



# Memorandum

**TO:** TRANSPORTATION AND  
ENVIRONMENT COMMITTEE

**FROM:** Kerrie Romanow

**SUBJECT: CLIMATE SMART SAN JOSE  
PLAN SEMI-ANNUAL UPDATE**

**DATE:** September 11, 2023

Approved

Date

9/22/23

## **RECOMMENDATION**

Accept this update on Climate Smart San José activities and recommend this item for full Council consideration at the October 24, 2023, City Council meeting.

## **SUMMARY AND OUTCOME**

The Climate Smart San José plan (“Climate Smart”) was approved by City Council in February 2018 and includes greenhouse gas (GHG) reduction goals and milestones that align with the 2016 Paris Agreement. In November 2021, City Council adopted a resolution to work towards communitywide carbon neutrality by 2030, accelerating the City’s Climate Smart goals. In June 2022, City Council approved the Pathway to Carbon Neutrality by 2030 to focus staffs’ efforts on four key strategies to accelerate movement toward the achievement of this new carbon neutrality goal: move to zero emission vehicles; reduce the miles we travel in our vehicles by at least 20 percent; switch our appliances from fossil fuels to electric; and power our community with 100 percent carbon-neutral electricity.

The City continues to seek out and employ cutting-edge and impactful tactics and programs to further Climate Smart and carbon neutrality by 2030 goals. This semi-annual Climate Smart update highlights the key activities completed, underway, and planned as of the March 2023 through August 2023 reporting period.

## **BACKGROUND**

In February 2018, City Council approved Climate Smart with specific goals and milestones to reduce communitywide GHG emissions in alignment with the 2016 Paris Agreement, designed to prevent global temperatures from rising by more than 2°C (or 3.6°F). Staff provides semi-annual updates on Climate Smart activities and produces communitywide and municipal (City government operations) GHG inventories in alternating years to measure GHG reduction

progress. Staff updates the City's publicly accessible Climate Smart Dashboard annually to track and report on progress towards achieving Climate Smart goals.

In November 2021, City Council adopted a resolution setting a communitywide carbon neutral by 2030 goal for San José. City Council approved the Pathway to Carbon Neutrality by 2030 in June 2022 to focus staffs' efforts on the following four key strategies to accelerate movement toward the achievement of this new carbon neutrality goal: move to zero emission vehicles; reduce the miles we travel in our vehicles by at least 20 percent; switch our appliances from fossil fuels to electric; and power our community with 100 percent carbon-neutral electricity. Staff is working on an administrative update of Climate Smart, which will include incorporation of the carbon neutrality by 2030 goal.

## **ANALYSIS**

City staff across multiple departments and in collaboration with various community partners have continued to make significant progress, as detailed below, on programs and policies supporting Climate Smart goals.

### **Climate Smart Core Resources and Activities**

#### ***Funding and Resources for Climate Smart Initiatives***

Climate Smart staff collaborate across City divisions and departments to track and pursue private, state, and federal funding opportunities to support Climate Smart initiatives. Table 1 (below) provides a summary of Climate Smart external resource acquisition in the reporting period and total for Fiscal Year (FY) 2022-2023.

***Table 1. Value of Acquired External Resources Supporting Climate Smart Goals***

	<b>Total Received in Reporting Period (Mar. – Aug. 2023)</b>	<b>Total Received in FY 2022-2023 (final)</b>
<b>Direct Funding</b>	\$4,424,274*	\$6,174,274**
<b>In-Kind Resources</b>	-	\$250,000
<b>Total</b>	<b>\$4,424,274*</b>	<b>\$6,424,274**</b>

\*Does not include \$1M in direct funding from Climate Pollution Reduction partner grant being led by Santa Clara County

\*\*Does not include an estimated \$56M in direct funding from One Bay Area Grant and Active Transportation Program awards received by the Department of Transportation for funding various transportation related initiatives including biking, walking, electric vehicles, and alternate modes of transportation.

