

# Municipal Building Sector Natural Gas Limitations in the United States

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# Introduction

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Client: Public Service Commission of the District of Columbia

## Primary Research Question

- What municipal limitations on residential and commercial natural gas have been enacted or proposed in the US and what similarities or differences exist between the proposals that have been pursued?

## Secondary Research Questions

- What is the current landscape of natural gas distribution infrastructure limitation policies in the United States?
- For policies of interest for the case study, what impacted legislative and regulatory proceedings of the proposals?

## Methodology

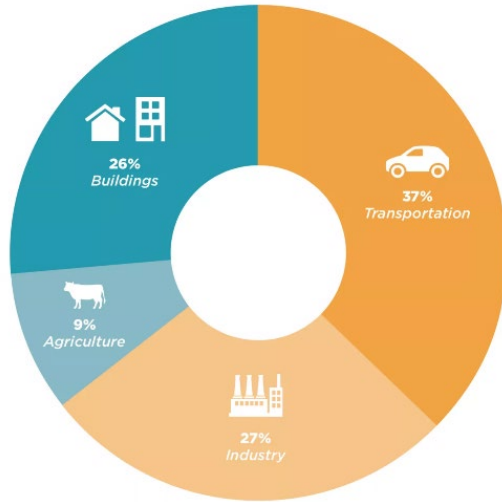
- Policy analysis
- Stakeholder Interviews
- Selection of case study cities for in-depth review

# Outline

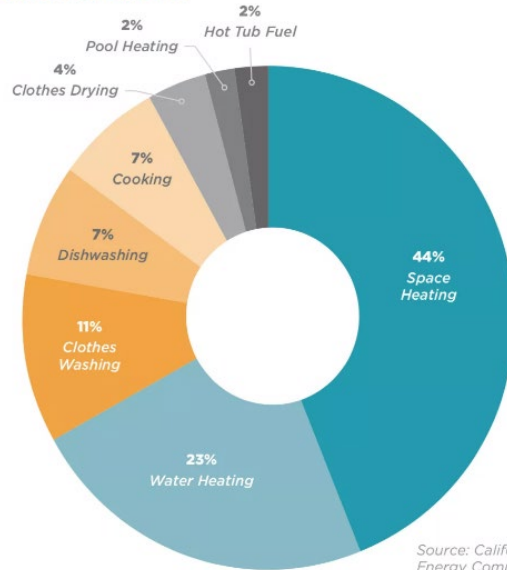
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- Case Study Discussion
  - California
    - Berkeley
    - San Jose
    - Davis
  - Massachusetts
    - Brookline
  - Washington
    - Seattle
- Analysis
- Outlook

CALIFORNIA END USE GREENHOUSE GAS EMISSIONS<sup>1</sup>



SHARES OF RESIDENTIAL GAS USE BY END USE



Source: California Energy Commission

# California Regulatory Overview

- California Building Energy Efficiency Standards for Residential and Nonresidential Buildings under Title 24, Part 6 of the California Code of Regulations.
  - Lead Agency: California Energy Commission (CEC)
- Municipalities are encouraged to pursue and enact local ordinances that are more stringent than state requirements, known as "reach codes"
- To date, 30 cities in California representing 10% of state's populations in California have enacted a reach code
- Nine California reach codes approved by the CEC and currently in force prohibit natural gas infrastructure in certain building applications

Source: California Energy Commission (2017)

