

File No. 190708 Committee Item No. 1
 Board Item No. 3

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date September 9, 2019

Board of Supervisors Meeting Date September 24, 2019

Cmte Board

- | | | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|-------------------------------------|-------------------------------|
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Referral CEQA 062519 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Referral FYI 062519 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | CEQA Determination 072519 |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DOB PAVOL POINT 090919</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | |

Completed by: Erica Major Date September 6, 2019
 Completed by: Erica Major Date 9/11/19

1 [Environment Code - Use of 100% Renewable Energy Required for On-site Electricity
2 Demands in Nonresidential Buildings of 50,000 Square Feet or More]

3 Ordinance amending the Environment Code to require all nonresidential buildings of
4 50,000 square feet or more to provide all on-site electricity demands from 100%
5 greenhouse gas-free or renewable sources and to authorize the Director of the
6 Department of the Environment to adopt rules and regulations for implementation of
7 the requirements; and affirming the Planning Department's determination under the
8 California Environmental Quality Act.

9 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font*.
11 **Deletions to Codes** are in ~~italics Times New Roman font~~.
12 **Board amendment additions** are in double-underlined Arial font.
13 **Board amendment deletions** are in ~~Arial font~~.
14 **Asterisks (* * * *)** indicate the omission of unchanged Code
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. CEQA Finding. The Planning Department has determined that the actions
18 contemplated in this ordinance comply with the California Environmental Quality Act
19 (California Public Resources Code Sections 21000 et seq.). Said determination is on file with
20 the Clerk of the Board of Supervisors in File No. 190708 and is incorporated herein by
21 reference. The Board affirms this determination.

22 Section 2. The Environment Code is hereby amended by adding Chapter 30,
23 consisting of Sections 3000-3008, to read as follows:
24
25

1 the Environment Code, which set additional GHG emissions reduction targets of 40% below 1990
2 levels by 2025 and 80% below 1990 levels by 2050. The City's efforts to reduce GHG emissions have
3 focused on using less energy, improved efficiency, and energy recovery as well as de-carbonizing the
4 energy supply by replacing fossil fuels sources with renewable energy sources – micro-hydro, wind,
5 geothermal, solar, wave, and biomass.

6 (e) Chapter 9 of the Environment Code requires a GHG emissions reduction plan for the
7 City, mandates that City departments take certain steps to reduce the City's GHG emissions, and
8 requires City departments to submit annual reports to the Department of the Environment. As of 2017,
9 just under 3% of San Francisco's GHG emissions were generated by energy consumed in municipal
10 government buildings and fleet vehicles. Moving to 100% renewable electricity in the private sector is
11 a significant step the City can take to continue reducing GHG emissions and meet Climate Action
12 Strategy goals.

13
14 **SEC. 3002. DEFINITIONS.**

15 For purposes of this Chapter 30, the following terms have the following meanings:

16 **Building Owner.** A person, as defined by California Public Resources Code Section 25116 or
17 any successor law, possessing title to the building.

18 **Director.** The Director of the Department of the Environment or the Director's designee.

19 **Energy.** Electricity, natural gas, steam, heating oil, or other product sold by a utility to a
20 customer of a nonresidential building, or renewable on-site electricity generation, for purposes of
21 providing heat, cooling, lighting, water heating, or for powering or fueling other end-uses in the
22 building and related facilities.

23 **Energy Professional.** An individual qualified to perform an energy efficiency audit required by
24 Chapter 20 of the Environment Code.

1 Greenhouse Gas gas (GHG)-free or renewable energy resources. Energy resources
2 qualifying as renewable pursuant to California Public Resources Code Chapter 8.6, Section 25741(a)
3 and California Public Utilities Code Chapter 2.3, Article 16, Section 399.16(b)(1) or (2), as
4 amended from time to time, or provided by a local publicly owned electric utility subject to
5 California Public Utilities Code Chapter 2.3, Article 16, Section 399.30(j), as amended from
6 time to time and from hydroelectric facilities of 30 megawatts or greater.

7 Gross floor area. The total number of square feet measured between the principal exterior
8 surfaces of enclosing fixed walls.

9 Nonresidential Building. A facility composed of occupancy types(s) other than residential –
10 including type A, B, E, I-1, I-2, I-3; M, R-1, and S, as defined in Chapter 3 of the California Building
11 Code, as amended from time to time, and where a gross area of 10,000 square feet or more is heated or
12 cooled in its interior.

