



IDEAS Z2 Design Facility, San Jose (Credit: David Wakely)

# Natural Gas Prohibition Expansion

**San José City Council**  
**December 1, 2020**

*Presented by Kerrie Romanow, ESD Director*  
*Ken Davies, Climate Smart Deputy Director,*  
*Lisa Joiner, PBCE Interim Deputy Director*



# Why Expand the Ban on Natural Gas?

- Natural Gas:
  - Is primarily methane – a powerful GHG!
  - Produces harmful byproducts when combusted
  - Escapes from extraction and transmission facilities
- Timing is urgent:
  - The Climate Crisis is accelerating
  - Progress on Climate Smart and American Cities Climate Challenge goals

“There is a growing consensus that building electrification is the most viable and predictable path to zero-emission buildings.”

California Energy  
Commission

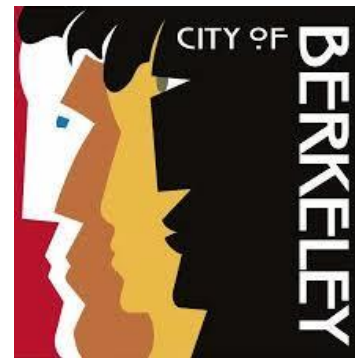
*2018 Integrated Energy Policy  
Report Update (Jan. 2019)*

# San José Electrification Reach Code & Natural Gas Ban

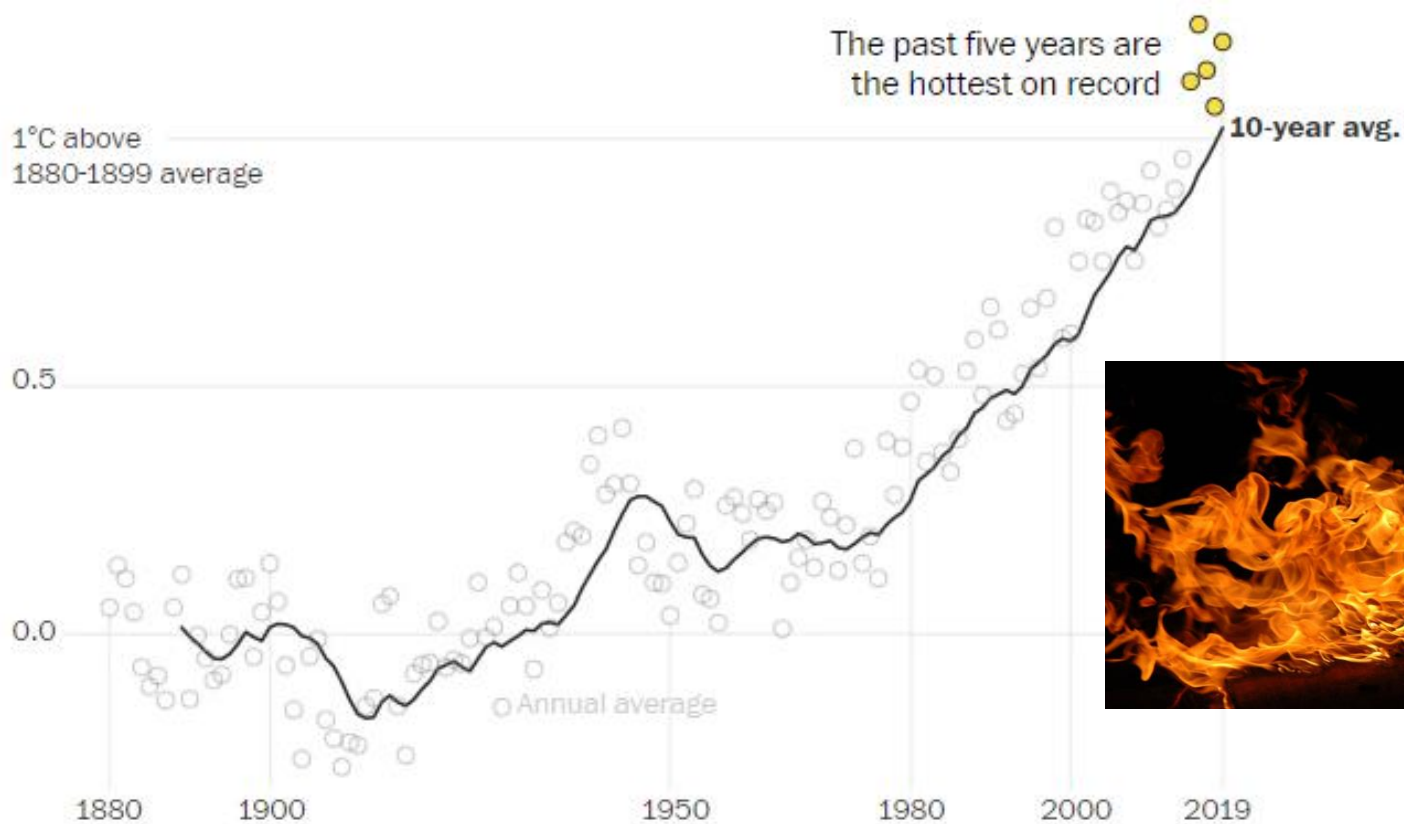
- Adopted September 17, 2019
- Natural Gas Prohibition
  - Adopted October 29, 2019
  - Applies to Single-Family, Detached ADUs, and Low-rise Residential buildings up to 3 stories
- Council Direction
  - Return to Council in 2020 with analysis on expanding the Gas Ban to all buildings (Today!)



