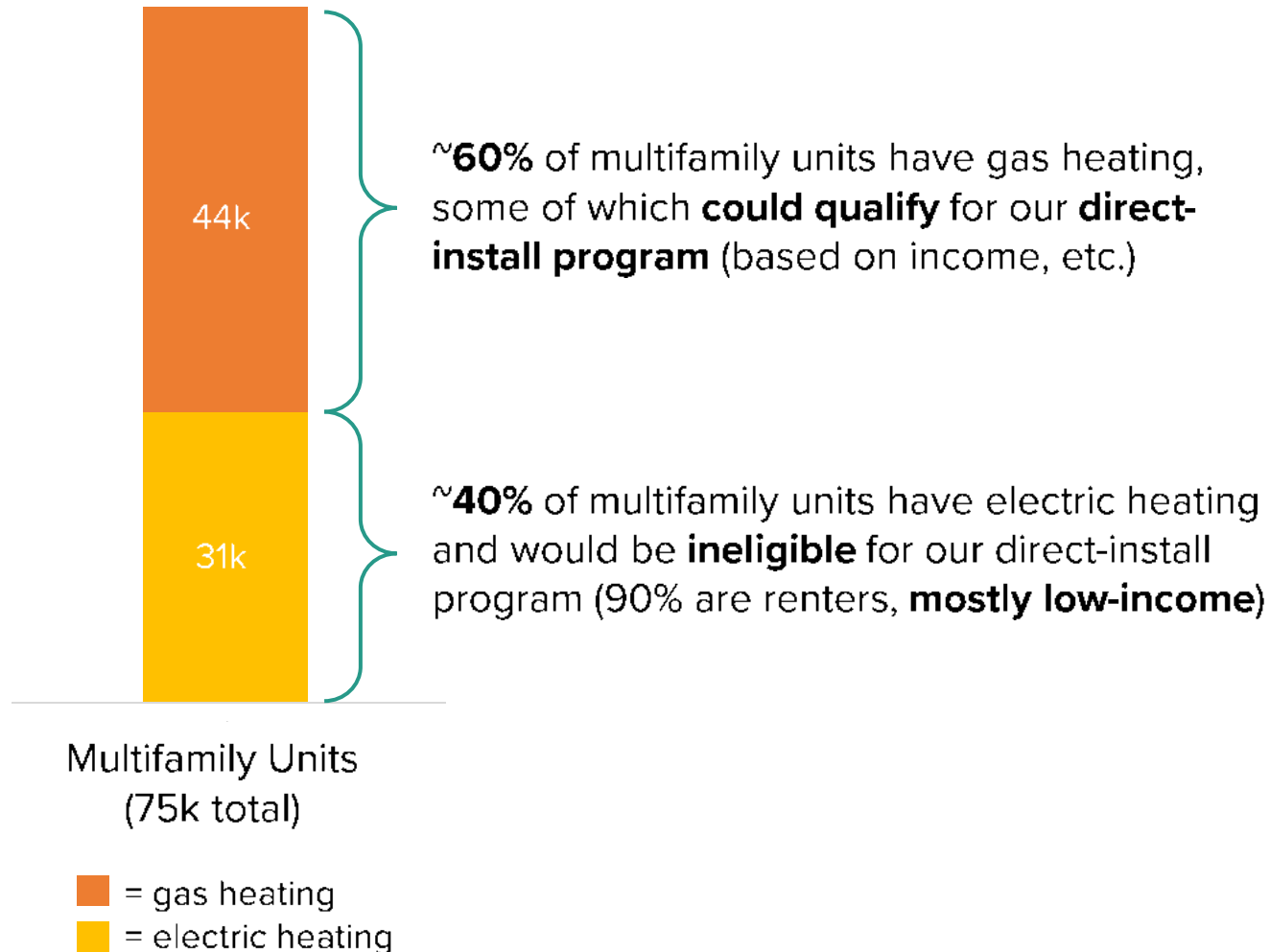
- Add additional funding to FFHB Multifamily D.I. program (currently \$2M budgeted)
- Expand scope to include retrofitting inefficient electric baseboard heating
- Incorporate rate optimization into program (e.g., TOUC to E-ELEC w/ SVCE discount)

★ **Path 3: D.I. Program with Strategic Partner (e.g., BlocPower, etc)**

- Focus on low-to-moderate income multifamily retrofits
- Clean heating, cooling, water heating, electric appliances, and weatherization



Changing the Economics of Electrification: Multifamily Housing



Converting inefficient electric heating to heat pumps would:

- Significantly reduce tenants' heating costs
- Provide A/C for renters currently without cooling
- Reduce grid strain by lowering demand
- Provide access to PG&E's new electrification-friendly rate (and SVCE's discount)