# Berkeley, California Case Study

## Political Landscape

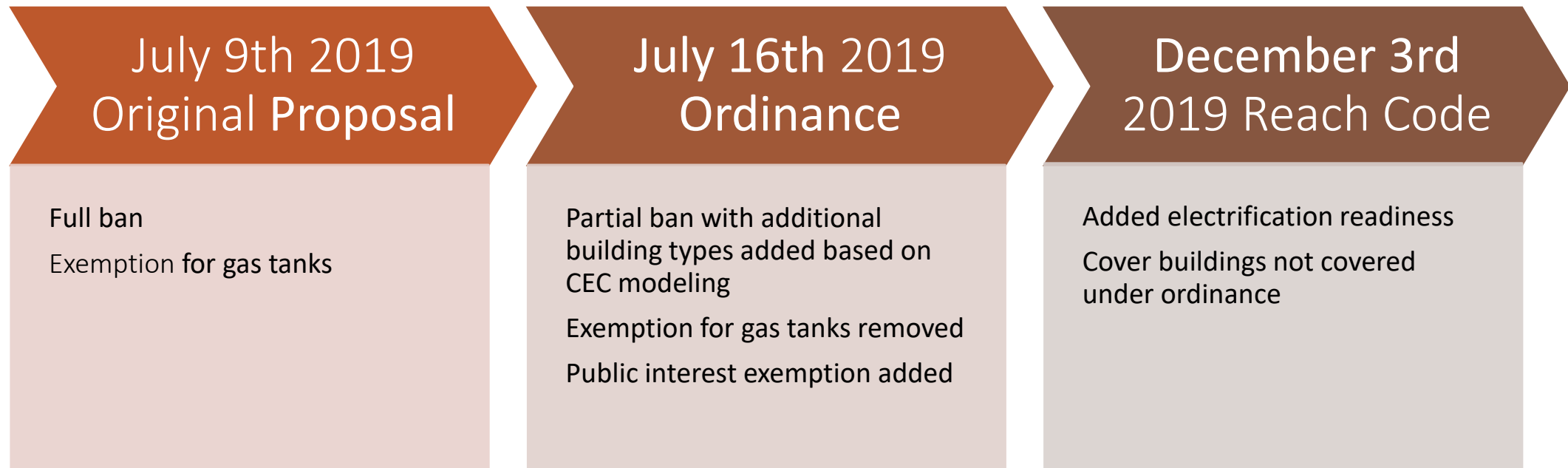
- First in the nation natural gas ban
- Berkeley Climate Action Plan
- Climate emergency and fossil fuel-free declaration
- Natural gas 27% of city GHG emissions and 73% of building sector emissions

## Policy Summary

- Ordinance July 16, 2019
  - Bans natural gas hookups in residential construction
  - Commercial ban applies to building types deemed by CEC as suitable for electrification and shown to be cost effective
  - Planning staff
- Supplemental reach code Dec 3, 2019
  - All-electric or mixed fuel construction that is electrification ready
  - Applies to building types not yet modeled by CEC and buildings that gain exemptions from the ban