# Regional All-Electric Efforts



# 2010s = Hottest Decade EVER!



Source: NASA's Goddard's Global Surface Temperature Analysis (GISTEMP)

# CLIMATE SMART SAN JOSE

A People-Centered Plan for a  
Low-Carbon City

How will the Gas Infrastructure Prohibition Ordinance help us reach our Climate Smart goals?

- All-electric homes: 47%
  - Zero net carbon (ZNC) homes: 37,975
  - ZNC commercial buildings: 70M sq. ft.
  - EVs: 61%
  - Solar: 668 MW
- Results in cost-effective, safer, and healthier buildings
  - Preempts future retrofitting costs
  - Pathway for significant emissions reductions



# Stakeholder Engagement Summary

- City reach code webpage
- Over 200 stakeholders and Neighborhood Associations included in outreach efforts
- Five stakeholder engagement workshops (July-Oct 2020)
- Multiple public presentations
- Many individual project meetings, as requested
- Industry expert help through ACCC



# Immediate Health & Safety Benefits





# Indoor Air Quality



# Financial Benefits

All-electric buildings are a low-cost construction option

Many are already being built in California...



Quetzal Gardens, San Jose



Santana Row, San Jose



Linda Vista, Mountain View



**200 Park**  
San Jose, CA  
937,000 SF Office  
Developer: Jay Paul  
Architect: Gensler

...and more  
are coming to  
San José!



**CityView**  
San Jose, CA  
3,800,000 SF Office  
Developer: Jay Paul  
Architect: Gensler  
MEP: PAE



## Affordable Housing

*“First Community Housing strongly supports the goals of the City in electrifying buildings as a way to mitigate climate change. The Roosevelt Apartments project was FCH’s first all-electric building and understanding the requirements of the City’s new Reach Code, special considerations for all-electric design, and how to navigate the CEC’s compliance software would not have been possible without the ready assistance of City staff, and the technical assistance made easy by Nick Young of AEA, the City’s partner through the American Cities Climate Challenge.”*

# Post-adoption Implementation Actions

- Provide trainings and resources for City staff and the public
- Work closely with projects permitted since January 1, 2020 (code interpretation and tech support – funded thru ACCC)
- Support expansion of CEC compliance options for centralized Heat Pump Water Heater systems
- Pursue funding opportunities to incentivize all-electric buildings, EVs, and EV Charging Infrastructure in San José
- Collect and report data on the reach code impact



## RECOMMENDATION (11/16/20)

Staff recommends that City Council approve a fourth exemption category to the proposed ordinance, so the exemptions are as follows:

1. Hospitals;
  2. Allow limited exemptions on or before December 31, 2022 for: (1) Food Service Establishments; and (2) Manufacturing and Industrial Facilities.
  3. Attached Accessory Dwelling Units;
  4. Limited hardship exemptions through December 31, 2022 for: a. establishments with Food Preparation Equipment and b. industrial and manufacturing facilities; and 4. Facilities with a Distributed Energy Resource that meets Section 94203 of Title 17 California Code of Regulation requirements and are necessary for the public health, safety or economic welfare in the event of an electric grid outage, until December 31, 2023, or until low or zero carbon fuels are commercially available for the supply pipeline. The Director will report to Council no later than December 31, 2023 on low and zero carbon fuel availability.
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## POLICY ALTERNATIVE (11/25/20)

Staff recommends that City Council consider the following alternative as a replacement for exemption number 4 in the November 16, 2020 Supplemental Memorandum:

4. Facilities with a Distributed Energy Resource that is necessary for the public health, safety, or economic welfare in the event of an electric grid outage, until December 31, 2024. The Director will report to Council no later than December 31, 2023 with analysis of the availability of fuel substitutes for natural gas and whether or not to transition section this to a Hardship Exemption, effective January 1, 2025.



[www.ClimateSmartSJ.org](http://www.ClimateSmartSJ.org)

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