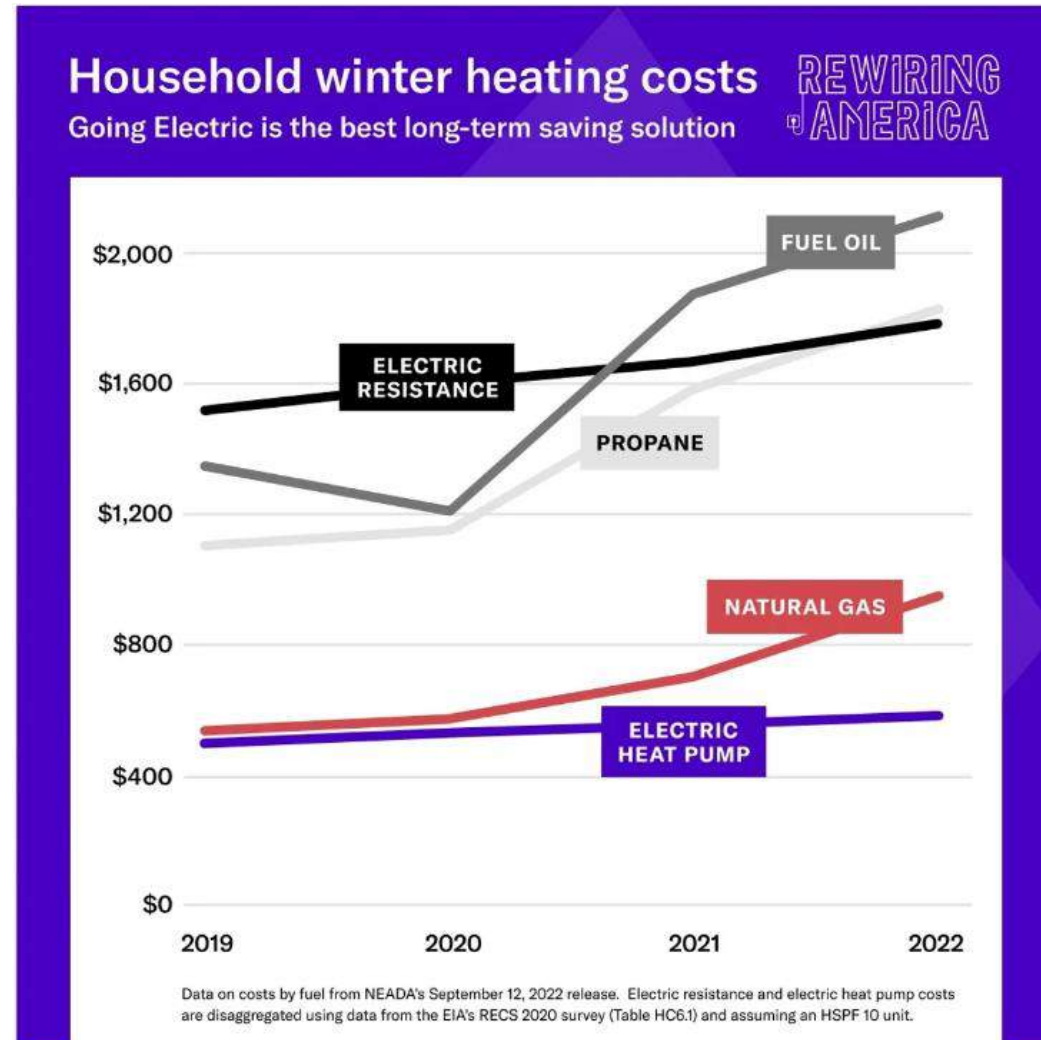
5-year Total Cost Projections

E-ELEC Discount Funding Scenarios	Number of Customers Participating (Year 5)	5-year Total Cost
Scenario 1	17,000	\$5.0M
Scenario 2	23,000	\$6.8M
Scenario 3	32,000	\$9.5M
Scenario 4	41,300	\$12.3M
Scenario 5	50,500	\$15.0M



Rewiring America's Updated Analysis of EIA's 2022 Winter Fuels Heating Outlook

- EIA originally lumped heat pumps and electric resistance technologies together, despite significant efficiency differences
- Rewiring America separated the two technologies using EIA RECS 2020 survey data
- \$1,700 to \$1,800 was attributed to electric resistance over the heating season vs \$596 for heat pumps (33-35%)



Update on Hybrid Meeting Requirements

Kevin Armstrong, Deputy Director of Admin Svcs.
Bena Chang, Senior Government Affairs Manager
December 14, 2022



Remote Meetings Schedule

AB361 continues to allow remote meetings with relaxed noticing until February 28, 2023

- On October 17, 2022, the Governor announced the end of the COVID State of Emergency, effective Feb. 28, 2023.
- Starting January 1, 2023, meetings may begin utilizing AB2449 meeting requirements
- Starting March 1, 2023, without any action needed, noticing requirements will revert to traditional Brown Act rules