13
14 SEC. 3003. 100% RENEWABLE ELECTRICITY USAGE AND COMPLIANCE.

15 (a) Applicability and Schedule for Compliance. The date of applicability of the
16 requirements of this Chapter 30 to Nonresidential Buildings is as follows, based on gross floor area:

17 (1) Buildings of 500,000 square feet in gross floor area or larger: December 31, 2022;

18 (2) Buildings of 250,000 square feet in gross floor area or larger, but below 500,000
19 square feet: December 31, 2024;

20 (3) Buildings of 50,000 square feet in gross floor area or larger, but below 250,000
21 square feet: December 31, 2030.

22 Nonresidential Buildings of less than 50,000 square feet in gross floor area are not subject to
23 the requirements of this Chapter.

1 **(b) Renewable Electricity Requirement.** Each Nonresidential Building subject to this
2 Chapter 30 shall, as of the date specified in subsection (a), ensure that all on-site electricity demands
3 are met through any combination of:

4 **(1) on-site generation from 100% greenhouse gas (GHG)-free electricity or**
5 **renewable energy resources, and/or**

6 **(2) purchase of electricity from 100% greenhouse gas (GHG)-free or renewable**
7 **energy resources sources.**

8 **(c) Tenants.** In buildings subject to the requirements of this Chapter 30, it shall be the
9 responsibility of nonresidential building tenants to ensure that all meters for which they are the account
10 holder are in compliance with the renewable electricity provisions of Section 3003(b), and the
11 reporting requirements of Sections 2002(b) and (c). Nothing in this Section 3003 shall be construed to
12 permit a building owner to use tenant utility subscription data or usage data for purposes other than
13 compliance with Chapters 20 and 30 of the Environment Code.

14 **(d) Program Wait List.** A nonresidential building subject to this Chapter 30, as of the date
15 specified in subsection (a), will be compliant if they are on a waitlist for enrollment in a program
16 satisfying the conditions of subsection (b).

17 **(e) Existing Electricity Contracts.** A nonresidential building subject to this Chapter 30 will
18 not be considered in violation of this Chapter 30 during the term of an existing long-term energy
19 contract executed and dated prior to December 31, 2019.

20
21 **SEC. 3004. IMPLEMENTATION.**

22 **(a)** The Director may adopt rules and regulations for the implementation of this Chapter 30,
23 including rules for an electronic submittal of an Annual Statement of Sources of Electricity, and for the
24 verification of compliance with the requirements of this Chapter.

1 (b) The Director may modify or suspend any or all of the requirements of this Chapter 30 if
2 the Director submits a written determination to the Board of Supervisors and the Mayor indicating:

3 (1) lack of 100% greenhouse gas (GHG)-free or renewable energy market
4 resources available to meet demand, and/or

5 (2) the cost of all available 100% greenhouse gas (GHG)-free or renewable
6 electricity-energy resources options is more than 5% of each provider's default program offering,
7 and/or

8 (3) the requirement conflicts with or is similar or less comprehensive than a
9 renewable energy requirement adopted by the State of California or the Federal government.

10
11 **SEC. 3005. ENFORCEMENT.**

12 The enforcement procedures and use of proceeds provisions of Chapter 20, Section 2009, shall
13 apply to violations of this Chapter 30.

14
15 **SEC. 3006. PROMOTION OF THE GENERAL WELFARE.**

16 In adopting this Chapter 30, the City and County of San Francisco is assuming an undertaking
17 only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees,
18 an obligation for breach of which it is liable in money damages to any building owner who claims that
19 such breach proximately caused injury.

20
21 **SEC. 3007. CONFLICT WITH STATE OR FEDERAL LAW.**

22 The provisions of this Chapter 30 shall be construed so as not to conflict with applicable federal
23 or state laws, rules, or regulations. Nothing in this Chapter shall authorize any City agency or
24 department to impose any duties or obligations in conflict with limitations on municipal authority
25 established by federal or state law at the time such agency or department action is taken.

1 SEC. 3008. SEVERABILITY.

2 If any of the provisions of this Chapter 30 or the application thereof to any building owner or
3 circumstance is held invalid, the remainder of those provisions, including the application of such part
4 or provisions to building owners or circumstances other than those to which it is held invalid, shall not
5 be affected thereby and shall continue in full force and effect. To this end, the provisions of this
6 Chapter are severable.