# Berkeley Ordinance & Reach Code Development Process

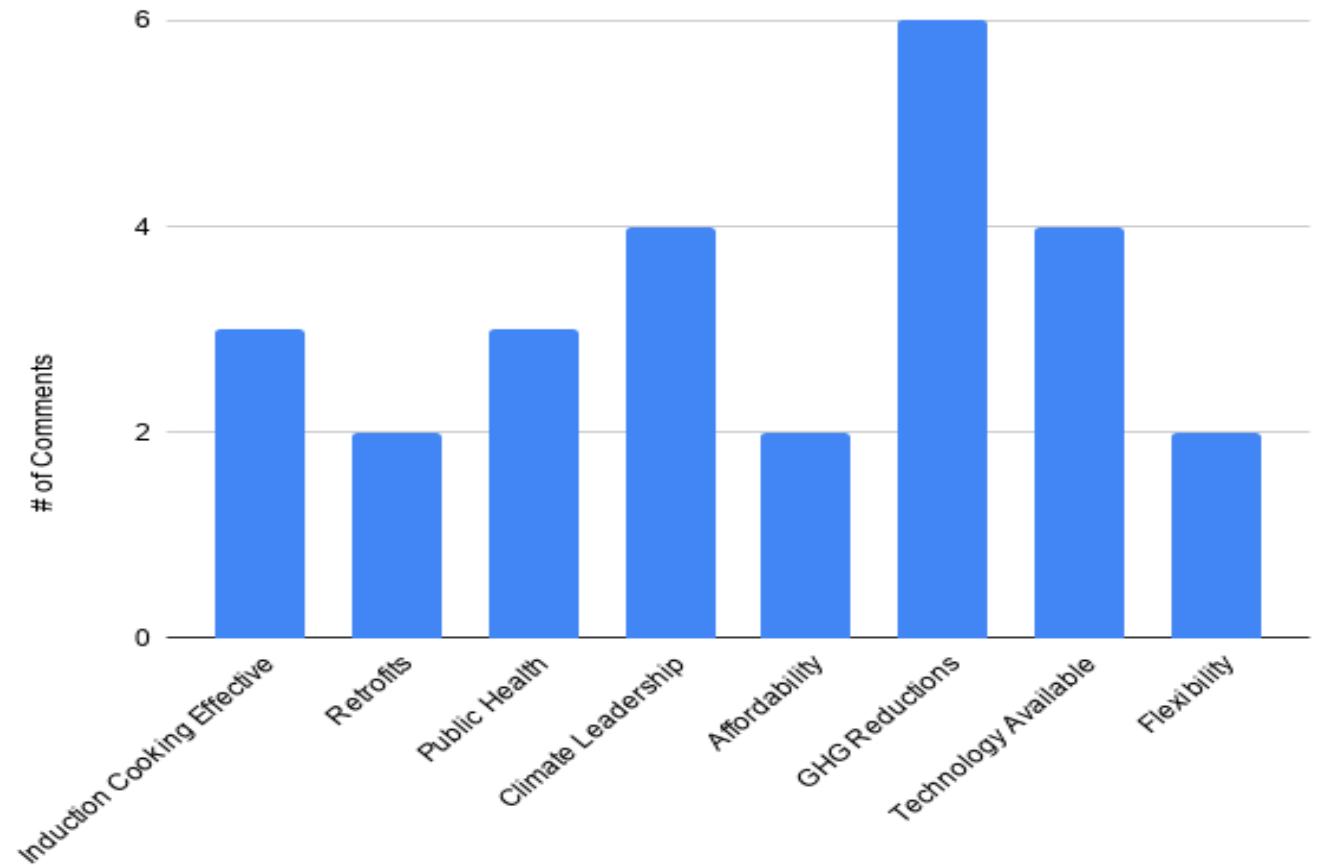
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# Berkeley, CA: Stakeholder Engagement

Dec. 3, 2019 Comments Supporting Reach Code In Addition to Existing Ordinance

Fire Department Safety Recommendations	Government Agency Support
Public Support	Business Cost Effectiveness Concerns
Pacific Gas & Electric Support	Restaurant Association Lawsuit



# San Jose, California Case Study

## Political Landscape

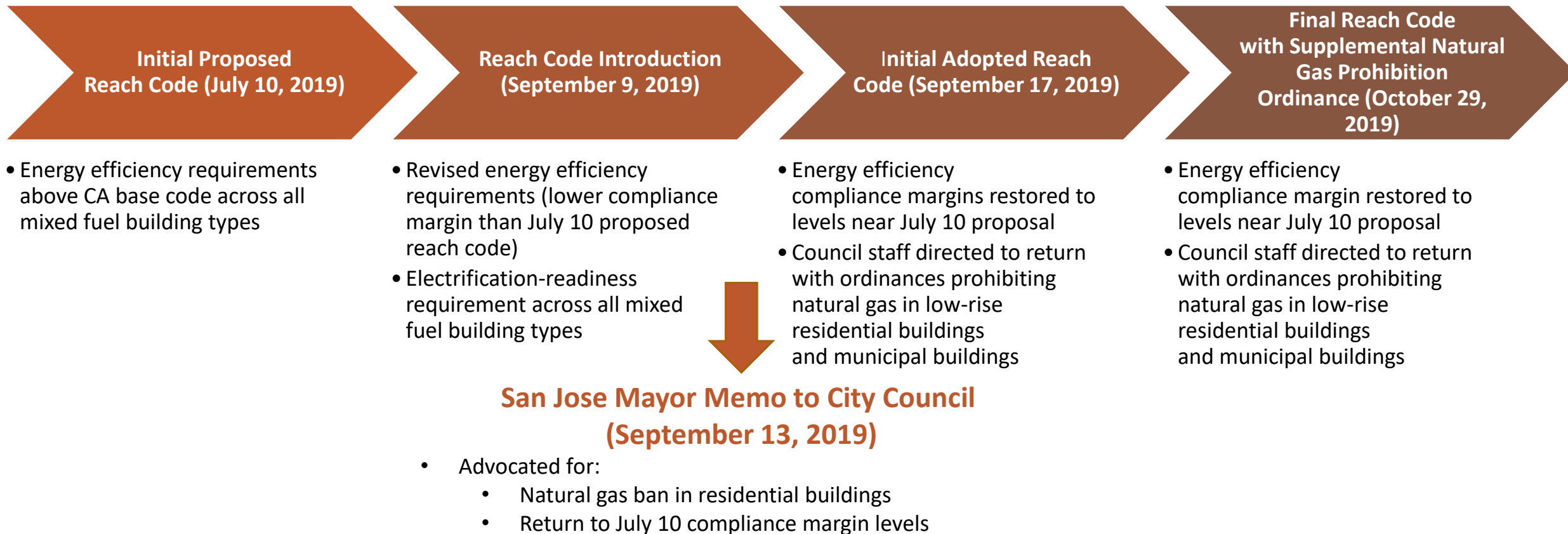
- Climate Smart San Jose
  - Ambitious emissions reduction targets, including building sector emissions
- Bloomberg American Cities Challenge Grant