Virtual Attendance (AB 2449)

AB2449 allows for the continuation of relaxed noticing requirements for remote locations, but adds some significant administrative guardrails to limit remote attendance:

- A quorum of Board members must be in person at one location within the service territory
- If the quorum requirement is met:
 - A member not present may request virtual attendance for “just cause” or in “emergency circumstances”
 - The remote member must publicly disclose any individuals present who are age 18 or over
 - The remote member must participate via audio and video
 - The remote member cannot teleconference more than 3 consecutive meetings, or more than 20% of the regular meeting number for the year
 - No location disclosure or public access is required



Virtual Attendance (Brown Act)

Brown Act

Requirements apply to members of the legislative body, but not staff or the public, who are able to continue attending remotely as the agency allows.

- Under traditional Brown Act rules:
 - Remote locations must be noticed in advance
 - Remote locations must be open and accessible to the public
- Board members could attend from an existing publicly-accessible location that allows for ADA access and full public participation
 - Cupertino Community Hall (BOD Mtgs)
 - SVCE Offices (Committee Mtgs)
 - Member Agency Facilities
- Or Board Members could notice and make publicly-accessible other locations (home, hotel, etc.)



Legislative Comparison Table

	AB 361 (Rivas)	AB 2449 (Rubio)	Traditional Brown Act Rules for Teleconferencing
When can you use this authority?	During a declared state of emergency for COVID, which will end on February 28, 2023.	Starting January 1, 2023.	Anytime
Number of times you can participate remotely in a calendar year	Unlimited as long as the Board adopts a resolution making required findings.	No more than 3 consecutive months or 20% of meetings in a calendar year. Only 2 times a year for “just cause reasons.”	Unlimited
Quorum Requirement	Remote and in-person members both count for establishing quorum.	Legislative body must have a quorum in a single physical location within the agency’s jurisdiction. The physical location must be accessible to the public.	Remote and in-person members both count for establishing quorum. Must have a quorum within the agency’s jurisdiction but could be from multiple locations.
Disclosures	None required.	Must disclose anyone over the age of 18 in the room and the member of the legislative body’s relationship to that person. The member must disclose the reason for teleconferencing.	The location of any remote locations must be identified on the agenda.
Public access to remote locations	Not required.	Not required.	Members of the public must have access to all remote locations and must be able to address the legislative body from the remote location. The agenda must be posted at the remote location.
Reasons to request teleconferencing	None needed.	Must be for “just cause” or “emergency” reasons. Just cause includes 1) childcare/caregiving, 2) contagious illness, and 3) travel on official government business. Emergencies include physical or family medical emergencies that prevents a member from attending in person.	None needed.
When do you have to notice remote participation?	No need to provide notice of remote locations.	Member must notify the legislative body at the earliest possible time, including at the start of the meeting.	Notification needed prior to posting agenda - at minimum 72 hours in advance of the meeting.



Recommendation

While AB 2449 could be utilized to enable remote attendance with relaxed noticing requirements, staff believes that the complex requirements would create an administrative burden on both staff and board members, and recommends the following:

- Utilizing Cupertino Community Hall as the primary physical meeting location for Board of Director meetings and the SVCE office as the primary physical location for Brown Act committee meetings; and
- In advance of the State of Emergency ending on February 28, 2023, staff will work with member agencies to identify alternative public meeting locations to participate remotely if desired (e.g. City halls, community centers, etc.)

Appendices

Remote Location Assistance
Legislative Comparison Table



Remote Location Assistance

SVCE Staff will work to ensure smooth remote participation by all Board members, in coordination with on-site staff

- SVCE will cover fees associated with the use of an off-site location, including working with member agencies to develop reimbursement agreements for member agency staff time needed to open public facilities for remote attendance
- SVCE staff will do their best to provide the technical assistance needed for remote meetings, but will not be able to provide on-site support at remote locations

SVCE Information Update on 2023 SVCE Board Elections

Board of Directors Meeting
December 14, 2022



Review the selection process and timeline for 2023 SVCE appointments of Chair, Vice Chair, and committees.



Selection Process

January BOD Meeting

Chair/Vice Chair
Appointments

Executive Committee
Appointments

December 15th:

- Letters of Interest requested for Chair/Vice Chair
- Notification of Executive Committee interest requested

Selections made at annual meeting on January 11, 2023



Executive Committee Snapshot

Provides input and support on operational matters;
Made up of five primary Board members;
Typically includes the Chair and Vice Chair of the Board

Two members are interested in returning; currently three vacancies for 2023.



Selection Process (Cont.)

