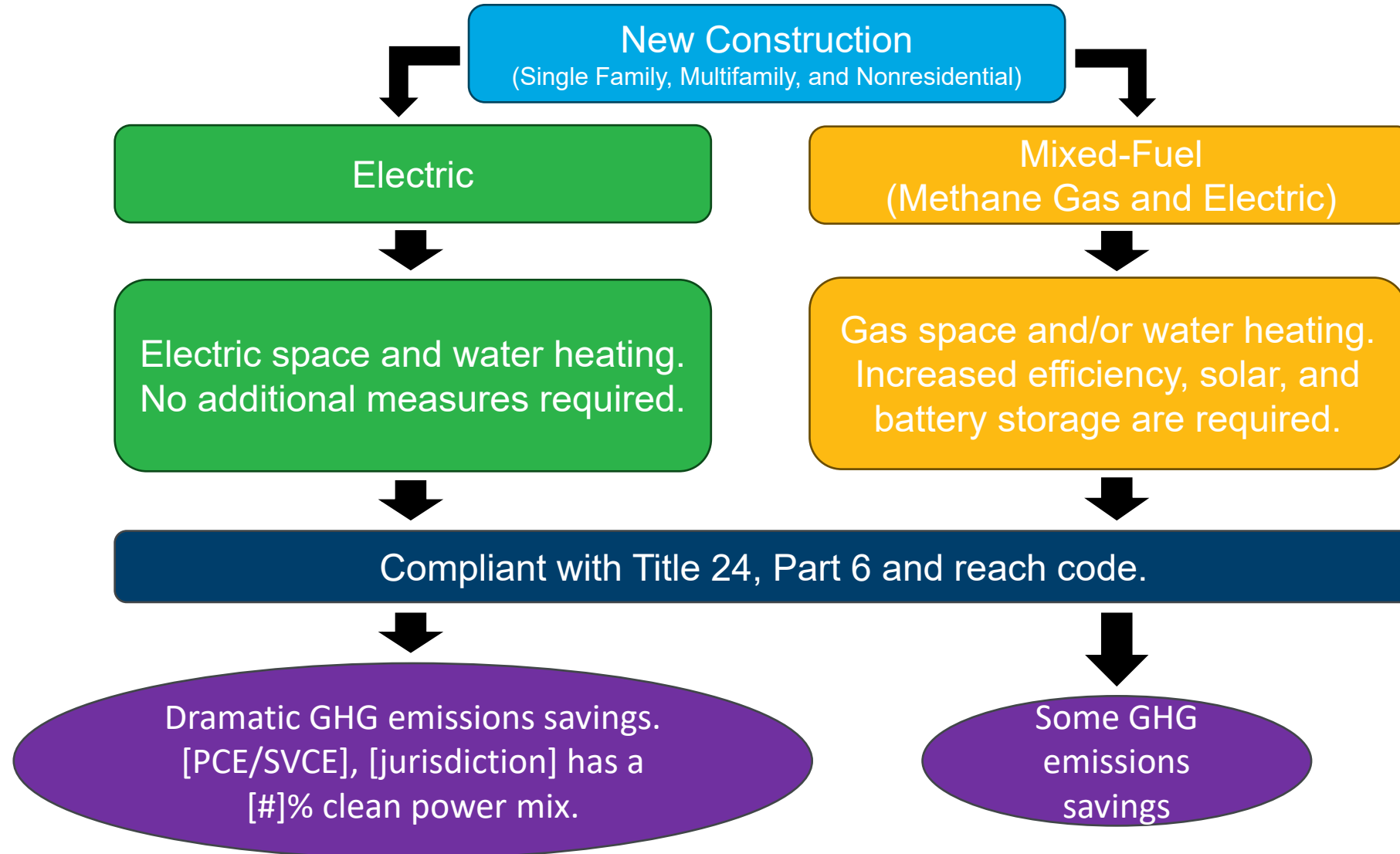


Energy Performance Approach Reach Code

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

What is the Energy Performance Approach?



Which Appliances are Regulated?

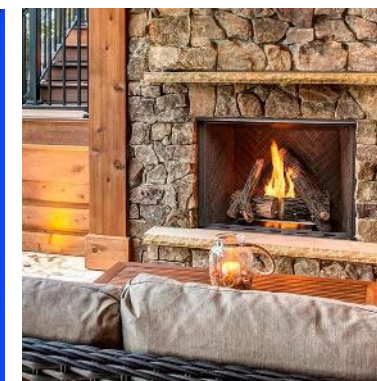
What's included?