7
8 Section 3. Effective Date. This ordinance shall become effective 30 days after
9 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
10 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
11 of Supervisors overrides the Mayor's veto of the ordinance.

12
13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15
16 By:  (for SAB)
17 JUDITH A. BOYAJIAN
18 Deputy City Attorney

19
20 n:\egana\as2019\1900357\01390304.docx

REVISED LEGISLATIVE DIGEST
(Amended in Committee, 9/9/2019)

[Environment Code - 100% Renewable Energy Required for On-Site Electricity Demands in Nonresidential Buildings of 50,000 Square Feet or More]

Ordinance amending the Environment Code to require all nonresidential buildings of 50,000 square feet or more to provide all on-site electricity demands from 100% greenhouse gas-free or renewable sources and to authorize the Director of the Department of the Environment to adopt rules and regulations for implementation of the requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

Existing Law

There are no amendments to existing law.

Amendments to Current Law

This ordinance would add Chapter 30 to the Environment Code. It requires that all nonresidential buildings of 50,000 square feet or more to meet all on-site electricity demands through any combination of (1) on-site generation of 100% greenhouse gas (GHG)-free or renewable sources and/or (2) the purchase of electricity from 100% GHG-free sources. Buildings of 500,000 gross square feet of floor area (as defined) or larger must meet the requirement by December 31, 2022; buildings of 250,000 gross square feet or larger must meet the requirement by December 31, 2024; and buildings of 50,000 gross square feet or larger must meet the requirement by December 31, 2030. The Director of the Department of Environment may adopt rules and regulations for the implementation of the requirements and may modify or suspend the requirements if the State of California or the Federal government adopts a similar or more comprehensive renewable energy requirement or a requirement that conflicts with the San Francisco requirements.

Background Information

While San Francisco has some of the most energy efficient new buildings in the nation, it is also one of the oldest urban areas in California and many of its buildings were built before energy efficiency codes were enacted. The City's older building stock uses electricity partially supplied by fossil-fuel burning power plants and heat that is primarily supplied by the combustion of natural gas – both of which emit carbon dioxide, one of several pollutants that contribute to global warming.

In 2011, the Mayor convened a Renewable Energy Task Force to develop recommendations to help San Francisco achieve its goal of 100% renewable electricity supply by 2020, and the

City's most recently completed 2017 community-wide inventory of GHG emissions found that the buildings sector is responsible for 42% of emissions, second only to transportation.

Chapter 9 of the Environment Code requires a GHG emissions reduction plan for the City, mandates that City departments take certain steps to reduce the City's GHG emissions, and requires City departments to submit annual reports to the Department of the Environment. By 2017, just under 3% of San Francisco's GHG emissions were generated by energy consumed in municipal government buildings and fleet vehicles. Moving to 100% renewable energy in the private sector is a significant step the City can take to continue reducing GHG emissions and meet its Climate Action Strategy goals.

n:\leganalas2019\1900357\01352355.docx

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

June 25, 2019

File No. 190708

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On June 18, 2019, Mayor Breed submitted the proposed legislation:

File No. 190708

Ordinance amending the Environment Code to require all nonresidential buildings of 50,000 square feet or more to provide all on-site electricity demands from 100% greenhouse gas-free or renewable sources and to authorize the Director of the Department of the Environment to adopt rules and regulations for implementation of the requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment. Individual project would need separate environmental review.

joy navarrete
131

Digitally signed by joy navarrete
DN: c=org, o=sfgov, ou=environmental
Planning, email=joy.navarrete@sfgov.org
Date: 2019.07.25 14:36:35 -0700



SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco

Reducing Emissions with Renewable Electricity for Large Commercial Buildings

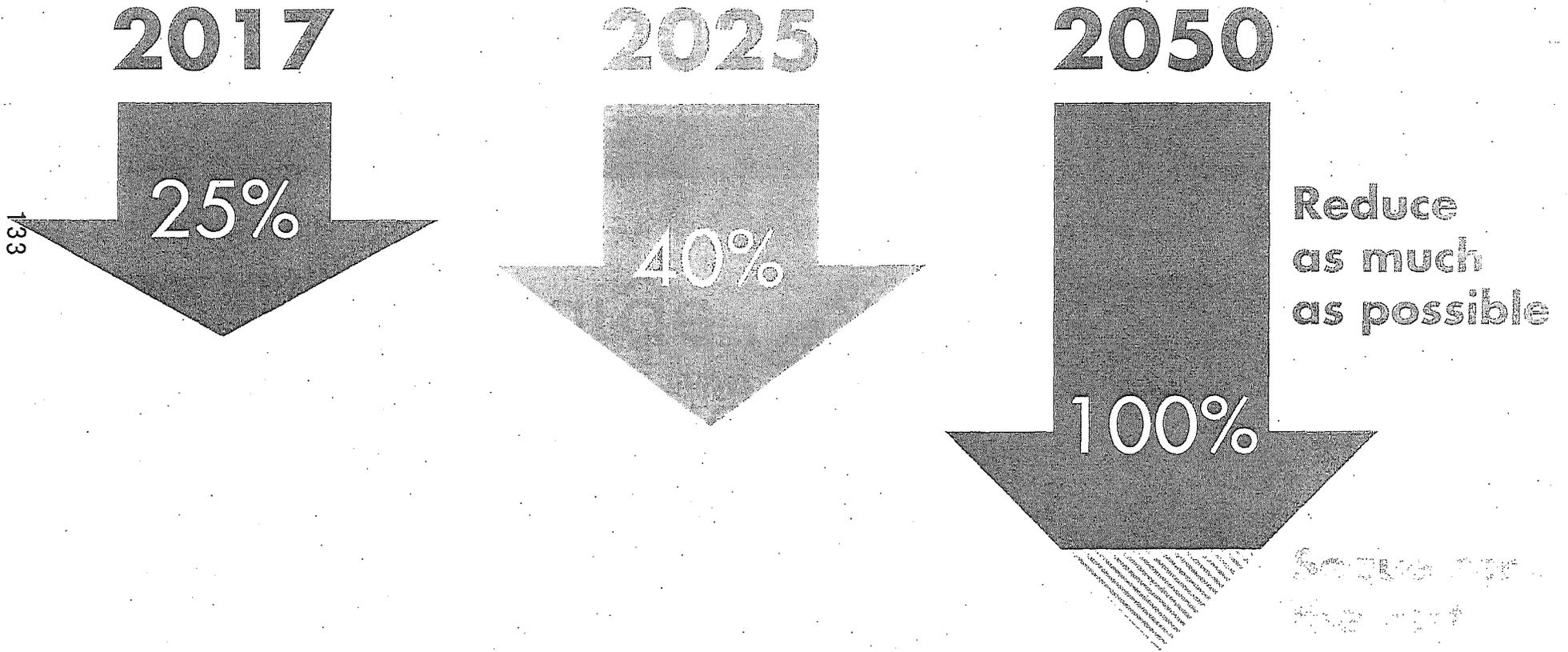
132

September 9, 2019

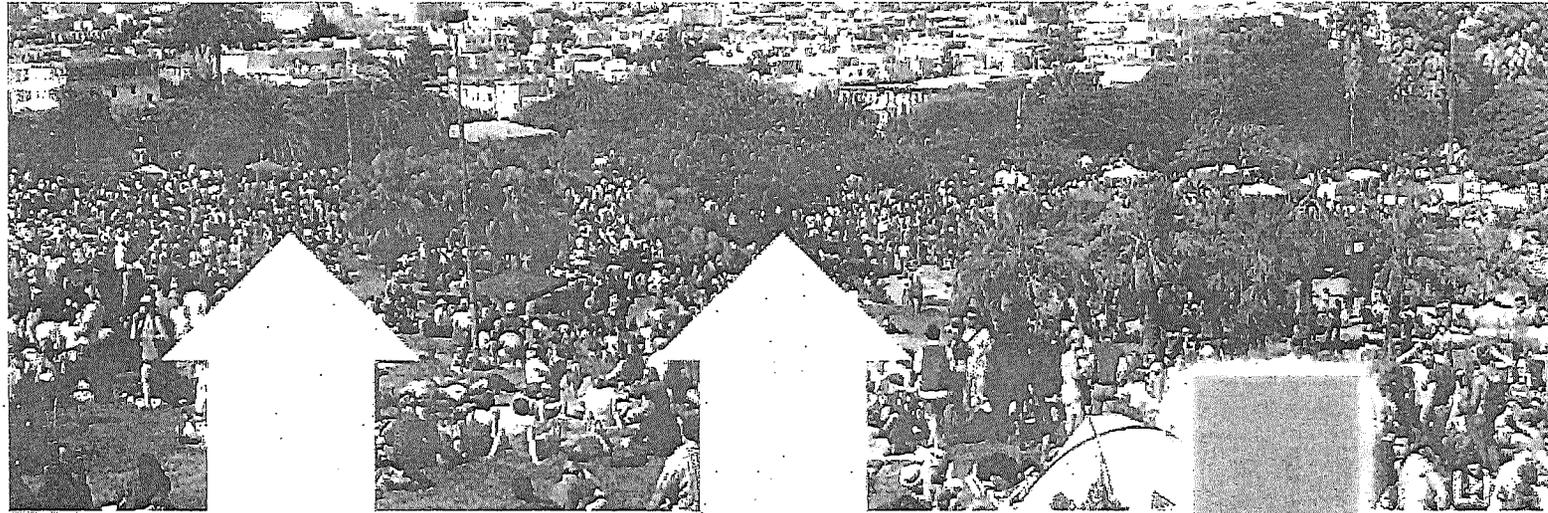
Barry Hooper, SF Environment

190708
9/10/2019
SQUALITAN
+PRESENTM)