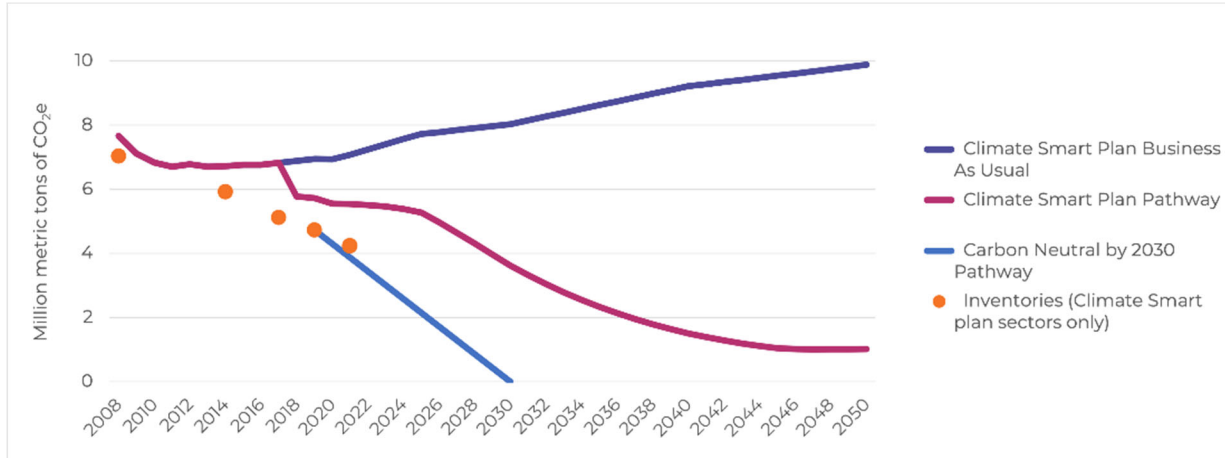
Total funding received in FY 2022-2023 and thus far in FY 2023-2024 includes support for the development of bikeways, bikeway and pedestrian improvement planning, an all-electric community resiliency hub, and a pilot to reduce commercial freight emissions, the latter two both focused on disadvantaged communities in San José. City staff applied for an additional \$5,650,900 in external funding in this reporting period, with award noticing pending, and is planning to submit applications for over \$25M in funding in the next reporting period. The

Climate Smart team is closely monitoring and preparing for external funding opportunities to support Climate Smart goals such as building electrification, energy efficiency, weatherization, electric vehicles (EVs) and EV charging infrastructure, transportation mode shifting, and microgrids. City staff also continues to leverage and promote available external resources, incentives, and programs that align with Climate Smart goals.

### ***Communitywide Greenhouse Gas Inventory***

In June 2023, staff completed the 2021 Inventory of Communitywide GHG Emissions and published a summary and full report on the Climate Smart Dashboard. In 2021, net communitywide GHG emissions were an estimated 4.9 million metric tons of carbon dioxide equivalent, a 10 percent reduction from the last Inventory of Communitywide GHG Emissions in 2019.

As in previous years, the majority of communitywide GHG emissions came from transportation (49 percent of total emissions) and energy use in buildings (33 percent of total emissions). San José's 2021 communitywide emissions are currently on track to meet the Climate Smart GHG emissions reduction goals but are slightly higher than those required to stay on the pathway to carbon neutrality by 2030. Figure 1 (below) provides a comparison between the Climate Smart GHG emissions reduction pathway, the pathway to carbon neutrality by 2030, and San José's GHG emissions reduction progress so far.



***Figure 1. Climate Smart GHG emissions reduction pathways and progress***

The GHG emissions reductions from 2019 to 2021 are encouraging but are likely partly due to temporary effects of the COVID-19 pandemic. In addition, further emissions reductions are likely to get more difficult over time, as easy changes are usually made first. While the City is on the right track with its GHG emissions reduction progress, there is still much work ahead.

