


**City Council Meeting**

Item # 4  
 RTC 25-907  
 Action on a Resolution Suspending the Existing All-Electric Construction Requirements of the Reach Code and; Request for Direction on Needed Amendments to the Reach Code & Climate Action Plan in Light of Recent Changes in Applicable Law



January 14, 2025  
 Reena Brilliot  
 Director of Economic Development & Sustainability

Reach Code




**Objectives**

- 1) Suspension of current Reach Code in accordance with legal changes
- 2) Direction on Reach Code revisions
  - History & context
  - Options for revisions to Reach Code
  - Staff recommended Reach Code changes

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Reach Code



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## Terms

- **Reach Code** – a local ordinance that goes beyond the minimum requirements of the California Building Standards Code (CBSC) in order to promote sustainability goals.
- Compliance with adhering to the Reach Code are confirmed at the **Building Permit** review stage.
- A new CBSC takes effect every three years (**Triennial Update**). The current CBSC has been in effect since January 1, 2023. The next CBSC which will be released on July 1, 2025 but will take effect on January 1, 2026.
- **Climate Action Plan** - part of the General Plan and Adopted in 2022. It includes City’s sustainability goals and actions for achievement of Green House Gas reductions.

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## History – City’s Reach Code Adoption

- Santa Clara adopted its “Reach Code” in November 2021.
- The City’s Reach Code mandates the use of electricity as a power source in new construction, limits installation of natural gas plumbing and meters (All Electric).
- On November 1, 2022, the City updated the Reach Code to coincide with the previous Triennial Update of the CBSC.



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## History – City of Berkeley Case

- The City of Berkeley enacted a similar “Reach Code” ordinance in August 2019, which required all-electric construction in new developments.
- The California Restaurant Association (the “CRA”) filed a legal challenge to Berkeley’s ordinance.
- The challenge ultimately made its way to the Ninth Circuit court of appeals. In 2024. The Court struck down the Berkeley Reach Code.

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## Implications of City of Berkeley Ruling

- Several developers have asked the City to repeal or waive its all-electric requirements in light of the Berkeley decision.
- On July 29, 2024, attorneys representing the California Restaurant Association sent a letter to Santa Clara asking the City to suspend or repeal the Reach Code.
- Given similarities between the Berkeley and Santa Clara Reach Codes, staff is recommending that the Council suspend the all-electric requirements of the Reach Code.


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## Suspension of Reach Code

- Draft resolution would indefinitely suspend sections 15.36.040 through 15.36.080 of the City's Energy Code, which had imposed all-electric construction requirements.
- The suspension would be limited to the natural gas requirements of the Reach Code, and would have no effect on the other requirements of the Code, such as the requirements to provide EV electric vehicle (EV) parking spaces.
- Several other cities with All Electric Reach Codes have already taken or are contemplating this action.


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## Options for Reach Code Revisions

- 1) **Alternate Prescriptive Measures Approach** - mandating implementation of a specific feature such as:
  - pre-wiring for electric appliances
- 2) **Energy Performance Approach** – based on increasing overall energy efficiency performance beyond
  - Minimum “Energy Design Rating” for single family
  - Source energy requirements in the Energy Code for other development types
- 3) **Air Quality Approach** – would regulate potential emissions from equipment and appliances. New construction would need to result in buildings that produce no nitrogen oxides. This may include exceptions for kitchen appliances.

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### Energy Performance Approach Examples

City	Santa Cruz	San Luis Obispo	San Jose	Palo Alto
<b>SFR (EDR)</b>	9 points	6 points	8 points	8 points
<b>MFR, &lt; 3 floors (Energy Code)</b>	10%	9%	6%	9%
<b>MFR, ≥ 3 floors (Energy Code)</b>	4%	3%	6%	1%
<b>Non-residential (Energy Code)</b>	7%	7%	0 – 10%*	0 – 12%*

\*In San Jose (SJ) and Palo Alto (PA), the non-residential requirements are broken down further. Office uses must exceed source energy requirement by 10% (in both); hotels & motels by 6%(SJ)/7%(PA); Industrial/manufacturing by 0% (both); restaurants by 6%(SJ)/12%(PA); and all other nonresidential by 6%(SJ)/9%(PA).