## Policy Summary

- Reach Code adopted September 17, 2019
  - Energy efficiency-only – included director to staff to return with natural gas prohibition ordinance
- Supplement to reach code adopted October 29, 2019
  - Prohibits natural gas infrastructure in all new residential construction below 7 stories
- California Energy Commission approved San Jose reach code on December 11, 2019
- Effective January 1, 2020



# San Jose Reach Code Development Process



# San Jose, CA: Stakeholder Engagement

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Environmental  
community  
dominated public  
record

Limited opposition

Supportive local  
utility

Regional  
collaboration

Mayoral  
intervention

# Davis, California Case Study

## Political Landscape

- Affordable Housing Crisis
- Climate Emergency Resolution (March 5, 2019)
  - Carbon Neutrality by 2040
- Davis has adopted reach codes every cycle since 2008

## Policy Summary

- Reach Code adopted Oct 8, 2019
- New construction must be approximately 15% more efficient than CA base code and electrification ready
- The city estimates mixed fuel buildings meeting these requirements will be more expensive to build than fully electric buildings

# Davis, California Justification for Incentive Based Policy

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01

Simplify green building requirements

02

Avoid exacerbating affordable housing crisis

03

Avoid opposition in building community

04

Avoid possible litigation

# Davis Stakeholders

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Chamber of  
Commerce

Cool Davis Support

Lack of  
Engagement from  
Building  
Community

Public Support

# Massachusetts State Overview

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## Climate Objectives

- Reduce GHG emissions:
  - 10-25% below statewide 1990 levels by 2020
  - 80% below statewide 1990 levels by 2050
- Massachusetts' Renewable Portfolio Standard
- Greener state building code

## Policies

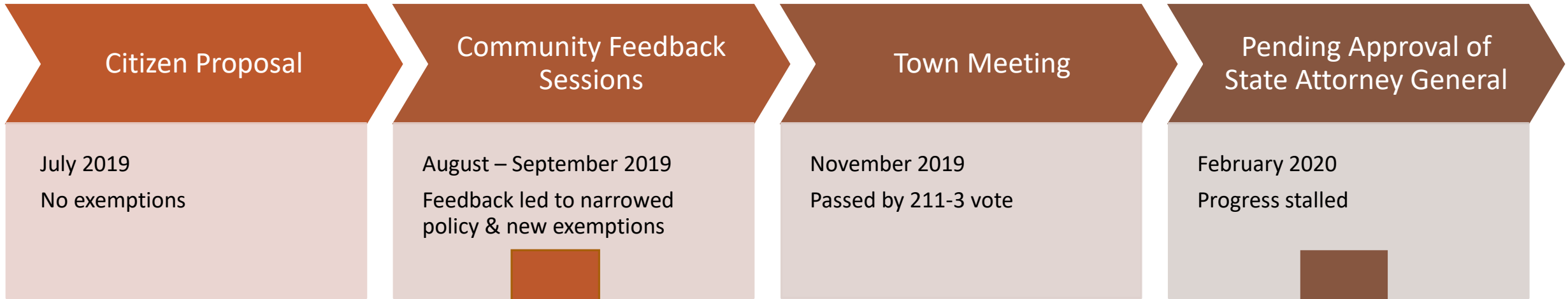
- 2008 Global Warming Solutions Act
- 2008 Green Communities Act
- 2020 Clean Energy and Climate Action Plan

