



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Sergio Jimenez
Councilmember Raul Perez

SUBJECT: CLIMATE SMART UPDATE **DATE:** EARTH DAY 2022

Approved

Date

RECOMMENDATION

Accept the Climate Smart San José update with the additional direction to Staff:

1. Return to Council with a financial feasibility analysis of deploying pilot public fast-charging hubs for electric vehicles (EVs) in FY22-23 located at City-owned parking lots, wherein SJCE will control variable retail pricing to encourage mid-day charging. Siting decisions for any project(s) must include community engagement and consultation.
2. As a follow-up to the RFI for climate partnerships that will be issued in Q2, direct staff to return to Council no later than September with recommendations for Climate Smart partnerships focused on building electrification and workforce development opportunities that will accelerate building electrification retrofits. Efforts should focus on appliances, technologies, and platforms that accelerate electrification in low-income residential to reduce utility costs and gas-related hazards to low-income residents.
3. 2022 Reach Code Update
 - a. *Electric Vehicles:* New state mandates for the phase-out of gas-powered vehicles by 2035, reconsider our approach to building for an EV-filled future. Return before the end of this calendar year, after extensive engagement with multi-family housing builders, SV@Home, and the affordable housing community, with an estimate of the marginal per-unit cost of expanding EV Ready parking requirements in new construction to include 5% EVSE (with an actual charger)

and 95% EV Ready (with electric infrastructure short of charger) charging for every new MFH unit with parking.

- b. *Appliance Replacement*: In an effort to accelerate decarbonization of our existing buildings, conduct research and stakeholder engagement, including with mobile home parks, on the prospect of including a “Replace-on-Burnout Ordinance” in the current reach code update, with the accompanying provision of rebates and other incentives to support supplanting gas with electric appliances. Return in the fall with findings.
4. Coordinate with Mayor and Council Offices to promote available low-income programs, rebates, and incentives to residents and businesses to accelerate community-wide climate action and equity goals – with a priority given to:
 - a. filling the remaining 200 available slots for the SJCE Solar Access program, and
 - b. the CPUC-funded energy efficiency programs.

The City Manager’s Office is directed to return with an MBA in the budget process to advance the above recommendations.

Background

The City of San José has emerged as a national climate action leader. San José has become first in the nation for public charging stations per capita, and among major cities, we have the highest market penetration of EV’s in the nation. According to the most recent data, San José ranks fourth in solar deployment per capita, ninth in Energy Efficiency, is the largest city to prohibit natural gas, and ranks first out of the ten largest cities in the US in carbon free energy mix, with 95% of San José’s energy coming from carbon-free sources and 60% coming from renewable sources. All of these accomplishments have resulted in numerous awards for Climate Smart San Jose including the SPUR Impact Award, LEED for Cities Platinum Certification, Sustainability Innovation Award from Oracle, a Bloomberg American Cities Challenge grantee, and more. These achievements and accolades serve as a testament to the successful implementation of the Climate Smart program as well as the hard work and vision of city staff – and our residents and businesses. In the face of a rapidly warming planet, there is more work to do.

California will prohibit the sale of new gas-powered vehicles by 2035, yet already some places are in danger of being left behind, perpetuating historical disparities. In San José, we have 1,494 Level 2, 204 fast chargers, and one Level 1 charger, and the need is greater – with the *Electric Mobility Roadmap* projecting the need in San Jose at 3,943 Level 2 chargers and 147 fast chargers. The California EV Infrastructure Project (CALeVIP) will distribute \$16.4M in funding for Level 2 and fast charger installations through 2023 which will certainly help, but piloting charging hubs in underserved areas will provide an opportunity for low-income residents - often living in a multi-family setting where charging infrastructure is more difficult to access –to realize the benefits of EV ownership.

The California building code is revised every 3 years and updated every 18 months. This update also offers a prime opportunity to support San José's equity, climate and clean air goals — implementing an expanded EV reach code will help to level the playing field, bringing the health, environmental, and financial benefits of EV adoption to all San Joséans. Widespread EV adoption is essential for meeting California's climate and public health goals. Efforts by condo and apartment dwellers to get their multi-unit dwellings retrofitted for EV charging have historically met virtually insurmountable obstacles. Providing EV access for all up-front in new construction is, simply put, the most cost-effective path we can take on behalf of our residents. We need to understand the marginal increase in construction costs to housing for a stronger EV charging infrastructure requirement, and move forward where feasible.

The reach code update also provides an opportunity to begin a community conversation on the replacement of gas appliances at the end of their useful life. Research from the Lawrence Berkeley National Laboratory and Stanford University demonstrates that when natural gas is burned without proper ventilation, gas cooking can generate levels of CO and NO₂ inside of homes that exceed air quality standards, with smaller residences and those without range hoods at an even heightened risk of experiencing unhealthy indoor air quality during cooking. One of the most natural intervention points for electrification of appliances is the purchase of an efficient and electric appliance to replace old units at "end of life." While we are not advocating for mandates at this time, we do recognize the fact that people typically will not go very long without a water heater, AC, heater, etc., and reaching that consumer within the small window between appliance burnout and replacement can be difficult. Considerable community outreach needs to occur to promote the health benefits, energy savings (cost benefits), as well as education around rebates and incentives.

Climate action takes a big tent with a lot of committed residents, businesses, labor, non-profits, and energized city staff in it. Organizations like Open Space Authority, Mothers out Front, Fossil Free Bay Area, Natural Resources Defense Council, the Silicon Valley Bicycle Coalition and many others are leading the way. Silicon Valley companies like Sunpower and Chargepoint are remaking the energy landscape in San José -- and cities across the world, and our residents and businesses are adopting climate solutions at a nationally leading pace. On this Earth Day 2022, we thank all partners for their commitment to a more sustainable, and climate smart and resilient San José.

Brown Act Disclaimer

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