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### Energy Performance Approach Implementation

Energy Performance Approach Implementation Options:

- **Electric Preferred** – incentivize all-electric construction by exempting all-electric buildings from new higher efficiency levels but mixed fuel buildings would have to achieve the higher local standards.
- **Single Margin** – Higher standards of the Reach Code would be applicable to all development regardless if it was all-electric or a mixed fuel building.

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## Reach Code Revision – Staff Recommendation

### Single Margin Energy Performance Approach

All buildings would need to achieve higher energy efficiency standards

- Increase Minimum Energy Design Rating for Single Family Homes (TBD)
- Increase Source Energy requirements of the Energy Code for other Development (TBD)



### With a Prescriptive Requirement

Pre-Wire Developments for Future All-Electric Use




## Reach Code Revision – Staff Recommendation

### Advantages of Single Margin Energy Performance Approach

- Guarantee that a quantified increased energy efficient design is achieved regardless of specific building features utilized.
- Simple to implement in the context of this changing regulatory environment.
- Local building industry will more easily adapt to this approach as it is used by many neighboring cities.



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## Reach Code Revision – Next Steps

- Outreach
- Draft Revised Reach Code
- Develop Cost Effectiveness Study/Evidence
- Council Adopts Revised Reach Code
- Submit Revised Reach Code to the California Energy Commission (CEC)
- Once approved by CEC, implement new Reach Code
- Analyze implications for GHG emissions reductions and make Amendments to Climate Action Plan

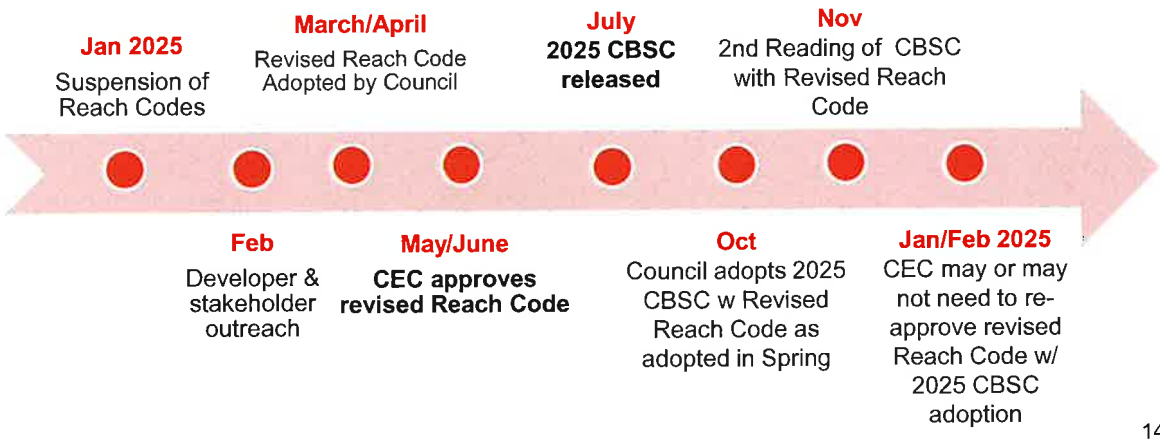
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## Timeline - Triennial Building Code Update



**Jan 2025**  
Suspension of Reach Codes

**March/April**  
Revised Reach Code Adopted by Council

**July 2025**  
CBSC released

**Nov**  
2nd Reading of CBSC with Revised Reach Code


**Feb**  
Developer & stakeholder outreach

**May/June**  
CEC approves revised Reach Code

**Oct**  
Council adopts 2025 CBSC w Revised Reach Code as adopted in Spring

**Jan/Feb 2025**  
CEC may or may not need to re-approve revised Reach Code w/ 2025 CBSC adoption


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### Staff Recommendation

1. Adopt a Resolution Suspending Enforcement of the Existing "All-Electric" Requirements of the City's Reach Code
2. Direct Staff to Prepare Amendments to the Reach Code Consistent with a Single Margin Energy Performance Approach, Combined with a Prescriptive Requirement to Pre-Wire Developments for Future All-Electric Use
3. Direct Staff to Obtain a Cost Effectiveness Study for the Proposed Amendments to the Reach Code
4. Direct Staff to Prepare Corresponding Amendments to the Climate Action Plan, Combined with Necessary GHG Reduction Modeling

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## City Council Meeting

Item # 4  
RTC 25-907  
**Action on a Resolution Suspending the Existing All-Electric Construction Requirements of the Reach Code and; Request for Direction on Needed Amendments to the Reach Code & Climate Action Plan in Light of Recent Changes in Applicable Law**