February

All other Committee
Appointments

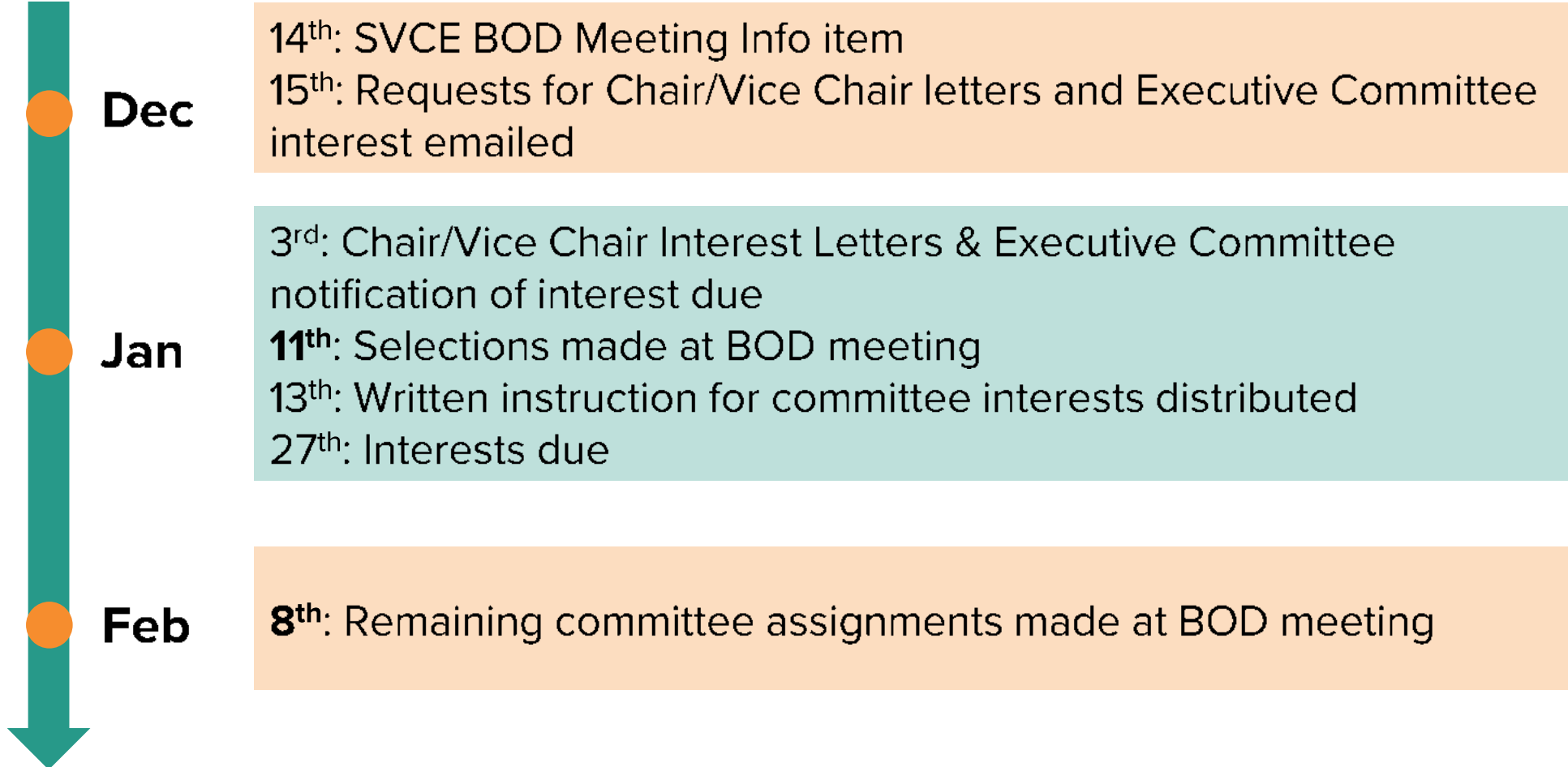
January 13th:

SVCE Committee Recap distributed to
Board members with request for
interest to be sent to Board Clerk

Selections made at February 8, 2023
Board of Directors Meeting.



