April 13, 2022 Work Session

Potential Code Changes to Require that all New Construction be Electric Only Beginning January 1, 2023.

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Climate Recovery Ordinance (CRO) Goals Summary

1. Carbon neutrality in operations by 2020
2. Reduce fossil fuel use in operations by 50% by 2030 compared to 2010
3. Reduce fossil fuel use community-wide by 50% by 2030 compared to 2010
4. Reduce community-wide greenhouse gas emissions by 7.6% annually, or about 64% by 2030
2. Regulate Natural Gas

- Regulate new natural gas infrastructure (residential, commercial, and industrial).
- Annual MT CO$_2$e Reduction: 40,000
- Needs:
  - ❌ More Research
  - ✓ Policy Decision or Direction
  - ❌ Funding
First Motion from 11/17 Work Session

1) Direct City Manager to schedule a work session to discuss changes to City code that would require all newly constructed commercial and residential buildings be electric only beginning January 1, 2023.

Amend Chapter 6 (Environment and Health)

• Add language, i.e., Natural gas infrastructure is prohibited in newly constructed buildings
  • Define Natural Gas Infrastructure
  • Define Newly Constructed Buildings
Authorization is required by the State for local amendments. The process is described in OAR 918-020-0370:

- Draft a proposed ordinance
- Hold a public hearing
- Submit an application, the proposed ordinance, and a report of the public hearing to Oregon Building Codes Division. The report must include:
  - A summary of comments received;
  - An outline of the impacts of the local amendment;
  - An explanation of response to substantive concerns and issues raised;
  - Identification of any financial or regulatory incentives provided to businesses or contractors impacted by the amendment;
  - An estimate of the fiscal impact of the amendment for both residential and commercial construction;
- The request is reviewed by the Building Codes Division and either approved, approved with conditions, or denied.

### Permit Data for Natural Gas Infrastructure

<table>
<thead>
<tr>
<th>Gas Infrastructure in Recently Permitted New Buildings</th>
<th>Number of Bldgs</th>
<th>% that have gas installed</th>
<th>Use of Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Space Heating</td>
</tr>
<tr>
<td>One- and Two-Family Dwellings (Permits issued in 2021)</td>
<td>229</td>
<td>83%</td>
<td>77%</td>
</tr>
<tr>
<td>Multi-Family (Rec’d, Issued or Completed 2021)</td>
<td>85</td>
<td>12%</td>
<td>2%</td>
</tr>
<tr>
<td>New Commercial Buildings (Permits 2010-2020)</td>
<td>845</td>
<td>20%</td>
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</tbody>
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Executive Order 20-04 - Performance-based Directives

- Directs state agencies to take actions to reduce greenhouse gas emissions and consider climate change in agency planning.

State-wide goals:
- Reduction in greenhouse gas emissions:
  - 45% below 1990 levels by 2035
  - 80% below 1990 levels by 2050

Oregon Building Codes Division (BCD) Directive:

2030 Goal: 60% reduction in new building annual site consumption of energy, from the adopted 2006 Oregon codes.

Path:
- BCD will achieve steady progress toward that goal over the next code adoption cycles between now and 2030. The codes are updated on approx. 3-year cycles.
- BCD estimates that this will require:
  - 7-9% reduction each cycle for the residential energy code,
  - 10% reduction each cycle for the commercial code.
DEQ/EQC Directive:

“Cap and reduce” greenhouse gas emissions from three sectors including large stationary sources, transportation fuels, and liquid and gaseous fuels, including natural gas.

Path:

• Adopted rules to establish the Climate Protection Program, which includes:
  • Declining and enforceable limits, or caps, on greenhouse gas emissions from the use of fossil fuels.
    • 50% by 2035
    • 90% by 2050

Task Force on Resilient Efficient Buildings

• Established March 2022 with passage of SB 1518.
• Responsibilities include:
  • Identify and evaluate policies related to building codes and building decarbonization for new and existing buildings that would enable this state to meet the greenhouse gas emissions reduction goals set forth in ORS 468A.205.
    • 75% reduction from 1990 levels by 2050
  • make policy recommendations for legislation to legislative committees before the 2023 regular session
Second Motion from 11/17 Work Session

2) Direct City Manager to provide Council with a roadmap for how the City can achieve decarbonization of the existing commercial and residential building stock by 2045, with particular consideration for how low income and historically marginalized households will be impacted and included in this process. This roadmap must include strategies for decarbonization of rental housing stock. A draft of this roadmap shall be provided to Council before June 30, 2022.

Information from Good Company to be presented in Summer 2022

- Gathering building inventory data for the City’s existing building stock;
- Characterizing existing building stock by opportunities and needs;
- Researching best technical practices to determine opportunities and needs for energy efficiency and building envelope upgrades;
- Best practice research for:
  - integration of distributed renewable energy generation and energy storage;
  - equitable process and outcomes;
  - financial assistance for low-income residents and businesses;
  - working with regulatory obstacles;
  - phasing of implementation;
- Recommendations of how this will unfold and where the City can play a role;
- A final draft report with policy roadmap including a path from existing local context and gap fillers explained and mapped to get to best practice.
Questions and Discussion