### ***Climate Smart Dashboard***

In August 2023, staff completed the annual update of the Climate Smart Dashboard

(<https://www.sanjoseca.gov/your-government/departments-offices/environmental-services/climate-smart-san-jos/climate-smart-data-dashboard>). The dashboard now presents data through 2022 for all Climate Smart progress tracking metrics, except for those using data from the American Community Survey, which currently only provides data through 2021. San José is currently exceeding the ambitious goals set by Climate Smart for seven of the 19 metrics being tracked: local renewables (solar capacity installed citywide), renewable energy (percent of San José Clean Energy's base offering that is renewable), commercial space near transit, homes near transit, population density in growth areas, vehicle miles traveled, and total citywide water use.

### ***Climate Smart Plan Administrative Update***

Staff currently has funding for a limited-scope administrative update of Climate Smart. The update will: ensure alignment following the Envision San Jose 2040 General Plan four-year update; update the Climate Smart data model; incorporate the carbon neutrality goal; incorporate new Climate Smart elements; and make editorial adjustments. Staff issued a request for proposals that concluded in May 2023. In August 2023, staff executed a master services agreement with Raimi and Associates and expects to bring the update to City Council in 2024.

### ***Climate Advisory Commission***

In May 2023, City Council approved an ordinance amending the San José Municipal Code to establish the Climate Advisory Commission and merge it with the Clean Energy Community Advisory Commission effective January 1, 2024. Following the approved ordinance direction and City policy, the City Clerk will lead commission recruitment and bring recommendations to City Council in the fourth quarter of 2023. The Departments of Environmental Services, Transportation, Community Energy, and Planning, Building, and Code Enforcement will co-lead the commission, with the Environmental Services Department serving as the primary commission facilitator.

### ***Climate Smart Community Outreach and Engagement***

- **Climate Smart Champion Awards:** In April 2023, City Council recognized Climate Smart Champion Award recipients for outstanding efforts in 2022 that align with Climate Smart goals. Award categories included Champion of the Year, Energy, Mobility, Water, Youth, and Equity champions.
- **Equity-focused Co-creation with Community-Based Organizations:** Climate Smart initiatives are leading the effort to develop City policies and programs more equitably by using a co-creation approach working with community-based organizations representing historically marginalized communities. This approach is being utilized in the following Climate Smart projects:
  - **Zero Emissions Neighborhood Pilot** – Since summer 2022, Environmental Services Department staff has presented at six community meetings to gain feedback on the Zero Emissions Neighborhood Pilot project. City staff has continued to work with representatives of the McLoughlin Area Tenants Neighborhood Association, Santee Community Garden, Santee Elementary, Franklin McKinley Children's Initiative and staff at the Franklin McKinley

School District to scope potential urban greening projects. City staff is also collaborating with the North Santa Clara (formerly Guadalupe-Coyote) Resource Conservation District, which granted the City \$73,000 to implement urban greening measures in the pilot area. In May 2023, the North Santa Clara Resource Conservation District worked with the Climate Smart team to host a sustainable gardening workshop providing education and materials to members of the Santee Community Garden. Climate Smart staff also connected with Department of Transportation staff on an urban freight last mile delivery pilot in the Zero Emissions Neighborhood area to reduce emissions caused by freight. In April 2023, two of the Zero Emissions Neighborhood Pilot community partners, the McLoughlin Area Tenants Neighborhood Association and Project Hope, were awarded the “Climate Smart Equity Champion” award by the City of San José and recognized by the Mayor and City Council.

