Reach Codes 101

• What are they?
• Why should we implement them?
• What’s the process?
• Who else has done it in our region?
Local ordinances adopted by the local government that exceed and enhance the state’s green building standards.

**Important Facts:**

- Can be adopted at any time
- Improves economic and energy performance of buildings
- Reduces Greenhouse Gas (GHG) emissions, pollutants, and improves indoor air quality
- Helps to reduce energy use and improve grid resiliency
- Allows local governments to be leaders in climate solutions
- Helps to fulfill local Climate Action Plan, Energy Plan, or other policy goals
Building Electrification (New Construction & Existing Buildings)

- **Goal**: To reduce the use of methane gas, ensure buildings are operating efficiently, and to prepare the market for statewide electrification goals

**What are the Types of Reach Codes?**

There are two main pathways when amending the energy code:

- **Prescriptive Codes**: Require one or more specific energy efficiency or renewable energy measures
- **Performance Codes**: Require buildings to meet an energy budget/performance score through a custom design, allowing applicants flexibility

**Electric Vehicle Infrastructure (EVI)**

- **Goal**: To improve market readiness and increase equitable access to clean transportation EV charging stations
Reach Code Context in 2024

Building Electrification (New Construction & Existing Buildings)
Recent Context: Due to the latest decision for the CRA v Berkeley Ruling, some jurisdictions are re-assessing their approach to building electrification reach codes to mitigate the risk of litigation.

Electric Vehicle Infrastructure (EVI)
Recent Context: The CALGreen EV code goes through triennial updates (2022, 2025, etc.) and intervening updates at the mid point between triennial updates. Currently, the CALGreen EV code has intervening updates to the 2022 code that will be in effect on July 1, 2024. Jurisdictions may want to update their reach code according to the new baselines.
What are the Main Benefits?

Reduce Greenhouse Gas Emission in line with state/agency goals and Climate Action Plans.

Provide Financial Benefits related to lower-cost electric construction.

Support Public Health by improving indoor air quality and decreasing air pollution emissions.

Mitigate Legal Risk by providing compliance pathways for all-electric and mixed-fuel buildings.
### Reach Code Litigation
California Restaurant Association v. City of Berkeley

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2019</td>
<td>The City of Berkeley adopts a municipal gas ban/all-electric Ordinance. The Ordinance prohibits, with some exceptions, natural gas infrastructure in newly constructed buildings.</td>
</tr>
<tr>
<td>Nov 2019</td>
<td>Four months after the Ordinance was passed, the California Restaurant Association sued the City of Berkeley on the grounds that the Ordinance was preempted by the federal Energy Policy and Conservation Act (EPCA). The CRA appealed that decision.</td>
</tr>
<tr>
<td>July 2021</td>
<td>The District Court originally rejected the CRA challenge because the ordinance does not directly regulate either energy use or energy efficiency of covered appliances.</td>
</tr>
<tr>
<td>April 2023</td>
<td>The Ninth Circuit reversed the District Court decision. The appeals court concluded that EPCA preempted Berkeley's ban because it prohibited the onsite installation of natural gas infrastructure necessary to support covered natural gas appliances.</td>
</tr>
<tr>
<td>May 2023</td>
<td>The City of Berkeley filed a petition for an En Banc rehearing. The Ninth Circuit denied an En Banc rehearing. The last remaining option for the City of Berkeley is to raise the issue to the Supreme Court. Some jurisdictions are evaluating new building reach code approaches.</td>
</tr>
<tr>
<td>January 2024</td>
<td>Next Steps: For jurisdictions looking for an alternative reach code that could mitigate legal risk, there are several approaches available.</td>
</tr>
</tbody>
</table>

Source: [Climate Case Charts](https://climatecasecharts.org), Columbia Law blog and Earthjustice blog; “Gloom Not Doom: The Latest in the Berkeley Decarbonization Case.”
The Bay Area and California’s Upcoming Electrification Changes

2026

CA State Energy Code Update

Replacements of air conditioning systems in existing buildings will be heat pumps

2027

BAAQMD Low NOx water heater requirements

Tank-type gas water heaters no longer sold in Bay Area

2029

BAAQMD Low NOx space heater requirements

Gas furnaces no longer sold in Bay Area

2045

California Achieves Carbon Neutrality

Statewide gas piping projected decommissioning date
Why We Need Reach Codes

Continuous Signal to the Market
- Avoid a progress gap for new construction from 2024-2026
- Send clear, continuous message to market
- Avoid stranded asset cost of continued gas investment

