


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Environmental Services	<b>Date:</b> 6/11/18	<b>Coordination:</b> CMO, CAO, Community Energy	<b>Dept. Approval:</b> /s/ Kerrie Romanow
			<b>CMO Approval:</b> 

**SUBJECT:** AB 3232 (Friedman) Zero-emissions buildings and sources of heat energy.  
 SB 1477 (Stern) Low-emissions buildings and sources of heat energy.

**RECOMMENDED POSITIONS:** SUPPORT

**RECOMMENDED ACTIONS:**

1. Adopt a position of support for AB 3232 (Friedman) and SB 1477 (Stern).
2. Recommend a one-week turnaround to the June 26, 2018 City Council Meeting so that the City's legislative representative can advocate the City's support for AB 3232 and SB 1477.

**BILLS SYNOPSIS:**

AB 3232 would require the California Energy Commission (CEC) by January 1, 2021 to assess the potential for California to reduce greenhouse gas (GHG) emissions from the state's residential and commercial building stock by at least 40% below 1990 levels by January 2030. The bill would require the CEC to include in the 2021 edition of the integrated energy policy report, and all subsequent integrated energy policy reports, a report on GHG emissions associated with the supply of energy to residential and commercial buildings. Bill language: [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180AB3232](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB3232)

SB 1477 would require the CEC in consultation with the California Public Utilities Commission (CPUC) to develop and administer an Incentives for New Low-Emissions Technology program to provide incentives to owners and developers of new residential or new commercial buildings and new buildings in a disadvantaged or low-income community for the deployment of near-zero-emission building technologies to significantly reduce GHG emissions from buildings. In identifying and targeting these technologies, the CEC shall give consideration to technologies that improve the health and safety of, and energy affordability to, low-income households. Bill language: [https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB1477](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB1477)

**IMPACTS TO CITY OF SAN JOSE:**

Both AB 3232 and SB 1477 align with the Climate Smart San José Plan's electrification strategies to make homes efficient and affordable for our residents and improve our commercial building stock. These bills support the City's goals of achieving 37,975 zero net energy (ZNE) homes, 47 percent of homes that are all-electric, and 70 million square feet of ZNE commercial buildings by 2030.

AB 3232 would require the CEC to identify cost-effective options and policies to transform the existing residential, commercial, and public building stock into high performing and energy-efficient buildings. By doing so, this has the potential to accelerate building electrification, resulting in decreased reliance on fossil fuels and reduced GHG emissions.

SB 1477 would help achieve the objectives of AB 3232 by providing incentives to San José residents and commercial building owners and developers to adopt emerging near-zero-emission space and water heating technologies. These clean heating technologies have the potential to reduce utility bills and GHG emissions.

**POLICY ALIGNMENT:**

AB 3232 and SB 1477 align with the City's Legislative Guiding Principle to promote sustainable development, and environmental protection.

**SUPPORTERS/OPPONENTS:**

**AB 3232**

**Support**

American Institute of Architects  
California Council American Lung Association in California  
Arkin Tilt Architects Association for Energy Accountability  
California Efficiency and Demand Management Council  
Carbon Free Palo Alto  
Carbon Fee Silicon Valley  
Center for Built Environment, UC Berkeley  
County of Marin  
AVEnues, LLC  
Earthjustice Efficiency First California  
Esherick Homsey Dodge and Davis  
Essential Habitat Architecture  
Integral Group  
Interface Engineering, Inc.  
Menlo Spark  
Natural Resources Defense Council  
Point Energy Innovations  
Bay Area Physicians for Social Responsibility  
Siegel & Strain Architects  
Sierra Club California  
TEECOM  
TLCD Architecture  
Union of Concerned Scientists  
WRNS Studio

**Opposition**

BOMA California  
California Apartment Association  
California Building Industry Association  
California Business Properties Association  
Congress of California Seniors  
International Council of Shopping Centers  
NAIOP California  
NFIB  
San Gabriel Valley Economic Partnership

**SB 1477****Support**

Natural Resources Defense Council (sponsor)

Adobe

Ben & Jerry's

California Building Industry Association

California Efficiency and Demand Management Council

California Municipal Utilities Association

Clif Bar

eBay Inc.

JLL

Sacramento Municipal Utility District

Sierra Nevada Brewing Company

Symantec

Unilever

**Opposition**

None Received

**STATUS OF BILLS:**

AB 3232 is in the Senate Rules Committee, awaiting committee assignment.

SB 1477 will be heard in the Assembly Natural Resources Committee on June 18, 2018.

**FOR QUESTIONS CONTACT:** Ken Davies, Sustainability and Compliance Manager at 408-975-2587.