- **EVs and Shared E-Mobility Services** – Department of Transportation staff is working closely with residents and community based organizations in East San José, such as the Si Se Puede Collective, to co-develop and expand e-mobility programs and services including bike sharing and e-micro transit. The City and its partners are collaborating on educational events, and community conversations to inform residents about the benefits and opportunities presented by transportation electrification and to empower them to help shape that future in their communities. Based on those conversations, the City, its partners, and the communities have secured and will continue to seek grant funds to implement those programs and services as well as build the capacity of environmentally-focused community based organizations in East San José.
- **Climate Smart Challenge:** Environmental Services Department staff continues to promote the City’s Climate Smart Challenge platform, available at [www.climatesmartsjchallenge.org](http://www.climatesmartsjchallenge.org), which currently has 1,121 users. Participants have completed more than 3,700 climate actions that have resulted in \$89,571 saved, 292 tons of CO<sub>2</sub> reduced, and 373,054 gallons of water saved.
- **GoGreen Teams:** GoGreen Teams is a team-based community engagement pilot supported by Community Climate Solutions, the creators of the Climate Smart Challenge platform. Launched in 2022, the pilot empowers residents and students in San José to form teams with their colleagues and complete a series of five meetings to learn about and take action on climate solutions, including food and waste, home energy, transportation, water, and community action. The second phase of the program, which Environmental Services Department staff launched in spring 2023, consists of three campaigns: a community campaign led by local community based organizations, a City Hall campaign led by the Environmental Services Department, and a school campaign led by Community Climate Solutions. City staff has partnered with three community based organizations on the implementation of the community campaign: Guadalupe River Park Conservancy, San José State University Office of Sustainability, and Valley Verde. By

partnering with local organizations, staff hopes to have a wider reach in the community as well as gain insight on how to improve the program and make it more inclusive for all communities to participate. So far, over 60 community members and two San José schools have been engaged across all three campaigns. The second GoGreen Team pilot cohort will conclude in October 2023.

- **Building Electrification Webinars:** Environmental Services Department staff partnered with electrification expert Sean Armstrong of Redwood Energy to put on a series of five webinars on residential building electrification for the general public. Each webinar covered a dedicated topic related to existing building electrification, including multifamily and single-family electrification, avoiding panel upgrades, incentives and rebates, and a general question and answer session. The webinars were well attended with a combined 116 attendees and active attendee engagement throughout each webinar. Webinar recordings were posted to the Climate Smart trainings webpage in English, along with instructions for turning on closed captions in Spanish and Vietnamese.
- **Social Media:** City staff deployed social media campaigns and shared 21 posts on the Environmental Services Department's and San José Clean Energy's Facebook, Instagram, and LinkedIn platforms to highlight program initiatives. City staff also posted four NextDoor ads.

### **Climate Smart Program and Policy Updates**

Below are Climate Smart program and policy highlights from March through August 2023 reporting period, grouped within the four key strategies in the Pathway to Carbon Neutrality by 2030.

#### **Power Our Community with 100 percent Carbon-neutral Electricity**

##### ***San José Clean Energy***

In full operation since February 2019, San José Clean Energy (SJCE) now serves about 350,000 customers. For 2023, SJCE's default GreenSource service is 60 percent renewable and 95 percent carbon-free, and its TotalGreen service is 100 percent renewable. Nearly 2,000 residential and commercial customers have upgraded to TotalGreen. SJCE maintains a 97 percent participation rate, which means only 3 percent of customers have opted out of SJCE to receive full service from PG&E.

In addition, SJCE automatically enrolls customers with low incomes who qualify for the state's California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs into its SJ Cares program. The SJ Cares program discount increased from 5 percent to 10 percent in January 2023 and is combined with CARE and FERA discounts for significant savings. SJ Cares customers pay the lowest rates in San José.

Since its launch in February 2019, SJCE has committed over \$2 billion towards more than 600 megawatts of new renewable energy and storage resources, including wind, solar, geothermal, solar plus storage, and long-duration storage. SJCE has contracted for these resources at cost-effective prices through long-term power purchase agreements, helping it provide competitive, stable rates. In October 2022, City Council approved SJCE's 2022 Integrated Resource Plan<sup>1</sup> which outlines how SJCE will meet state regulatory requirements for renewable energy and reliability. Through this process, SJCE also modeled a power portfolio that achieves San José's goal of being carbon neutral by 2030. This model will be used as a guide for SJCE's ongoing resource procurement to meet that goal.