Local Control
- Enables innovative approaches for cost-effective decarbonization policy
- Ability to design customized exemptions
- Jurisdictions with more progressive climate targets can pass more progressive reach codes

State and BAAQMD Codes are Limited
- Lacks specific existing building measures
- Cannot regulate remodels or other types of triggers for cost-effective building electrification
- Ignores many methane appliances

Local Reach Codes Influence the State
- Statewide electrification codes incorporate elements from local reach codes
- Statewide EV charging codes have been inspired by San Mateo’s EV Reach Codes
- Smoother implementation of BAAQMD ruling if similar requirements are adopted before 2027

Allows More Action, Sooner
- Greenhouse gas emissions are cumulative, so earlier actions have exponential savings
- Existing building policy is needed immediately to meet 2030, 2035, and 2040 climate goals
Reach Code Options

- What choices are there for new construction?
- What choices are there for existing construction?
- What are the pros and cons?
## New Construction Policy Comparison

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
<th>Advantages</th>
<th>Challenges</th>
<th>Who’s done it?</th>
</tr>
</thead>
</table>
| **Air Quality**    | Regulates building or appliance emissions through CALGreen, Part 11.         | • Uses Clean Air Act authority rather than Energy Policy and Conservation Act  
• Regulates all emitting equipment (cooking, fireplaces, dryers, etc.)  
• Likely to result in all-electric construction, which includes construction cost savings  
• Direct benefit to air quality / health  
• High impact on emissions reduction | • Legally untested  
• Potentially new enforcement approach | Los Altos Hills  
New York City |
| **Energy Performance** | Requires a higher *Source Energy* compliance margin than what the state requires through the performance path of the Energy Code, Part 6. | • Mitigates legal risk by allowing methane gas pathways  
• Can provide an all-electric cost-effective pathway  
• Enforcement process is already in place, the compliance margin is increased | • Limited to regulating space heating/cooling and water heating  
• Likely lower carbon savings compared to all-electric only pathways | Santa Cruz  
San Jose  
San Luis Obispo |
<table>
<thead>
<tr>
<th>Description</th>
<th>Advantages</th>
<th>Challenges</th>
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</tr>
</thead>
</table>
| Time of Replacement | Require that property owners at the time of equipment replacement (upgrades or burnouts) abide by zero-NOx requirements and/or electric readiness requirements. | • Simple policy  
• Replacements occur more frequently than major renovations | • Emergency replacements  
• May result in some bypassing the permit process | San Mateo, Portola Valley, Marin County, Palo Alto |
| Time of Renovation | Require applicants that are already pulling a permit for a renovation project to abide by certain energy efficiency measures and/or electric readiness requirements. | • Customizable triggers  
• Unlikely to impact small or low-cost renovation projects  
• Unlikely to bypass the permit process | • More complex policy  
• Clarity of permit data  
• Low permit/renovation rates can increase time to make impact | San Mateo, Portola Valley, Piedmont, Marin County |
| BPS | Require property owners to regularly report energy- or emissions- use intensity (EUI). In addition, the policies require incremental reductions in EUI over a set time horizon. | • Monitor building stock  
• Customizable triggers  
• Regular enforcement cycles | • Large administrative burden (cost/time) | Cities: Denver, Reno, Chula Vista, St. Louis, etc.  
States: Oregon, Washington, Maryland, Colorado |
| Time of Property Transfer | Leverage real estate transactions to disclose relevant information on, incentivize, or require, certain home improvements.  
*We do not recommend policies which inhibit or delay the sale of a property.* | • Leverages major financial transaction  
• Allows responsibility to be shared between buyer and seller | • Limited precedence for jurisdictional authority  
• Jurisdiction regulation of property transfer process  
• Low transfer rates can increase time to make impact | Piedmont, Berkeley, Davis |
**Air Quality Reach Code**

- What is it?
- How do we implement Air Quality Codes?
- What are the benefits?
What is an Air Quality Reach Code?

• The Air Quality Approach focuses on regulating **building or appliance emissions** rather than the type of fuel used.

• Specifies the emissions limit of nitrogen oxides (NOx) or greenhouse gases (GHG).

• Air Quality codes are being pursued by:
  • California Air Resources Board (CARB)
  • Bay Area Air Quality Management District (BAAQMD)
  • South Coast Air Quality Management District (SCAQMD).