GHG Reduction Targets



San Francisco: 1990 – 2017

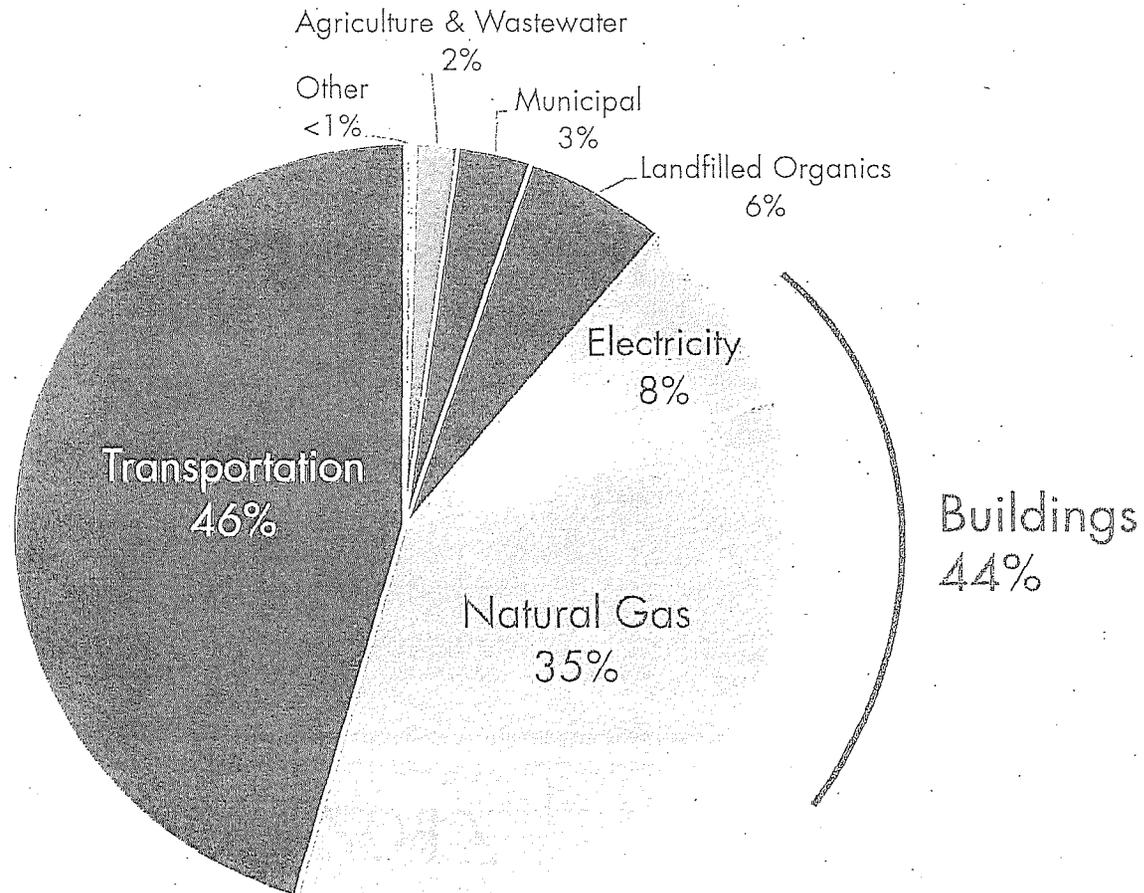


22%
Population

166%
GDP

36%
GHG Emissions

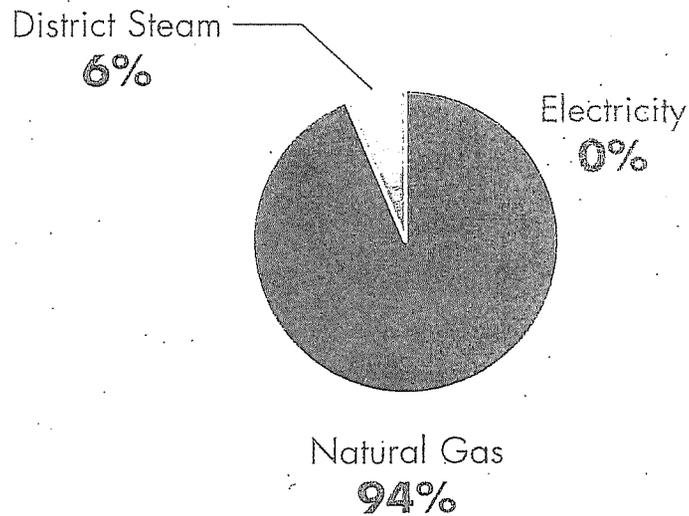
San Francisco's GHG Sources