# Brookline, Massachusetts Case Study

## Policy Summary

- Prohibits natural gas infrastructure in ***all new construction*** and ***major renovation projects*** for commercial and residential buildings in Brookline, with some exemptions for medical infrastructure, cooking, among other exemptions.
- Effective January 1, 2021.
- Legality currently pending review from the Attorney General of the Commonwealth of Massachusetts

# Brookline Warrant Article Development Process



## ***Policy Exemptions Added***

Medical facilities  
Renovations of more than 75% of property  
Back-up generators

Medical research facilities  
Waldo- Durgin Development Project  
Cooking purposes

## ***Opposition coalition submitted request***

Developers  
Real Estate  
Energy Providers  
Shopping  
Retail  
Restaurants



# Brookline, MA: Stakeholder Engagement

Environmental  
Community

Homeowners

Local Culinary  
Industry

Developers

Real Estate

Energy  
Providers

Medical  
Research  
Community

Architects

# Washington State Overview

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## Climate Objectives

- Overall goal: 25% reduction in CO<sub>2</sub> pollution levels by 2035
- Specific targets: clean electricity generation, EV adoption, limiting hydrofluorocarbons, reducing building emissions

## Clean Buildings Act

- Reduce emissions from commercial buildings
- Currently account for 27% of state's carbon pollution

# Seattle, Washington Case Study

## Political Landscape

- Historically Climate Progressive City
  - Net-zero GHG target by 2050
- Seattle Climate Action Plan
  - Reduce residential and commercial building emissions by 32% and 45% respectively

## Policy Summary

- City Council ordinance proposed in September 2019
- Would prohibit natural gas infrastructure in all new buildings
- Waiver process for certain infrastructure
- Two committee meetings held to hear public feedback on September 10 and September 17, 2019
- Issue currently pending before Sustainability and Renters' Rights Committee

