# Council Presentation: Key Information

## Advancing safer, healthier and more affordable buildings and vehicles

BayAreaReachCodes.org

V1.3





# What are Reach Codes?

## Reach Codes are local ordinances adopted by the local government that exceed and enhance the state's building standards.

### Reach Codes can apply to the following:



New Construction




Alterations



Additions



Equipment Replacement

# Reach Codes Basics

| Reach Codes Do Not | Reach Codes Do |
| --- | --- |
| Ban gas appliances | Encourage efficiency and reduce pollution |
| Apply to every building or permit | Focus on specific, common-sense opportunities |
| Require panel or service upgrades | Allow exceptions for a panel or service upgrade |
| Add unnecessary difficulty for residents | Allow exceptions when it's too difficult or costly |

# What do Reach Codes Accomplish?

## Climate & Health

### Support Local Goals

- [Jurisdiction insert CAP goals or GHG emissions reduction strategy components]

### Prevent air pollution

- Gas appliances increase asthma and respiratory illness risk, especially for vulnerable residents.

### Limit local climate risk

- Carbon emissions feed local catastrophes like wildfire and drought & flooding cycles.

## Cost Savings

### Deliver Cost Benefits

- Heat pumps are cheaper than a combination of AC and gas furnace.
- Heat pumps save $200+ in utility bills their first year over gas appliances.

### Lower construction costs

- All-electric buildings have lower construction costs and streamline construction.
- Rebates reduce retrofit costs.

## Forward-Thinking

### Prepare for Upcoming Rules

- California to be carbon neutral by 2045.
- Bay Area Air District Rule 9-4 and Rule 9-6 will limit the sale of gas equipment starting in 2027.

### Future Proofing

- Help residents get homes ready during common-sense upgrades.
- Provide education on cost savings of electric options.

# Rebates, Financing and Tax Credits Are Available Now

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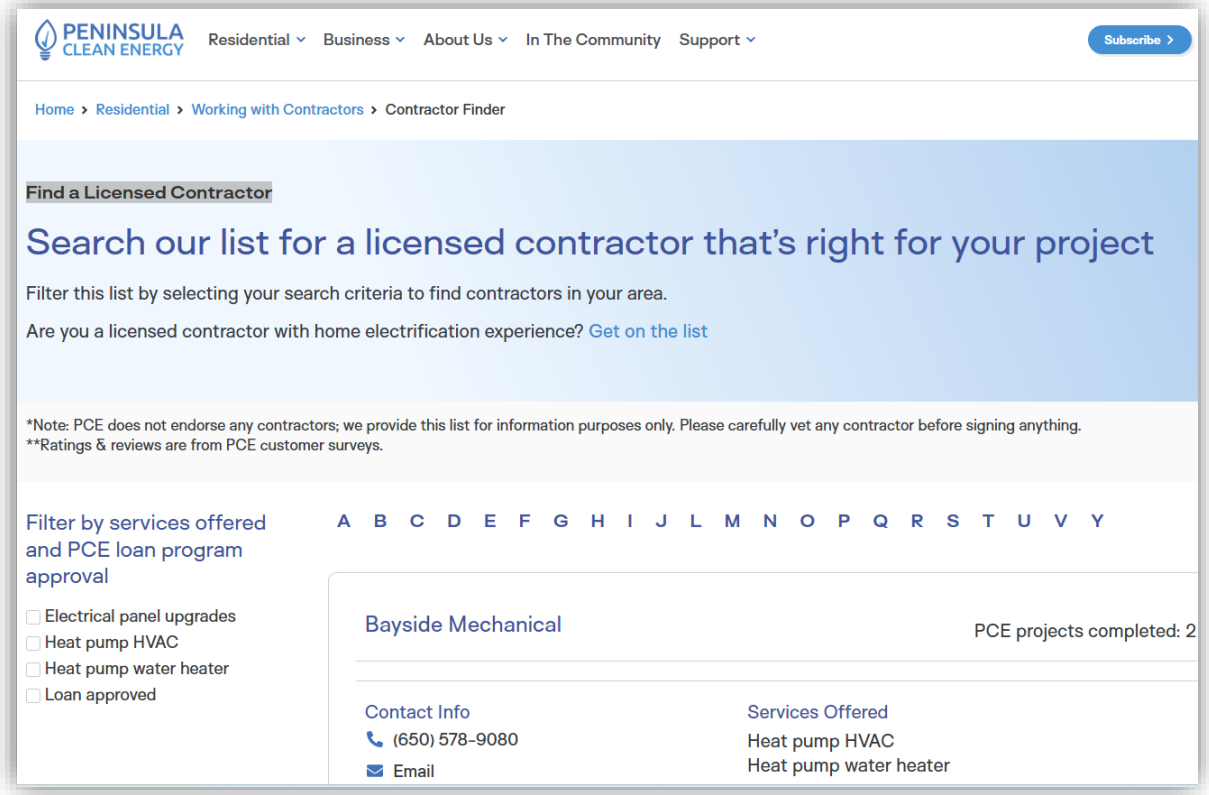
## Here are ways to access financial resources in your area:

| Category | Program | Rebate Link & Details |
|---|---|---|
| Local | Peninsula Clean Energy (PCE) Rebates | PCE Residential Programs and Rebates<br>PCE Commercial Programs and Rebates |
| | Silicon Valley Clean Energy (SVCE) Rebates | SVCE Residential Incentives Programs, Rebates & Resources<br>SVCE Business and Contractor Incentive Programs, Rebates & Resources |
| | Switch is ON | Incentive lookup by zipcode |
| | Quit Carbon | Local Rebates List |
| State | TECH Clean California | Heat pump water heaters – Up to $5,700<br>Heat pump space heaters – Up to $4,000 |
| | Golden State Rebate | $900 off heat pump water heater |
| | Energy Smart Homes | Up to $6500 for whole-home electrification, can layer with TECH incentives |
| Financing | National Energy Improvement Fund | 100% financing up to $35,000 |
| | Go Green Financing | Up to 100% of project cost- and can pair with rebates/incentives |
| Federal | Federal Tax Credits expiring 12/31/2025 | Heat pump space heaters – Up to $2,000<br>Air sealing, insulation, ductwork – Up to $1,200<br>Heat pump water heaters – Up to $2,000<br>Solar Panels – Up to 30% of Project Cost |

# The Workforce is Ready Now

## Heat pumps are now the standard for many contractors. Here are ways to connect with a contractor in your area:

| Source | Tool |
|---|---|
| Peninsula Clean Energy | Contractor Finder |
| Silicon Valley Clean Energy | Find a Contractor |
| The Switch is ON | Contractor Finder |
| Clean Energy Connection | Find a Contractor |
| Quit Carbon | Get Matched With a Contactor |
| TECH Clean California | Contractor Database |



# Common Concerns

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# Reach Codes Basics

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## Reach Codes Do Not

- Ban gas appliances
- Apply to every building or permit
- Add unnecessary difficulty for residents
- Require panel upgrades
- Cost $ thousands in electrical upgrades
- Increase permit fees and review time
- Burden low-income residents
- Burden the elderly
- Result in rent increases
- Cause brown-outs

## Reach Codes Do

- Encourage electrification
- Focus on common-sense opportunities
- Allow exceptions for difficult situations
- Include exceptions for panel upgrades
- Save $ thousands in future retrofit costs
- Follow the existing permit process
- Save residents money over time
- Have simple requirements
- Cuts energy bills and improves resiliency
- Initiate slow & steady electrification

# Common Concerns (1 of 2)

| Concern | Response |
| --- | --- |
| Gas appliance ban | **False.** These codes allow gas appliances. |
| This should be voluntary | **Incentives alone will not reduce large-scale pollution.** Minimum requirements are one more tool to avoid missed opportunities and and improve community health. These codes minimize costs during pivotal times to build community health benefits. |
| Increase permit fees and time | **Permitting fee calculations and reviews will not change**. Adding circuits during a remodel will result in lower permitting fees than adding circuits as a separate project. |
| Electric grid reliability | **California's grid has improved in multiple ways** since the outages in 2020. There has been a 30-fold increase in utility battery storage installations. Additionally, efficient equipment decreases the chance of outages. |

# Common Concerns (2 of 2)

| Concern | Response |
|---|---|
| Housing affordability | **Reach codes save residents money over time** and pay back upfront costs. |
| Housing affordability for renters | Less energy efficient homes leave renters in charge of paying higher energy bills each month. **Reach codes reduce energy bills for residents.** Landlords typically remodel between rental tenants and can claim rebates to cover up-front costs. |
| Expensive electrical upgrades | **False**. Projects that require an electrical panel upgrade are exempt from the reach code. |
| Increased up-front cost | **Maybe true, but…** Rebates are available today and avoid stranded assets later. |
| Impact to low-income residents | **The Two-Way AC policy saves residents money every month.** Rebates offer extra funds for low-income residents. |
| Burden to the elderly | **These codes only impact air conditioner replacements and remodeling projects.** An elder replacing AC can comply simply with a two-way unit or added efficiency measures. |

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