- 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:

ENERGY DESIGN RATINGS						
	Energy Design Ratings			Compliance Margins		
	Source Energy (EDR1)	Efficiency ¹ EDR (EDR2efficiency)	Total ² EDR (EDR2total)	Source Energy (EDR1)	Efficiency ¹ EDR (EDR2efficiency)	Total ² EDR (EDR2total)
Standard Design	35.6	45.8	31.3			
Proposed Design	26.5	39.6	28.4	x	6.2	2.9
RESULT ³ : PASS						

¹Efficiency EDR includes improvements like a better building envelope and more efficient equipment

²Total EDR includes efficiency and demand response measures such as photovoltaic (PV) system and batteries

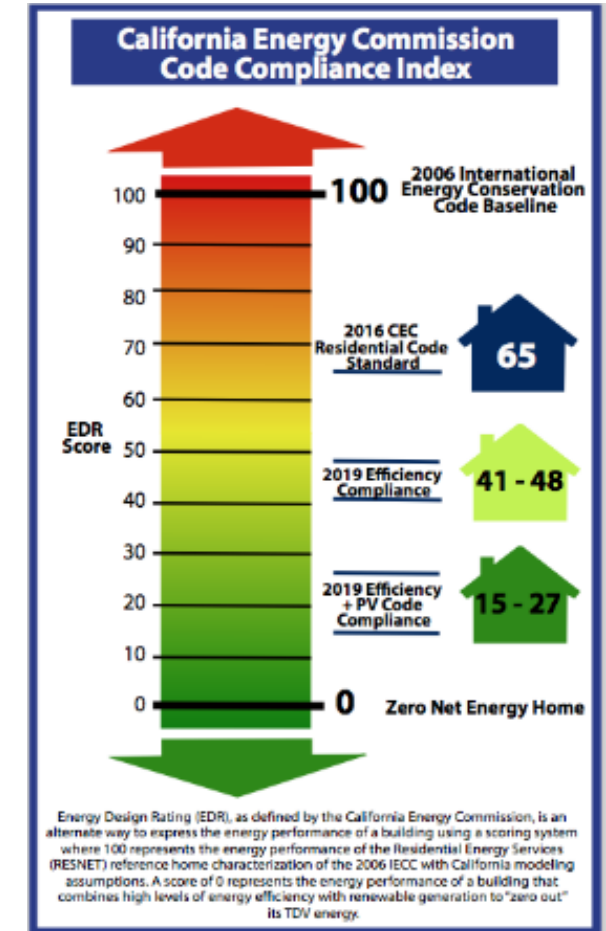
³Building complies when source energy, efficiency and total compliance margins are greater than or equal to zero and unmet load hour limits are not exceeded

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

What is Source Energy?