• Los Altos Hills and NYC implemented air quality-based policies.

*Image Source: Fresh Energy*
How Does an Air Quality Reach Code Work?

Takes effect through amendments to CALGreen Title 24, Part 11.

Building applicants specify equipment that meets emissions criteria.

Can select a low or zero emissions compliance margin.

Example Ordinance: Los Altos Hills

**ZERO-NOX EMISSION BUILDING.** A building with zero NOx emissions that utilizes zero NOx equipment or appliances.

**ZERO-NOX EMITTING EQUIPMENT.** Any equipment or appliance that emits no more than 0.0 nanograms of nitrogen oxides (expressed as NOx) per joule of heat and/or light output. Equipment and appliance uses include, but are not limited to, space heating, water heating, cooking, clothes drying, and lighting.

(b) Chapter 4, Residential Mandatory Measures, is amended by amending the following sections to read:

DIVISION 4.1 PLANNING AND DESIGN SECTION

4.106 SITE DEVELOPMENT

4.106.5.1. New construction. All newly constructed buildings, newly constructed detached accessory dwelling units, and other newly constructed detached habitable structures shall be Zero-NOx Emission Buildings.

Exemptions:

1. Outdoor cooking equipment, outdoor fireplaces, portable space heaters, generators, and pool/spa heaters for residential building projects are exempt from the requirements of 4.106.5.1, or

2. Indoor cooking equipment for residential building projects is exempt from the requirements of 4.106.5.1. The applicant shall comply with Section 4.106.5.3.
Energy Performance Approach Reach Code

• What is it?
• How do we implement Energy Performance Reach Codes?
• What are the benefits?
What is the Energy Performance Approach?

**New Construction**
(Single Family, Multifamily, and Nonresidential)

- **Electric**
  - Electric space and water heating. No additional measures required.
  - Compliant with Title 24, Part 6 and reach code.
  - Dramatic GHG emissions savings. [PCE/SVCE], [jurisdiction] has a [#]% clean power mix.

- **Mixed-Fuel**
  - (Methane Gas and Electric)
  - Gas space and/or water heating. Increased efficiency, solar, and battery storage are required.
  - Some GHG emissions savings
Which Appliances are Regulated?

What’s included?
• Space heating/cooling
• Water heating

What’s not included?
• Stoves
• Laundry
• Pools
• Fireplace/pit
How Does Compliance Work?

A compliance margin of “x” or higher is required for Single Family, Multifamily (low & high rise) and Nonresidential buildings.

**Single Family Example:**

<table>
<thead>
<tr>
<th>ENERGY DESIGN RATINGS</th>
<th>Energy Design Ratings</th>
<th>Compliance Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Source Energy (EDR1)</td>
<td>Efficiency$^1$ EDR (EDR2efficiency)</td>
</tr>
<tr>
<td>Standard Design</td>
<td>35.6</td>
<td>45.8</td>
</tr>
<tr>
<td>Proposed Design</td>
<td>26.5</td>
<td>39.6</td>
</tr>
</tbody>
</table>

**RESULT$^3$: PASS**

- EDR2efficiency & EDR2total must achieve a score of “0” or higher to pass (per 2022 Title 24, Part 6).
What is Source Energy?

- A rating system within the performance path that is used to regulate energy performance.
- Based on hourly source energy which establishes a carbon-based performance metric.
- For single family homes, Source Energy is 1 of 3 Energy Design Rating (EDR) metrics.

Source: EnergyCodeAce
Package Definitions

- **All-Electric Standard:**
  - All-Electric: Minimal efficiency, Minimal solar, No battery

- **All-Electric Efficient:**
  - All-Electric: Expanded efficiency, Minimal solar, No battery

- **All-Electric Eff w/ PV:**
  - All-Electric: Expanded efficiency

- **Mixed-Fuel Eff w/ PV:**
  - Mixed-Fuel: Expanded efficiency

- **Mixed-Fuel Eff w/ PV & Battery:**
  - Mixed-Fuel: Expanded efficiency, Battery
### Package Details

#### Mixed-Fuel Home
- **Space Heating/Cooling:** Heat Pump
- **Water Heating:** Natural Gas Tankless
- **Cooking:** Natural Gas
- **Ceiling / Window Insulation:** R-30 / U=0.3
- **Ductwork Pressure:** Standard (0.45 W/CFM)
- **PV System:** 2.9 kW