Timeline Snapshot



Thank you

Monthly Reach Code Update


Zoe Elizabeth
December 2022






Objectives

1. Provide a quick status update
2. Highlight upcoming actions

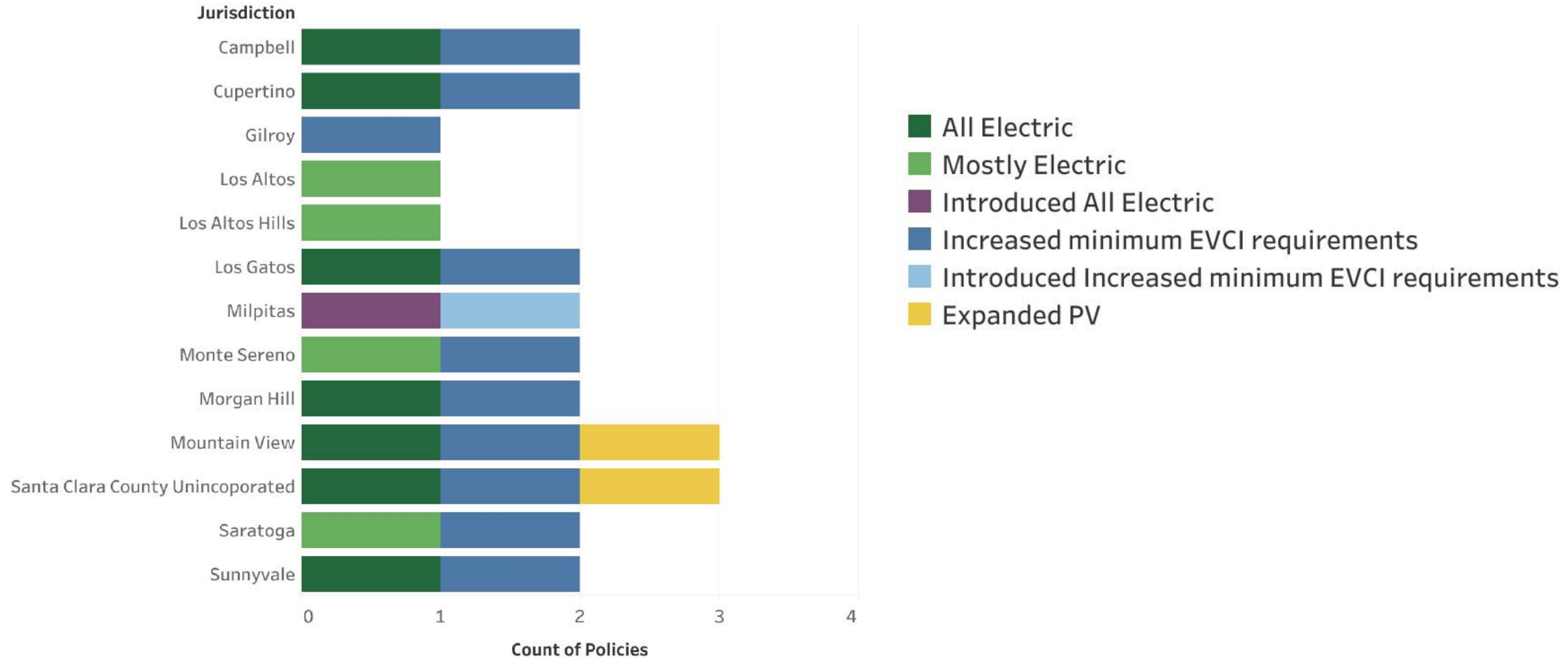
2022 Building Reach Code Summary

2022 SVCE Reach Codes

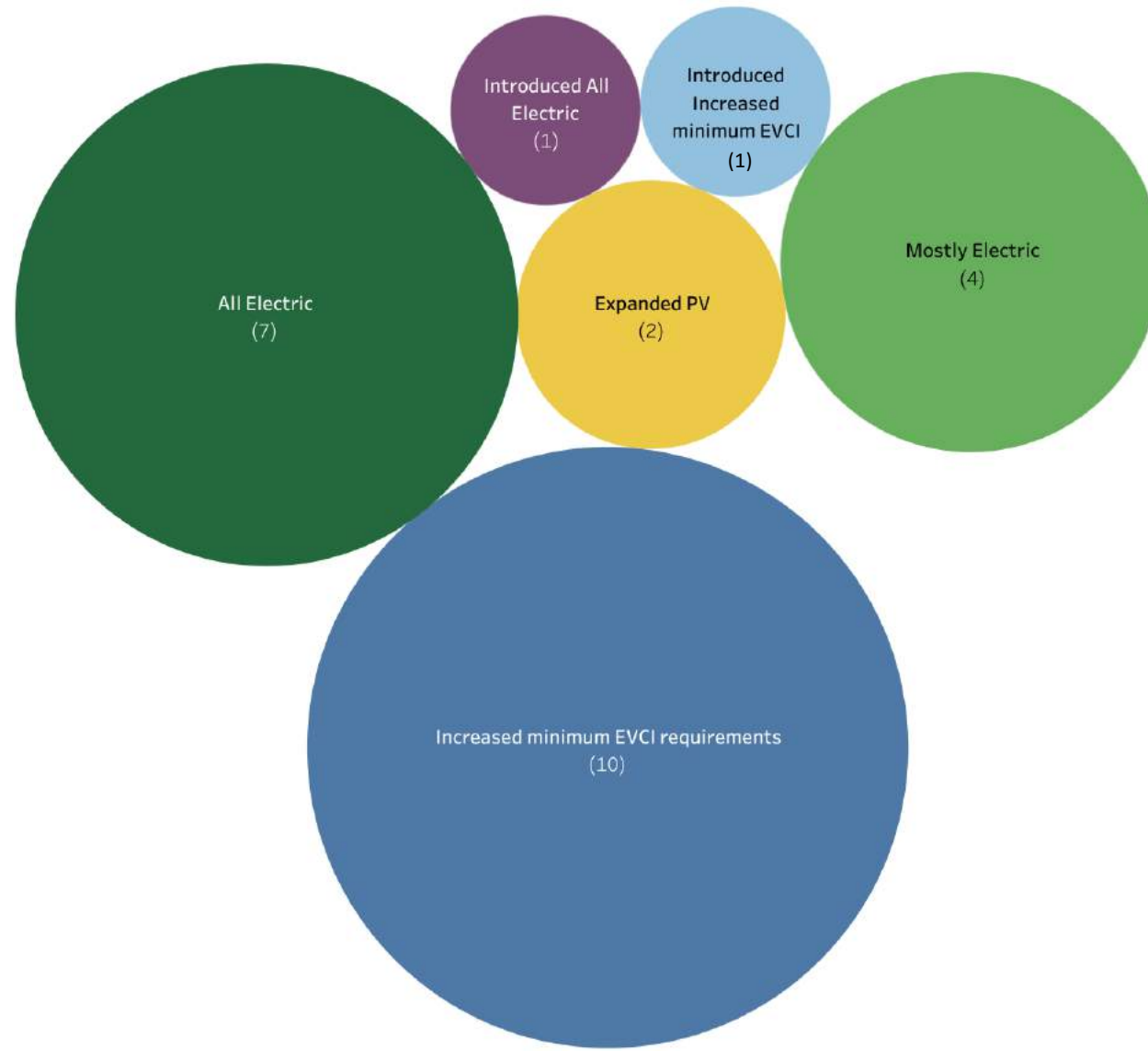
 Indicates strong Improvement in reach Code requirements Compared to last cycle.

Jurisdiction		
Campbell	All Electric	
Cupertino	All Electric	
Gilroy	Increased minimum EVCI requirements	
Los Altos	Mostly Electric	
Los Altos Hills	Mostly Electric	
Los Gatos	All Electric	
Milpitas	Introduced All Electric	
Monte Sereno	Mostly Electric	
Morgan Hill	All Electric	
Mountain View	All Electric	
Santa Clara County Unincorporated	All Electric	
Saratoga	Mostly Electric	
Sunnyvale	All Electric	

2022 Building Reach Code Summary



2022 Count of Reach Code Policies



Reach Code Status as of December 6th

Jurisdiction	Council Information Session	First Reading	Second Reading	Type of Code
✓ Campbell - DONE	10/4	11/1	11/15	All-Electric + EVI
✓ Cupertino - DONE	N/A	10/18	11/1	All-Electric + EVI
✓ Gilroy - DONE	8/1	11/07	11/21	EVI Only