January 14, 2025  
Reena Brilliot  
Director of Economic Development & Sustainability



## RESPONSE TO COUNCIL QUESTIONS RE: JANUARY 14, 2025 AGENDA

**Agenda Item 4. 24-907 Action on a Resolution Suspending Existing All-Electric Construction Requirements of the Reach Code and Request for Direction on Needed Amendments to the Reach Code and Climate Action Plan in Light of Recent Changes in Applicable Law.**

Council Question:

Do we have any understanding if staff has consulted with our economic development committee or planning commission in regard to the suggested adoption of the single margin approach? Consultation of 'people on the ground' will be one of my priorities (go ethnographers!) but I want to be sure that this is the space to bring that question forward and understand if these are committees we would rely on for that expertise.

Staff Response:

The City Council has the sole authority over changing the City's Reach Code; neither the Economic Development, Communications, and Marketing Committee (which has been on hiatus since September 2021), nor the Planning Commission have purview over review of the Reach Code.

Outreach will be conducted to the development community and stakeholders after Council has provided direction on the likely approach of the revisions to the Reach Code. This will provide stakeholders a more specific approach to react to as well as an opportunity to provide broader feedback on any changes. Feedback received from outreach will be provided back to the City Council and will inform the revisions to the Reach Code which will be brought back for adoption to City Council.

1/14/2025

Item 4

Melissa Lee

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**From:** Wendy Chou <wendy.chou@acterra.org>  
**Sent:** Monday, January 13, 2025 1:16 PM  
**To:** Mayor and Council  
**Subject:** public comment: Agenda item 4

You don't often get email from wendy.chou@acterra.org. [Learn why this is important](#)

I'm on the staff of the nonprofit organization Acterra, headquartered in Santa Clara County, which is a strong proponent of beneficial electrification for all Bay Area residents.

I commend the council's interest in exploring policies to encourage the further adoption of electric appliances in buildings. We need look no further than to our neighbors in southern California to witness the severity of the climate crisis — which is caused by the burning of fossil fuels and the related increase in atmospheric greenhouse gas emissions. As we know from our own experience of drought, floods, heat waves, and fires, Bay Area cities are now much more vulnerable to extreme climate-driven disasters that both endanger human life and damage property. Preventive action is needed on the part of policy makers at every level. New buildings with their particularly long lifetimes are an excellent candidate for motivating the phaseout of fossil gas through local ordinances, thereby avoiding decades of dangerous GHG emissions.

In the wake of the challenge to all-electric reach codes caused by a decision by the Ninth Circuit Court of Appeals, the "Single Margin" approach — which requires a building to exceed a certain basic energy use threshold — is a reasonable alternative. Importantly, if the margin is set high enough it will ensure that avoidance of gas (i.e., reliance on electrification) is not only strongly incentivized but essentially needed to attain the benchmark.

The Single Margin approach is relatively straightforward to implement, since building applicants are likely already familiar with the concept and the compliance software. The Single Margin approach is also easy for jurisdictions to administer as compliance can be easily assessed (that is, did the building's calculated score meet the threshold set in the code). The Single Margin approach should successfully reduce greenhouse gas emissions, especially so if the bar is set such that a "dual fuel" approach would be for all practical purposes too difficult or costly to implement.

At the same time, another approach that shows promise is one that was taken by the City of Campbell. In October 2024 Campbell approved a "Zero-NOx" ordinance preserved most of the elements of their 2022 all-electric reach code and thus did not challenge or change any of the underlying requirements; simply the mode of justification was altered.

Nitrogen oxides (known as NOx, including NO and NO2) — along with Particulate Matter (PM2.5) and Ozone (both of which are formed downstream of NOx pollution) — are all harmful to human health. This group of pollutants is associated with impaired lung function, coughing wheezing, increased asthma attacks, cardiovascular harm, lower birth weight, increased emergency room and hospital admissions, increased risk of respiratory infections, and premature death. The Zero NOx approach satisfies the goal of achieving high reductions in greenhouse gas emissions while ensuring better air quality by restricting the emissions of a category of known dangerous pollutants. This air quality approach poses no known conflicts with EPCA.

In my opinion, a Zero NOx approach should be carefully studied and ideally replicated by other communities.

Thank you for your time and consideration.