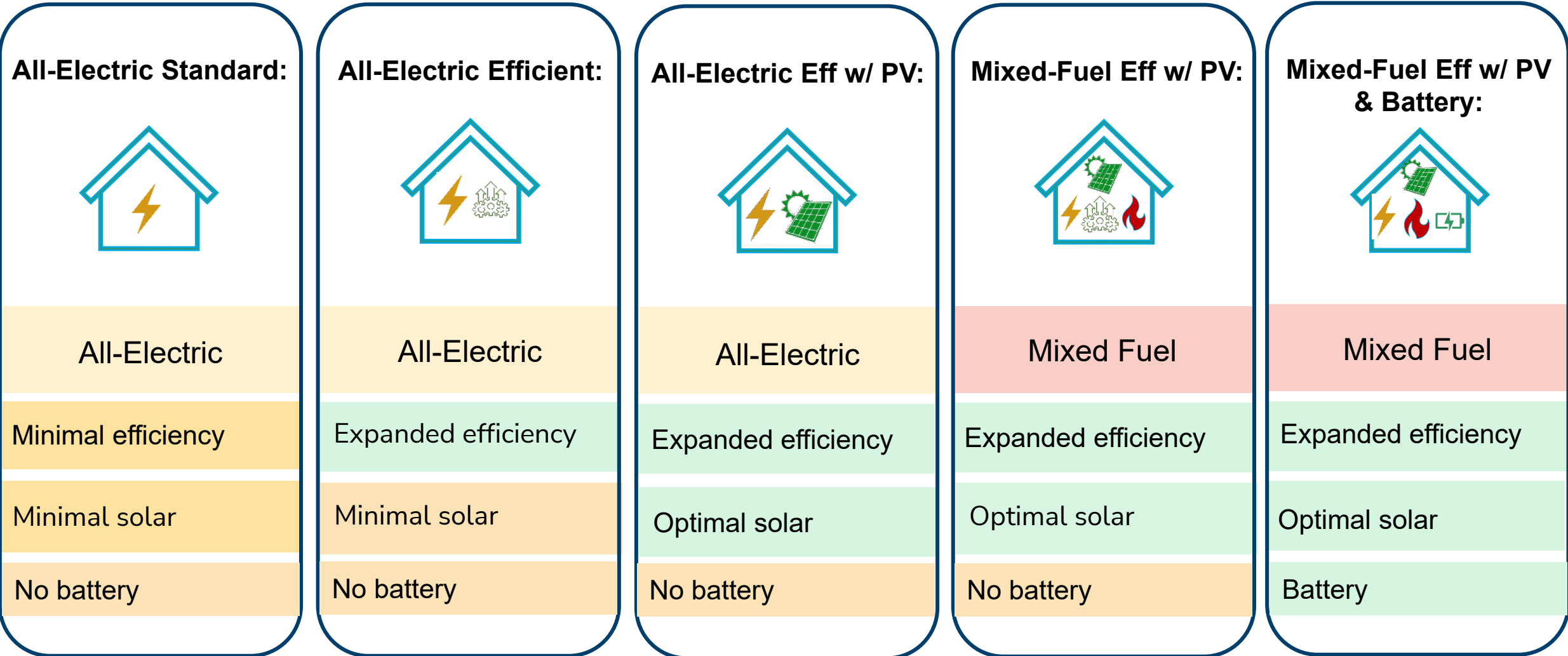
- A rating system within the performance path that is used to regulate energy performance.
- Based on hourly source energy which establishes a carbon-based performance metric.
- For single family homes, Source Energy is 1 of 3 Energy Design Rating (EDR) metrics.

ENERGY DESIGN RATINGS						
	Energy Design Ratings			Compliance Margins		
	Source Energy (EDR1)	Efficiency ¹ EDR (EDR2efficiency)	Total ² EDR (EDR2total)	Source Energy (EDR1)	Efficiency ¹ EDR (EDR2efficiency)	Total ² EDR (EDR2total)
Standard Design	35.6	45.8	31.3			
Proposed Design	26.5	39.6	28.4	9.1	6.2	2.9
RESULT ³ : PASS						
¹ Efficiency EDR includes improvements like a better building envelope and more efficient equipment ² Total EDR includes efficiency and demand response measures such as photovoltaic (PV) system and batteries ³ Building complies when source energy, efficiency and total compliance margins are greater than or equal to zero and unmet load hour limits are not exceeded						
<ul style="list-style-type: none"> • Standard Design PV Capacity: 3.46 kWdc • PV System resized to 3.46 kWdc (a factor of 3.459) to achieve 'Standard Design PV' PV scaling 						



Source: [EnergyCodeAce](https://www.energycodeace.com)

Package Definitions

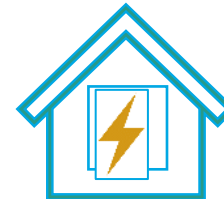


Package Details

Mixed-Fuel Home



All-Electric Standard



All-Electric Efficient



Space Heating/Cooling:

⚡ Heat Pump

↑ High-Efficiency Heat Pump ⚡

Water Heating:

Natural Gas Tankless 🔥

HPWH ⚡

NEEA HPWH ⚡

Cooking:

Natural Gas 🔥

⚡ Electric Resistance

Ceiling / Window Insulation:

R-30 / U=0.3

↑ R-49 / U=0.24

Ductwork Pressure:

Standard (0.45 W/CFM)

↑ Low (0.30 W/CFM)

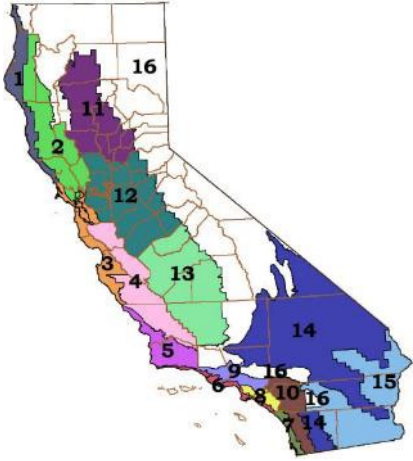
PV System:

2.9 kW

↑ 5.7 kW

Energy Performance Approach

Impacts: CZ3

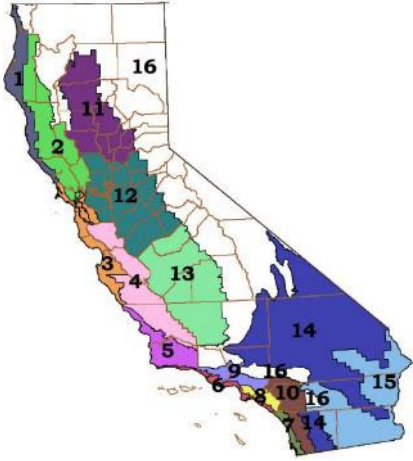


	All-Electric Standard:	All-Electric Efficient:	All-Electric Eff w/ PV:	Mixed-Fuel Eff w/ PV:	Mixed-Fuel Eff w/ PV & Battery:
Construction Cost: (compared to mixed-fuel baseline)	\$5,100 savings	\$3,500 savings	\$2,200 cost	\$3,500 cost	\$7,700 cost
EDR1	8	11	13	3	14
% CO2 Savings:					

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

Energy Performance Approach

Impacts: CZ4



	All-Electric Standard:	All-Electric Efficient:	All-Electric Eff w/ PV:	Mixed-Fuel Eff w/ PV:	Mixed-Fuel Eff w/ PV & Battery:
Construction Cost: (compared to mixed-fuel baseline)	\$5,100 savings	\$3,400 savings	\$1,600 cost	\$3,400 cost	\$8,100 cost
EDR1	8	11	12	3	13
% CO2 Savings:					

Reach Codes 101

- What are they?
- Why should we implement them?
- What's the process?
- Who else has done it in our region?

What are Reach Codes?



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

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

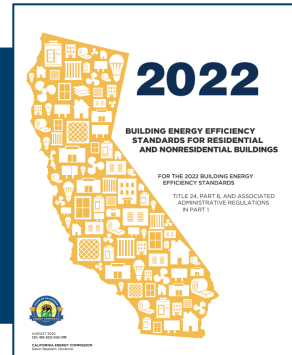
Electric Vehicle Infrastructure (EVI)

- **Goal:** To improve market readiness and increase equitable access to clean transportation EV charging stations



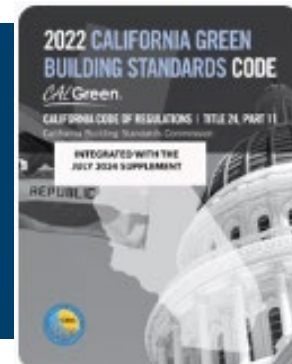
Building Electrification (New Construction & Existing Buildings)

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.