✓ Los Altos - DONE	9/6	11/15	11/29	Partial-Electric – Plan to revisit and upgrade in '23
✓ Los Altos Hills - DONE	9/15	10/20	11/17	Partial-Electric – Plan to revisit and upgrade in '23
✓ Los Gatos - DONE	6/7	11/1	11/15	All-Electric + EVI
Milpitas	N/A	10/18	Jan '23	Proposed Migration to All-Electric + EVI
✓ Monte Sereno - DONE	9/20	11/1	11/15	Partial-Electric + EVI
✓ Morgan Hill - DONE	N/A	11/16	12/7	Existing Gas Ban + New EVI Requirements
Mountain View	N/A	11/1	12/13	All-Electric + EVI
✓ Saratoga - DONE	9/21	11/2	11/16	Partial-Electric + EVI
✓ Sunnyvale - DONE	N/A	10/25	11/1	All-Electric + EVI
Santa Clara County	N/A	12/6	TBD	All-Electric + EVI

Congratulations!!!

- Thanks to you, the future will be healthier, safer, and more resilient.
- All cities are eligible to receive the \$10K grant to support the staff effort.
- Every building official/staff lead will also receive a certificate of appreciation.

We look forward to continuing to work with you, your staff, and your community members to upgrade to clean, modern, electric buildings and transportation!

Thank you!



svcleanenergy.org



Zoe.Elizabeth@svcleanenergy.org



The 2022 State Code is Electric Preferred.