### ***Peak Rewards Demand Response Program***

In May 2023, SJCE launched Peak Rewards, a demand response program for businesses. Demand response programs compensate participants for reducing their energy usage during energy-saving events, which include grid emergencies when overall electricity demand is projected to be greater than available supply. These programs are a cost-effective way to meet demand while improving grid resiliency, reducing GHG emissions, and helping avert rolling blackouts. SJCE has enrolled nine businesses and called five energy-saving 'Peak Events' events as of August 31, 2023. Peak Events are triggered by temperature, projected electricity market prices, and/or state predictions for grid emergencies. SJCE plans to apply lessons learned during summer 2023 as it designs expanded demand response programs to include residents, smart technology such as smart thermostats, battery energy storage, and EV chargers.

### **Switch Our Appliances from Fossil Fuels to Electric**

#### ***Building Electrification Upgrade Accelerator Program***

In November 2022, Environmental Services Department staff executed a master services agreement with BlocPower LLC for implementation of the City's residential building electrification upgrade and workforce development accelerator program. The program will provide a comprehensive service to residential building owners throughout San José who would like assistance electrifying their building, including building assessments, contractor connections, access to available incentives, and project implementation. The program will also collaborate with local job training partners to support high-quality training for electric heat pump installers and home upgrade technicians. The program targets 250 residential buildings for electrification and 50 individuals trained by 2025. In this reporting period, City staff worked with BlocPower to complete the following: 1) created the BlocMaps tool to provide building data insights; 2) initiated a Community Advisory Board of 15 organizations to inform program design and marketing; 3) developed a request for information, expected to be released in the next reporting period, to identify local contractors to participate in the program; and 4) developed a draft program design. In April 2023, staff launched a webpage informing residents of the upcoming program and expects to launch the program in the next reporting cycle.

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<sup>1</sup> City Council Memorandum October 25, 2022, San José Clean Energy 2022 Integrated Resource Plan  
<https://www.sanjoseca.gov/home/showpublisheddocument/90657/638017053102130000>



### ***Building Electrification Webpages***

In June 2023, SJCE launched new educational webpages on electric appliances, including heat pump water heaters, heat pump heating, ventilation, and air conditioning (HVAC) systems, and electric cooktops. The webpages include appliance and installation costs, incentives, permit information, bill impacts, benefits, and how to find an experienced contractor. The webpages are located at [www.SanJoseCleanEnergy.org/electric-homes](http://www.SanJoseCleanEnergy.org/electric-homes). These webpages will continue to integrate community feedback and add additional resources as they are identified.

### ***Energy Efficiency Programs***

In September 2022, SJCE launched two energy efficiency programs, the Home Appliance Savings Program and Energy Efficient Business Program, which are funded at a combined total of \$5.6 million by the California Public Utilities Commission-administered Public Purpose Program charges. The programs will run through the end of 2024 and are estimated to result in 2,800 megawatt-hours of annual savings over the lifetimes of the energy-saving equipment – equal to the annual energy usage of about 560 homes.

The San José Home Appliance Savings Program<sup>2</sup> provides discounts ranging between 50 and 70 percent on energy-efficient electric appliances and free smart thermostats for moderate-income single-family households and single-family households located in disadvantaged communities (as defined by the State). As of August 31, 2023, 150 appliance redemption codes have been requested and 32 of these have been redeemed by customers at Airport Home Appliance, resulting in 15 clothes dryers, 19 clothes washers, and eight energy-efficient refrigerator purchases. The San José Energy Efficient Business Program<sup>3</sup> provides technical assistance and 80 to 90 percent discounts for HVAC, water heating, and refrigeration systems and components for small- and medium-sized businesses and schools. As of August 31, 2023, the program has served over 313 businesses and is in the process of serving an additional 50-100 businesses.

### ***Building Electrification Workforce Development***

Given the understanding that workforce development will be necessary to support the City's building electrification goals, Environmental Services Department staff completed the following in the reporting period:

1. Began attending High Road Training Partnership member meetings to learn and discuss workforce development opportunities with cities across the Bay Area;
2. Promoted the High Road Training Partnership's *How to be a Successful High Road Contractor Workshop* to local contractors and the California Housing Partnership's *Affordable Housing Electrification Training Series* to local developers; and
3. Developed a contractor list, outreach plan and a survey, expected to be launched in the next reporting cycle, to understand the most effective outreach strategy to engage local contractors in electrification opportunities and skill development.