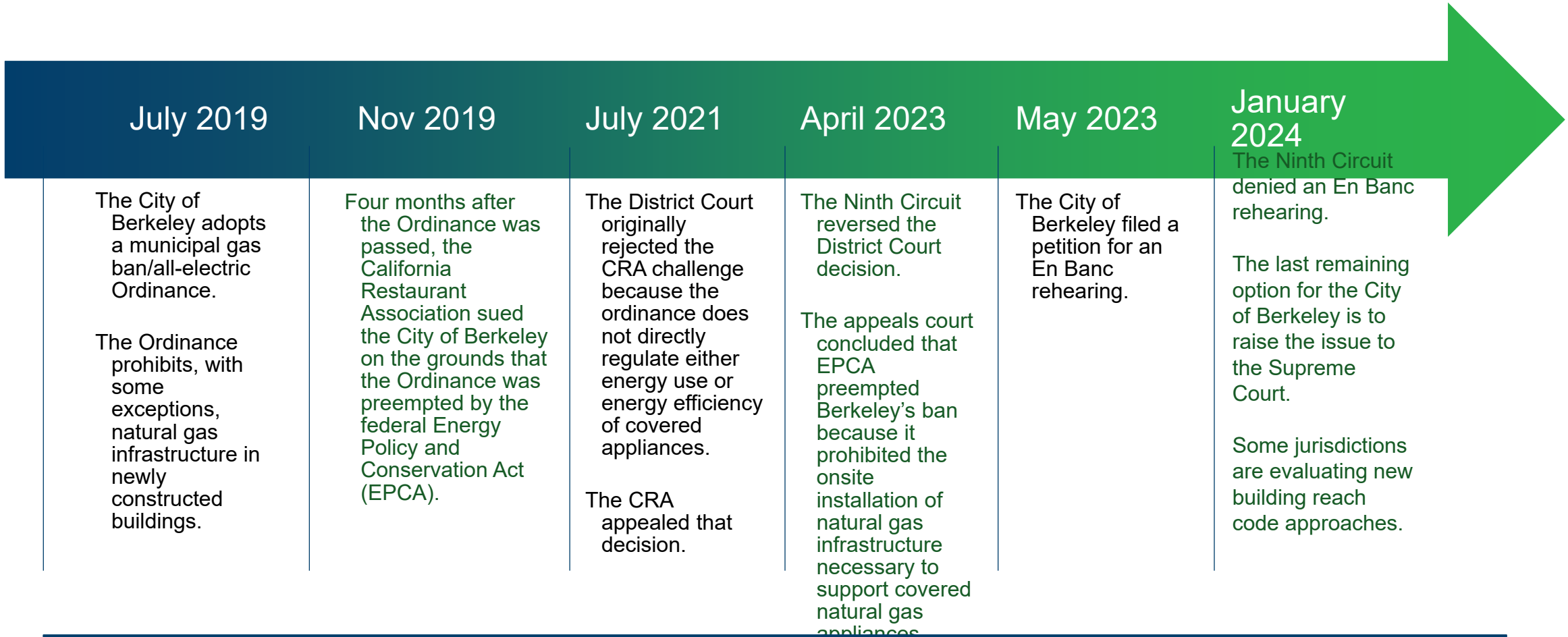
Support Public Health by improving indoor air quality and decreasing air pollution emissions.



Mitigate Legal Risk by providing compliance pathways for all-electric and mixed-fuel buildings.

Reach Code Litigation

California Restaurant Association v. City of Berkeley



Next Steps: For jurisdictions looking for an alternative reach code that could mitigate legal risk, there are several approaches available.

The Bay Area and California's Upcoming Electrification Changes



2026

CA State Energy Code Update

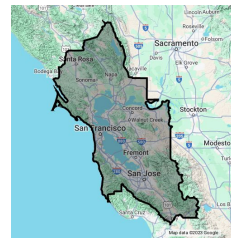
Replacements of air conditioning systems in existing buildings will be heat pumps



2027

BAAQMD Low NOx water heater requirements

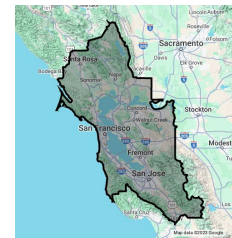
Tank-type gas water heaters no longer sold in Bay Area



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

Approach	Description	Advantages	Challenges	Who's done it?
Air Quality 	Regulates building or appliance emissions through CALGreen, Part 11.	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Legally untested • Potentially new enforcement approach 	Los Altos Hills New York City
Energy Performance 	Requires a higher <i>Source Energy</i> compliance margin than what the state requires through the performance path of the Energy Code, Part 6.	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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

Existing Building Policy Comparison

	Description	Advantages	Challenges	Who's done it?
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.	<ul style="list-style-type: none"> Monitors customized building stock for balance degree of impact and ease of implementation 	<ul style="list-style-type: none"> Large administrative burden (cost/time) 	Cities: Denver, Reno, Chula Vista, St. Louis, etc. States: Oregon, Washington, Maryland, Colorado
Time of Permit 	Require that applicants, when they are already pulling a permit for a renovation project, to abide by certain efficiency and/or electrification requirements. These policies avoid missed opportunities to electrify or incorporate electric-readiness at little-to-no additional cost.	<ul style="list-style-type: none"> Electric/efficiency or Air Quality approach Customizable triggers balance degree of impact and ease of implementation 	<ul style="list-style-type: none"> Some loopholes May result in some bypassing the permit process Low permit/renovation rates can increase time to make impact 	San Mateo, Portola Valley, Piedmont, Marin County
Time of Property Transfer 	Leverage real estate transactions to disclose relevant information on, incentivize, or require, certain home improvements.	<ul style="list-style-type: none"> Limited loopholes to bypass policy 	<ul style="list-style-type: none"> Low transfer rates can increase time to make impact 	Piedmont, Berkeley, Davis