Sincerely,  
Wendy Chou

Coalition and Project Senior Manager  
Acterra: Action for a Healthy Planet  
[wendy.chou@acterra.org](mailto:wendy.chou@acterra.org)  
[acterra.org](http://acterra.org)

1/14/2025

Item 4

Melissa Lee

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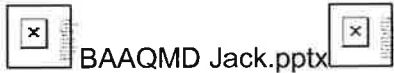
**From:** Gary Latshaw <glatshaw@gmail.com>  
**Sent:** Saturday, January 11, 2025 5:20 PM  
**To:** Mayor and Council  
**Subject:** Reach Code Comments

You don't often get email from glatshaw@gmail.com. [Learn why this is important](#)

Mayor and Councilmembers:

I am a former Member of Cupertino's Sustainability Commission and a long-term activist on climate change. I was a member of the Commission when Cupertino adopted its reachcode. So I am well aware of the political, climate, and health consequences of using natural gas in buildings.

The "All-Electric" Requirements to Santa Clara's Reach codes regarding new construction should be maintained for the several health and economic reasons:



BAAQMD Jack.pptx

(Note: Burning natural gas results in the formation of (NOx) Nitrogen Oxides, which produces asthma and other respiratory diseases. NOx is a major component of Smog).

This eliminates the cost of installing main gas lines to the facility and distribution lines within the facility.

- The. Usage of natural gas is a direct detriment to public health both inside and outside a building.
  - According to the California Air Resources Board, the burning of natural gas in buildings contributes almost as much Nitrogen Oxides (NOx) as vehicle traffic state-wide.
  - According to the California Air Resources Board, the burning of natural gas in buildings produces 21 ton/day of NOx – almost three times that of vehicle traffic (8 tons/day).
  - The indoor effects of burning natural gas indoors are:
    - 42% increased risk of Asthma
    - 24% increased lifetime risk of Asthma
- Gas appliances increase the risk of fires developing from earthquakes and nearby fires.
- Summary prepared by Jack Smith, Chief Air Pollution Officer:
  - *There is growing consensus that building electrification is the most viable and predictable path to zero-emission buildings. The consensus is due to the availability of off-the-shelf, highly efficient technologies (such as heat pumps) and the continued reduction of emission intensities in the electric sector.*
    - *By Jack Smith, Chief Air Pollution Officer, 2018*

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The climate crisis is real. \$150 billion in climate-related damages in 2023 up from several billion in 1980 (corrected for inflation).

Gary Latshaw, Ph.D.  
408-499-3006

Item 4

**Marisa Welling**

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**From:** Nora Pimentel  
**Sent:** Tuesday, January 14, 2025 11:43 AM  
**To:** Nora Pimentel  
**Cc:** Vinh Nguyen; Marisa Welling  
**Subject:** FW: Recommendation for Reach Code - Public Hearing 4. #25-907

Good morning Mayor and Councilmembers,

The Clerk's office received the email below for Council item #4 for tonight's meeting. This will form part of the public record and post meeting materials.

Thank you

*Nora Pimentel, MMC* | Assistant City Clerk | City Clerk's Office  
City of Santa Clara, California  
1500 Warburton Ave. | Santa Clara, CA 95050  
(O) 1.408.615.2222 | (F) 1.408.241.6771  
[npimentel@santaclaraca.gov](mailto:npimentel@santaclaraca.gov) | [www.santaclaraca.gov](http://www.santaclaraca.gov)



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You don't often get email from [robertwhitehair2@gmail.com](mailto:robertwhitehair2@gmail.com). [Learn why this is important](#)

Dear Mayor and Council.

Reach Codes are one of the best ways for all of us to fight climate change.

Santa Clara's adoption of strong Reach Codes will:

- Create a pathway for the next round of Reach Codes, including existing buildings, effective January 1, 2026.
- Cut carbon emissions from new buildings
- Improve indoor air quality for residents

Please ask staff to come back with options that include the One Performance Margin as well as the NOx Reach Code as adopted by the City of Campbell, and options such as Air Conditioning unit conversion to Heat Pumps.

Thank you

Robert Whitehair(he, him)  
San Mateo

*Acknowledgement: We reside on the unceded lands of our indigenous ancestors, while benefiting from racial privilege. We begin making reparations by accepting only a kinship view of our place on the planet: All life is interconnected, interdependent, and interrelated.*