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<sup>2</sup> [San José Home Appliance Savings Program webpage](#) (also available in [Spanish](#) and [Vietnamese](#))

<sup>3</sup> [San José Energy Efficient Business Program webpage](#) (also available in [Spanish](#) and [Vietnamese](#))



Staff will continue to coordinate with local, regional, and statewide organizations to leverage existing programs and will be initiating additional workforce development efforts, to be determined with stakeholder input, as part of its work with BlocPower.

### ***Energy & Water Building Performance Ordinance***

The Energy & Water Building Performance Ordinance (“Building Performance Ordinance”) requires owners of nonresidential and multifamily buildings, 20,000 square feet or larger, to annually track their energy and water use with the Environmental Protection Agency’s platform ENERGY STAR Portfolio Manager® and share that information with the City. There are roughly 2,100 San José buildings covered by the Building Performance Ordinance. As of early August 2023, about 75 percent of covered buildings are compliant for the 2023 compliance season. This is the highest compliance rate the program has seen so far, surpassing 69 percent compliance in 2022. The record compliance numbers can partially be attributed to the Environmental Services Department staff’s implementation of more mass email communication and proactive outreach. City staff expects this compliance number to continue increasing as building owners with 180-day extensions (November 1st) start submitting their reports.

Starting in 2023, the Building Performance Ordinance began its final phase of implementation, Beyond Benchmarking. Beyond Benchmarking requires covered buildings to meet energy and water efficiency standards on a five-year rolling basis. If a building is not able to meet these standards, the owner can perform an energy audit, retrocommissioning, or targeted efficiency upgrades to improve performance. The first cohort of 250 buildings was required to comply with Beyond Benchmarking in May 2023. Environmental Services Department staff developed customer resources, including web-based resources and a four-part informational webinar series. As of early August 2023, compliance for Beyond Benchmarking is at about 55 percent. City staff will continue to reach out to non-compliant building owners and expect to see an increase in compliance by the end of the calendar year. The 2024 Beyond Benchmarking cohort will include approximately 500 buildings.

### **Reduce the Miles We Travel in our Vehicles by at least 20 Percent**

#### ***Transportation Demand Management and Parking Ordinance and Policy Update***

The City reevaluated its car parking and transportation demand management policies to advance Climate Smart and Envision San José 2040 General Plan transportation and land use goals. In December 2022, City Council adopted and updated Title 20 (the Zoning Ordinance) of San Jose’s Municipal Code to remove mandatory minimum parking requirements based on the project size and use. In conjunction, the ordinance expanded transportation demand management project requirements to encourage new and existing residents to shift trips from single-occupancy vehicles to alternatives such as transit, biking, and walking. These transportation demand management requirements can be fulfilled with infrastructure (such as building or expanding bicycle and pedestrian facilities) or programs such as providing transit passes or bike share memberships to tenants. The updated ordinance became effective on April 10, 2023.

### ***Better Bike Plan 2025***

In FY 2022-2023, Department of Transportation staff secured over \$45 million in grant funding to advance Bike Plan projects and added a total of 34 miles of bikeways to the City's network, including 3.9 miles of Class 4 (protected), 13 miles of Class 2, and 17 miles of Class 3 bikeways. In the next two years, City staff will continue to seek funding to advance the buildout of the 550-mile, low-stress, all-ages-and-abilities, on-street bike network, which still requires the buildout of new bikeways and additional critical improvements to the existing network. These bikeway improvements have an estimated total cost of \$370 million, per the 2020 estimates.

### ***Bike Share Service Expansion***

Department of Transportation staff is working closely with the Bike Share operator Lyft to expand services to communities that do not have easy access to the Bike Share program. In August 2023, City staff submitted a \$1.5 million grant application to the Clean Mobility Options program to expand Bikeshare services into the Mayfair Neighborhood.