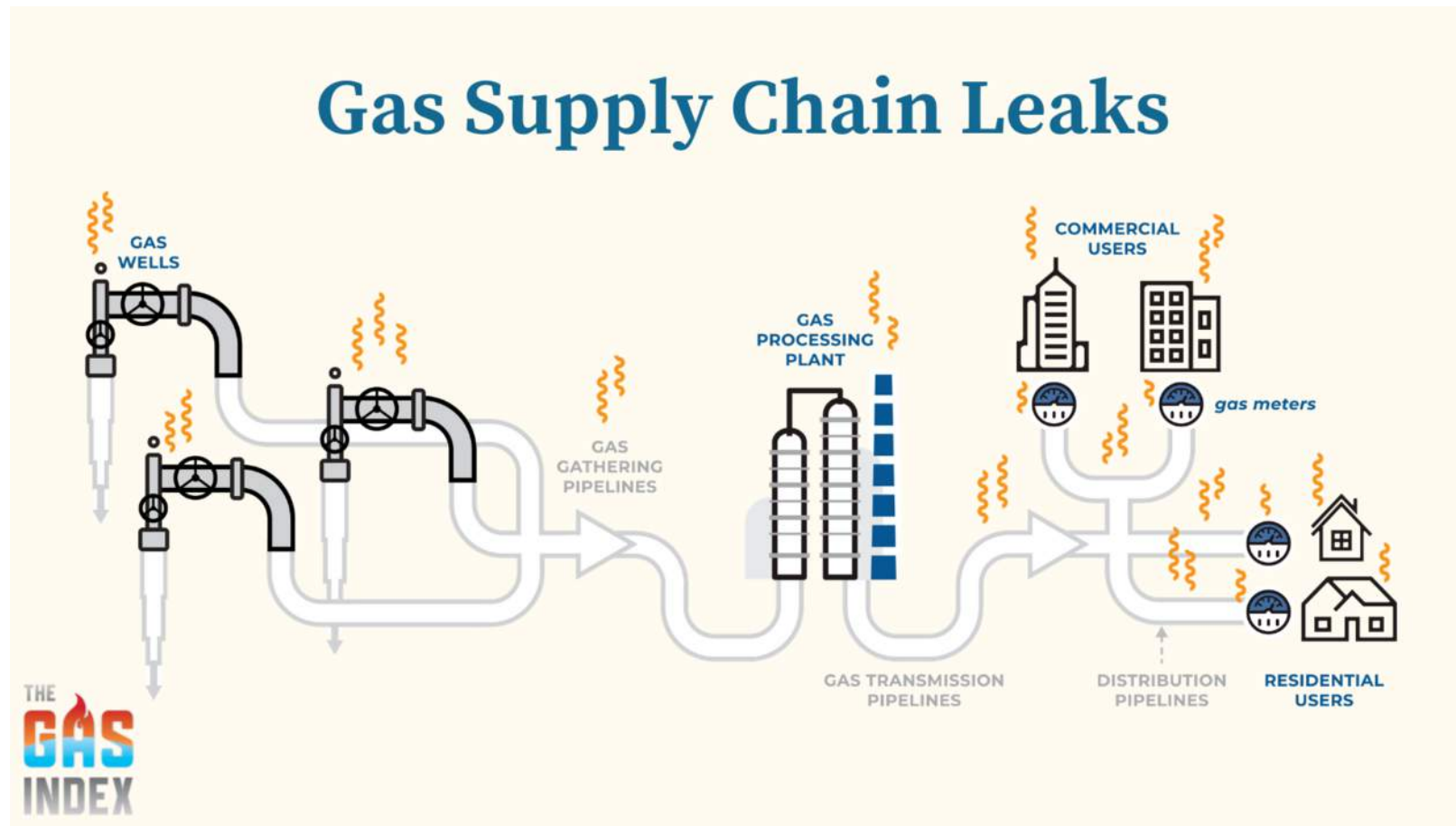
New Construction Energy Code (Part 6)

- Electric heat pumps are prescribed for:
 - Residential HVAC
 - Nonresidential – most include one or both of water heating and HVAC, depending on building type
- Residential
 - Performance credit for all-electric buildings
 - Required higher ventilation rate for gas stoves
 - Pre-wiring required for residential dwellings
 - Energy storage readiness
- Nonresidential - Solar PV and Battery Storage required



Even small gas appliances require a large, expensive distribution system.

A gas range is not just a gas range. It is the tailpipe of a complex system.





Reach codes help your community prepare for the electric future.

Any natural gas appliances installed today becomes a costly stranded assets

.

Illustrative example:

Assume 3500 new housing units are built per year for the next three years with gas cooking and gas water heating. A future incentive program to replace these appliances would cost:

- \$5.25M for cooktops (\$500 incentive)
- \$21M for water heaters (\$2000 incentive)

Plus: Building all-electric today can be less expensive than building mixed fuel.



Six jurisdictions have an all-electric code and six have a code with at least one exception.