#### All-Electric Standard
- **Space Heating/Cooling:** Heat Pump
- **Water Heating:** HPWH
- **Cooking:** Electric Resistance
- **Ceiling / Window Insulation:** R-49 / U=0.24
- **Ductwork Pressure:** Standard (0.45 W/CFM)
- **PV System:** 5.7 kW

#### All-Electric Efficient
- **Space Heating/Cooling:** High-Efficiency Heat Pump
- **Water Heating:** NEEA HPWH
- **Cooking:** Electric Resistance
- **Ceiling / Window Insulation:** R-49 / U=0.24
- **Ductwork Pressure:** Low (0.30 W/CFM)
- **PV System:** 5.7 kW
Energy Performance Approach Impacts: CZ3

<table>
<thead>
<tr>
<th>Construction Cost:</th>
<th>All-Electric Standard: $5,100 savings</th>
<th>All-Electric Efficient: $3,500 savings</th>
<th>All-Electric Eff w/ PV: $2,200 cost</th>
<th>Mixed-Fuel Eff w/ PV &amp; Battery: $7,700 cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDR1</td>
<td>8</td>
<td>11</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>% CO2 Savings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: 2022 Single Family NewCon Cost-eff Study
### Energy Performance Approach Impacts: CZ4

<table>
<thead>
<tr>
<th>Construction Cost: (compared to mixed-fuel baseline)</th>
<th>All-Electric Standard:</th>
<th>All-Electric Efficient:</th>
<th>All-Electric Eff w/ PV:</th>
<th>Mixed-Fuel Eff w/ PV &amp; Battery:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDR1</strong></td>
<td>$5,100 savings</td>
<td>$3,400 savings</td>
<td>$1,600 cost</td>
<td>$8,100 cost</td>
</tr>
<tr>
<td><strong>% CO2 Savings:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **All-Electric Standard:** $5,100 savings
- **All-Electric Efficient:** $3,400 savings
- **All-Electric Eff w/ PV:** $1,600 cost
- **Mixed-Fuel Eff w/ PV & Battery:** $8,100 cost

**Source:** [2022 Single Family NewCon Cost-eff Study](#)
Existing Buildings

• What are the options?
• What are the benefits?
• What are the challenges?
Existing Building Electrification
Policy Types

**Building Performance Standards** are policies that require property owners to regularly report energy- or emissions-use intensity (EUI). In addition, the policies require incremental reductions in EUI over a set time horizon.

**Time of Replacement** policies require that property owners at the time of equipment replacement (upgrades or burnouts) abide by zero-NOx requirements and/or electric readiness requirements.

**Time of Renovation** policies require applicants that are already pulling a permit for a renovation project to abide by certain energy efficiency measures and/or electric readiness requirements.

**Time of Property Transfer** policies leverage real estate transactions to disclose relevant information on, incentivize, or require, certain home improvements. *We do not recommend policies which inhibit or delay the sale of a property.*
## Existing Building Electric-Readiness

### Reach Code

<table>
<thead>
<tr>
<th>Retrofit Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Heating, Ventilation and Air Conditioning</strong></td>
<td>For alterations and additions that include an HVAC system, the jurisdiction could require an outlet for a future electric heat pump.</td>
</tr>
<tr>
<td><strong>Water heating</strong></td>
<td>For alterations and additions that include a water heating system, the jurisdiction could require an outlet for a future water heater heat pump.</td>
</tr>
<tr>
<td><strong>Pool and Spas</strong></td>
<td>For alterations and additions that include pool or spa equipment, the jurisdiction could require an outlet for a future electric pool heater.</td>
</tr>
</tbody>
</table>
| **Installing 240V outlet when renovating the following areas:** | Laundry room (an outlet for a future electric clothes dryer)  
Kitchen (an outlet for future electric oven/stove)                                                                                                                                                                         |
| **Panel**                                              | When planning an electrical panel replacement and electrical panel upgrade, the jurisdiction could require the electrical panel to include panel capacity and breaker space for future electrification of building systems. |

An exception can be offered if, as a result of these requirements, an increase in any of the following (that is not part of the appliance upgrade scope) is needed:
- Capacity upgrade for an electrical panel
- Feeder upgrade
- Transformer upgrade
- Electrical service upgrade
What Changed for EVI in the 2022 Intervening CALGreen Code?