### ***Micro-Mobility Hubs on San Fernando Street***

In July 2023, the City received a \$1.5 million grant award from the Metropolitan Transportation Commission's Mobility Hub Program to develop two micro-mobility hubs between 2<sup>nd</sup> Street and 7<sup>th</sup> Street on San Fernando Street, which is currently being re-designed to better accommodate bike, pedestrian, and transit users. The proposed micro-mobility hubs will be installed once the San Fernando project is completed and will further improve the services available to pedestrians and people that travel by transit, bike, or scooter.

## **Move to Zero Emission Vehicles**

### ***Direct Current Fast Charging Hubs Pilot***

On November 15, 2022, City Council approved SJCE's direct current fast charging hubs pilot, which will result in one to three hubs being installed in low-income or disadvantaged<sup>4</sup> communities in San José in FY 2023-2024 or FY 2024-2025 to increase access to affordable and reliable EV charging. Each hub will contain parking spaces and chargers to accommodate at least 10 EVs and run for 10 years. SJCE will control variable retail pricing to encourage middle-of-the-day charging. City staff is working with the City Attorney's Office and departments to evaluate sites. Staff plans to rebid the project in the coming months to receive more offers.

### ***California Electric Vehicle Infrastructure Project***

The California Electric Vehicle Infrastructure Project (CALeVIP) is a \$14 million rebate program for Level 2 and Direct Current Fast Charging infrastructure co-funded by SJCE and the California Energy Commission. CALeVIP launched in December 2020. The Center for Sustainable Energy, which is administering the program, continued to review the applications and some projects have begun receiving incentives. As of August 31, 2023, 140 Level 2 and 24 Direct Current Fast Chargers funded by the program are operational. In Q2 2023, the Center for

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<sup>4</sup> Disadvantaged communities are defined by the state of California as the top 25% of census tracts by pollution burden. [Map of disadvantaged communities as designated by the California Environmental Protection Agency and California Public Utilities Commission.](#)

Sustainable Energy, which administers CALeVIP, announced that the program would enter the final phase and June 30, 2023 would be the last day to submit applications. In preparation for this date, SJCE undertook a ‘last call’ marketing campaign that resulted in approximately one dozen additional applications being submitted. These applications and any other projects in the pipeline will have approximately 15 months to complete installation and still be eligible for incentives through CALeVIP. The program is expected to conclude in Q4 2025, at which point any unspent funds committed by the City would be returned to the City. Unspent funds committed by the California Energy Commission will be re-allocated to other state programs. Staff is exploring offering technical assistance to new applicants to increase the number of applications that result in completed projects.

### ***Electric Vehicle Education Pilot***

SJCE is focused on increasing EV vehicle adoption in San José, especially among residents with lower incomes and those who face the highest barriers to adoption. From March through June 2023, SJCE conducted outreach and engaged residents in East San José through neighborhood groups, schools, and community organizations. As part of these efforts, SJCE supported a “community dinner” wherein dozens of residents enjoyed a meal together before learning about how e-mobility solutions can help them take air quality into their own hands. Attendees also received information about rebates and incentives for purchasing or leasing an EV.

In July, SJCE published a blog, “I Just Bought an EV and Here’s What I Learned,” and participated in an “EV 101” webinar where residents could learn all about EV basics. The blog is available at [www.SanJoseCleanEnergy.org/new-ev-owner](http://www.SanJoseCleanEnergy.org/new-ev-owner). SJCE also sponsored and promoted Silicon Valley Clean Cities’ annual Ride-and-Drive event for a third time in August 2023.

### ***Building Reach Code Update***

Every three years, the California Energy Commission updates its Building Energy Efficiency Standards (Efficiency Standards) and, subsequently, the City must readopt its building reach codes every three-year code cycle for the requirements to remain in effect. In October 2022, City Council adopted the new 2022 Efficiency Standards along with amendments to the State’s California Green Building Standards Code to increase EV charging requirements effective January 1, 2023. When the City amends Efficiency Standards, it must show that the amendments are cost effective. However, when City Council considered the update in October 2022, the cost-effectiveness studies for the Efficiency Standards for new single-family, multifamily, and non-residential developments were not final. The studies are now available so Environmental Services Department and Planning, Building, and Code Enforcement staff will bring the remaining solar photovoltaic, energy efficiency, and electrification-ready reach code components to City Council for consideration at its September 12, 2023, meeting.