Type	How it works		SVCE Members
Building	Electric Preferred	Allows mixed-fuel buildings with high energy performance. Electrification-ready panel and wiring in mixed-fuel buildings.	2 – Milpitas, Monte Sereno
	Mostly-Electric	Water and space heating must be electric, exemptions for other appliances. Electrification-ready panel and wiring in mixed-fuel buildings.	4 – Campbell (res), Los Altos, Los Altos Hills (res), Saratoga
	All-Electric	All appliances must be electric, with very limited exemptions.	5 – County of Santa Clara, Cupertino, Los Gatos (res), Mountain View, Sunnyvale
	Gas Ban	No gas hookup (via municipal ordinance). Limited exceptions.	1 – Morgan Hill
	No Reach	Meet state code minimum requirements.	1 – Gilroy



2022 Model Reach Codes – New Buildings

Code Approach	Benefits	Considerations
All-Electric Municipal Ordinance	<ul style="list-style-type: none">• Avoids CEC review and approval• Flexible (i.e., time-certain or existing buildings policies can be included)• Avoids triennial cycle	<ul style="list-style-type: none">• Must exceed future code updates to stay relevant (i.e., most effective for all-electric with limited exceptions)
CALGreen – All-Electric amendment	<ul style="list-style-type: none">• Avoids CEC review and approval	<ul style="list-style-type: none">• Requires triennial update or more if intervening cycle

Model code language for both approaches can be found at BayAreaReachCodes.org



In Summary

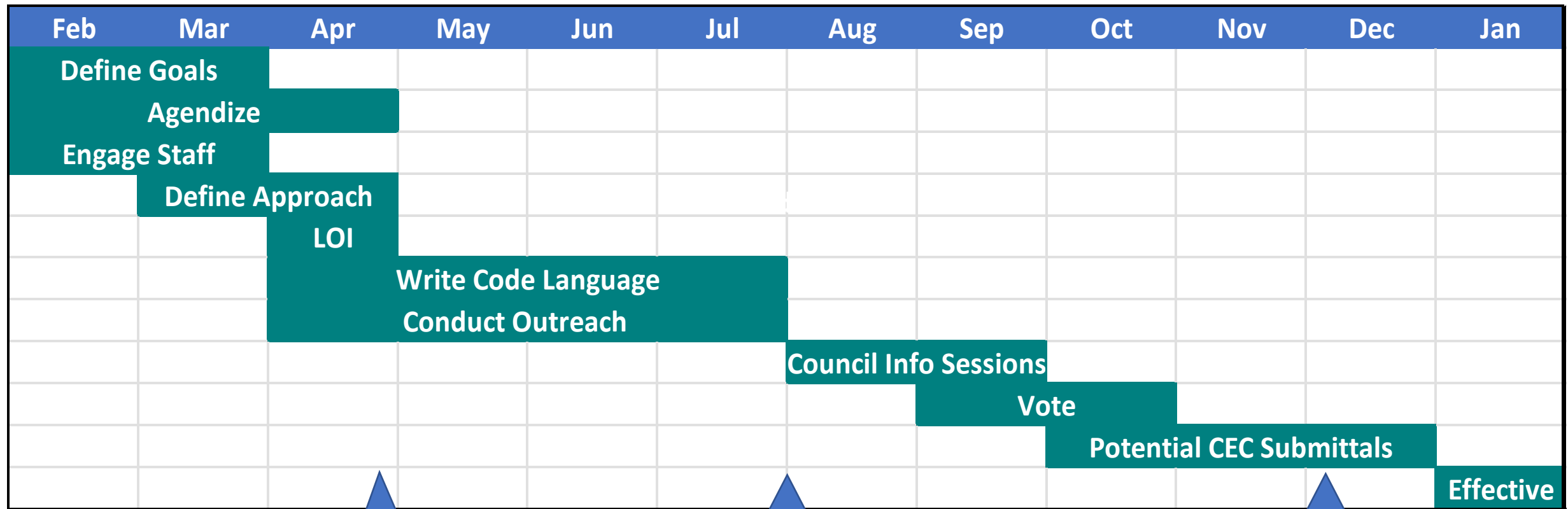
- Our 2022 model code is all-electric to help our communities to prepare for an all-electric future.
- Member jurisdictions can tailor the codes with exceptions as they deem appropriate.
- The model code includes both an energy code amendment and the municipal ordinance option.

Your efforts matter. We look forward to supporting you.



Member Agency Reach Code Tasks and Milestones

Item 8
PRESENTATION



Goals and Approach Defined
Reach Codes Agendized
City Manager LOI Signed
Staff Responsibilities Defined

Proposed Code language complete
Outreach conducted
Council informed

Final code language complete
Vote complete, same meeting as
state code adoption
Documentation done

Orange text
indicates a
Boardmember task