**Code Context**
- The [2022 Intervening CALGreen Code](#) was adopted in January. It will be effective on 7/1/2024.
- There will also be a 2025 CALGreen Triennial Cycle Update in 2025 (effective Jan. 1, 2026), which has proposed language (subject to change).

**Increased Percentage Requirements**
- Multifamily
- Hotel & Motel

**Technical Requirement Changes**
- “Direct Billing” in Multifamily projects requires EV charging circuits to be tied directly to each dwelling unit’s meter
- “Power Allocation Method” in non-residential projects adds flexibility for different levels of charging stations installed
- New requirements for medium/heavy duty charging capacity in Manufacturing and Office buildings
- New requirements for specific Nonresidential Alterations and Additions (LP L2 Receptacle)
- Receptacle type updates
- Other minor clarifications
EVI Model Code

• What EV code terminology do I need to know?
• For each building type, what are the CALGreen new construction requirements?
• For each building type, what is the new construction model code?
• What is the alterations & additions model code?
EVI Code Terminology

**Speed**

**Level 1**
3-4 miles per charging hour

**Level 2**
10-20 miles per charging hour

**Level 3**
150+ miles per charging hour

**Readiness**

**EV Capable**

**EV Ready**

**EV Charging Station Installed**

**Number**

Percent of Parking Spaces

**kVA Calculation**

\[ kVA = \frac{Voltage \times Amperage}{1000} \]

Total kVA =
L2 EV Capable +
LP L2 EV Ready +
L2 EV Ready +
L2 EVCS

Source: Cleanenergy.org EV Readiness
Single Family Homes and Two-Family Townhomes

<table>
<thead>
<tr>
<th>2022 CALGreen</th>
<th>2022 CALGreen Intervening (July 1st 2024)</th>
<th>Model Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory</td>
<td>Mandatory</td>
<td></td>
</tr>
</tbody>
</table>

(1) Level 2 EV Capable for one parking space per dwelling unit

2 EV spaces total:
- 1 Level 2 EV Ready circuit
- 1 Level 1 EV Ready circuit

**Takeaway:** The model code modifies the L2 EV Capable requirement to be a L2 EV Ready circuit and adds 1 L1 EV Ready circuit (if there is a second parking space).
**Takeaway:** The model code increases the amount of LP L2 EV Ready (for resident spaces). The model code aligns with proposed 2025 CALGreen code.
### Hotels & Motels

#### 2022 CALGreen

- **Mandatory**:
  - 10% Level 2 EV Capable
  - 25% Level 2 EV Ready (low-power)
  - 5% Level 2 EVCS

#### 2022 CALGreen Intervening (July 1st 2024)

- **Mandatory**:
  - 40% Level 2 EV Ready (low-power)
  - 10% Level 2 EVCS

#### Model Code (Proposed 2025 CALGreen)

- **Mandatory**:
  - 40% Level 2 EV Ready (low-power)
  - 25% Level 2 EVCS

### Takeaway

The model code increases the amount of EVCS, in alignment with the proposed 2025 CALGreen Mandatory code.
## Non-residential

<table>
<thead>
<tr>
<th>2022 CALGreen</th>
<th>2022 CALGreen Intervening (July 1st 2024)</th>
<th>Model Code (Proposed 2025 CALGreen Tier 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory</td>
<td>Mandatory</td>
<td></td>
</tr>
</tbody>
</table>

- **15% Level 2 EV Capable**
- **5% Level 2 EVCS**

- **Offices & Retail (45%)**:  
  - 11% Level 2 EV Capable  
  - 34% Level 2 EVCS

- **All Other (45%)**:  
  - 22% Level 2 EV Capable  
  - 23% Level 2 EVCS

**Takeaway**: The model code splits nonres into two categories with distinct requirements based on the proposed 2025 CALGreen code, Tier 2. Both of these categories reflect increases compared to the 2022 CALGreen Intervening code.
• Add New Requirement for Multifamily and Hotel & Motel
  • Mimics Nonresidential Alterations/Additions that are in Section 5.106.5.4.
  • Requires each added or altered space to have at least a low power Level 2 EV receptacle.
  • Specifies treatment for buildings with and without existing EV capable spaces.

• Existing buildings or parking facilities being modified by one of the following shall comply with Section 4.106.4.3.
  • Increase/alteration to parking facility power supply or panel
  • Addition of PV solar system over parking
  • Increase in building's conditioned area, volume, or size
  • Breaking ground on existing parking surfaces (does not include resurfacing)