In April 2022, City Council also directed Environmental Services Department staff to analyze a change to the City’s reach code - expanding EV charging infrastructure in new multifamily developments to 95 percent EV Ready (with a charging outlet) and 5 percent with EV service equipment (with a charging station). In December 2022, staff presented the cost analysis and stakeholder engagement results to the Transportation and Environment Committee. Per

Committee direction, staff planned to return to Council in March 2023, but this item was deferred to allow for additional analysis and stakeholder engagement. City staff expects to present a recommendation to City Council at its November 14, 2023, meeting.

### **Looking Ahead**

City staff plans to complete the following items in the next reporting period (September 2023 – February 2024):

- Launch the residential building electrification and workforce development accelerator program;
- Launch SJCE's EV shopping tool, an online multilingual website for comparing lifetime costs and emissions for EVs versus gas-powered cars and finding incentives and nearby chargers;
- Host informational webinars and clinics about EVs and available EV incentives;
- Adopt administrative regulations for one-way vehicle sharing services;
- Develop a preliminary EV charging infrastructure strategic plan;
- Improve and expand the City's employee transportation program;
- Release request for proposals for phase two of the Move San José Decision Support System;
- Expand Bay Wheels bike sharing to East San José via a Clean Mobility Options grant;
- Complete implementation of urban greening projects in the Santee neighborhood of San José under the Zero Emissions Neighborhood Pilot; and
- Finalize the new Climate Smart Zero Waste Element.

Staff also expects to bring the following Climate Smart items to City Council:

- Building reach code update for EV charging in new multifamily buildings (November 14, 2023)
- Building Electrification Special Session (December 11, 2023)
- Climate Advisory Commission (November/ December 2023)
- Climate Smart Zero Waste Element (February 2024)
- Climate Smart Administrative Update (2024)
- Overstay fee to increase utilization of the City's downtown EV chargers by encouraging EV drivers to move their vehicle when they are finished charging (2024)

### ***Racial Equity Impact Analysis***

Historically marginalized communities of San José are already experiencing and are more likely to be burdened by the impacts of climate change while also being the least able to, due to financial and other constraints, take advantage of climate initiatives which can bring significant health and financial benefits with them.

Many Climate Smart initiatives are leading the effort in developing City policies and programs more equitably by using a co-creation approach. City staff is working with community based organizations representing historically marginalized communities to cocreate several Climate Smart initiatives, including the Zero Emissions Neighborhood Pilot and the City's EV and shared e-mobility services. The building electrification accelerator program is also planning to include significant input on its program design and outreach through its Community Advisory Board. These efforts will ensure that the City helps to make Climate Smart initiatives accessible for all San José residents.

### ***Climate Smart San José Analysis***

Climate Smart initiatives detailed in this memorandum are helping to advance several goals under Climate Smart San José, by facilitating:

- the reduction of energy or water use consumption, or increases in demand for renewable energy,
- the energy and water efficiency of homes and commercial buildings, and
- the choice of mobility choices other than single-occupancy, gas-powered vehicles.

## **EVALUATION AND FOLLOW-UP**

Staff will provide progress updates to the Transportation and Environment Committee and City Council on Climate Smart San José activities on a semi-annual basis.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Departments of Community Energy, Planning, Building and Code Enforcement and Transportation.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the October 2, 2023, Transportation and Environment Committee meeting.

## **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

**CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

**PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/  
KERRIE ROMANOW  
Director, Environmental Services

For questions, please contact Julie Benabente, Deputy Director, Environmental Services at [Julie.Benabente@sanjoseca.gov](mailto:Julie.Benabente@sanjoseca.gov) or (408) 975-2537.