# Seattle, WA: Stakeholder Engagement

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Limited local support

Strategic utility opposition

Strong concerns about job loss

Lack of critical analysis

Rushed proposal process

# Common Policy Concerns

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Energy  
Choice

Reliability

Cost

Climate

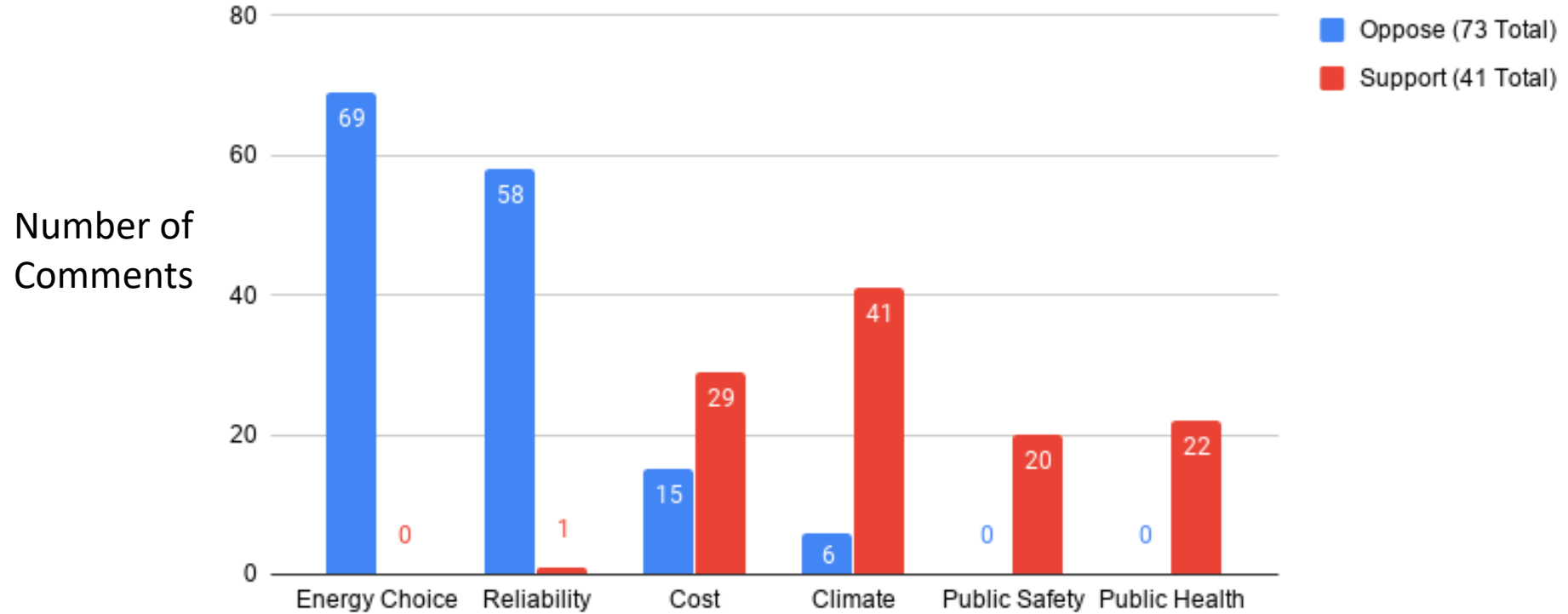
Public  
Health

Public  
Safety

Housing  
Affordability

Alternative  
Technologies

## Public Comments to California Energy Commission



Example: Public Comments to California Energy Commission

# Contextual Factors

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Climate change concerns superseded other considerations

Rapid legislative process = less opposition in most case study cities

Limiting options for future residential construction is a concern

Local utility organization important factor in stakeholder support/opposition

Cooperative regional efforts sought by neighboring cities

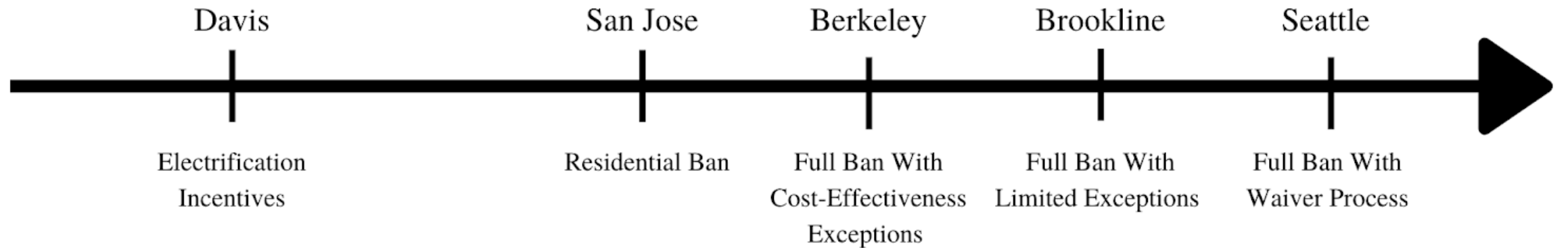
State regulatory structures and legal authorities can impact municipal policy

# Policy Design

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**Less Stringent**

**More Stringent**





# Study Limitations

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- Availability of data limited to jurisdictions that have pursued a reach code
- Report engaged wide variety of stakeholders and policymakers, but not all interested parties were able to provide comment
  - COVID-19 pandemic exacerbated this issue

# Outlook

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Momentum to prohibit natural gas will continue to grow, especially in climate-focused cities

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City-specific contextual factors are critical

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Future policy design not limited to strategies pursued by cities covered in this report