GHG Emissions From San Francisco Buildings

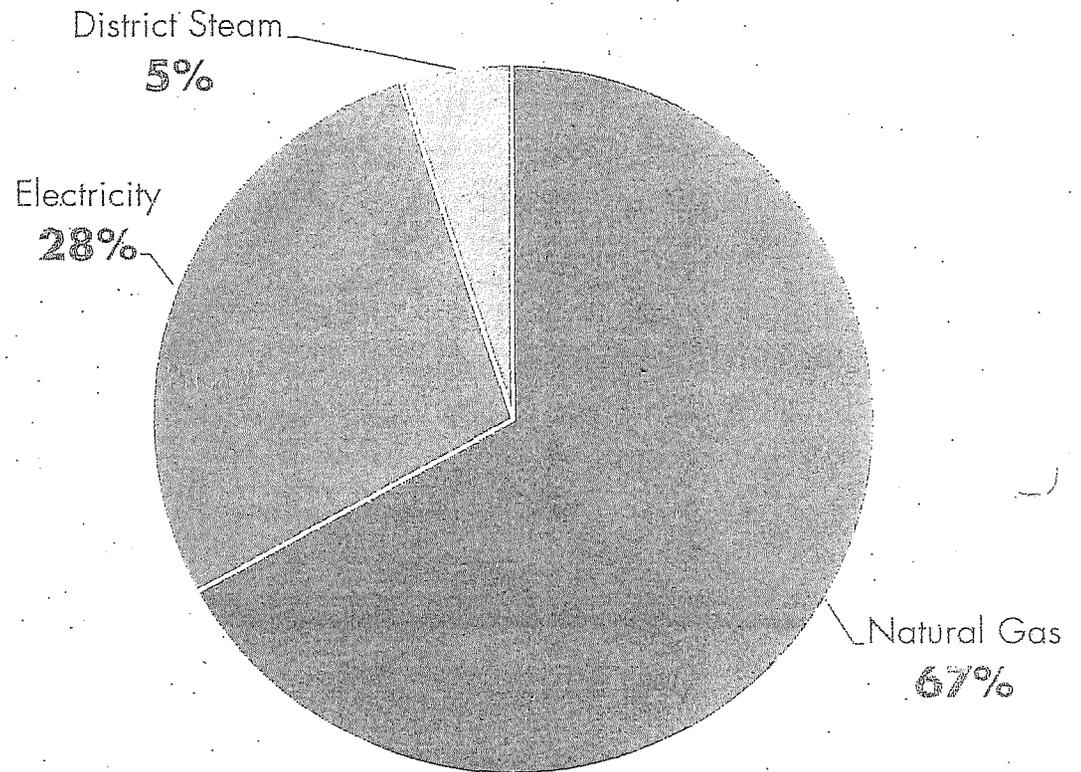


Municipal



136

Commercial



City Goal: Net Zero Emissions for all buildings by 2050



And Net zero emissions in all new buildings by 2030

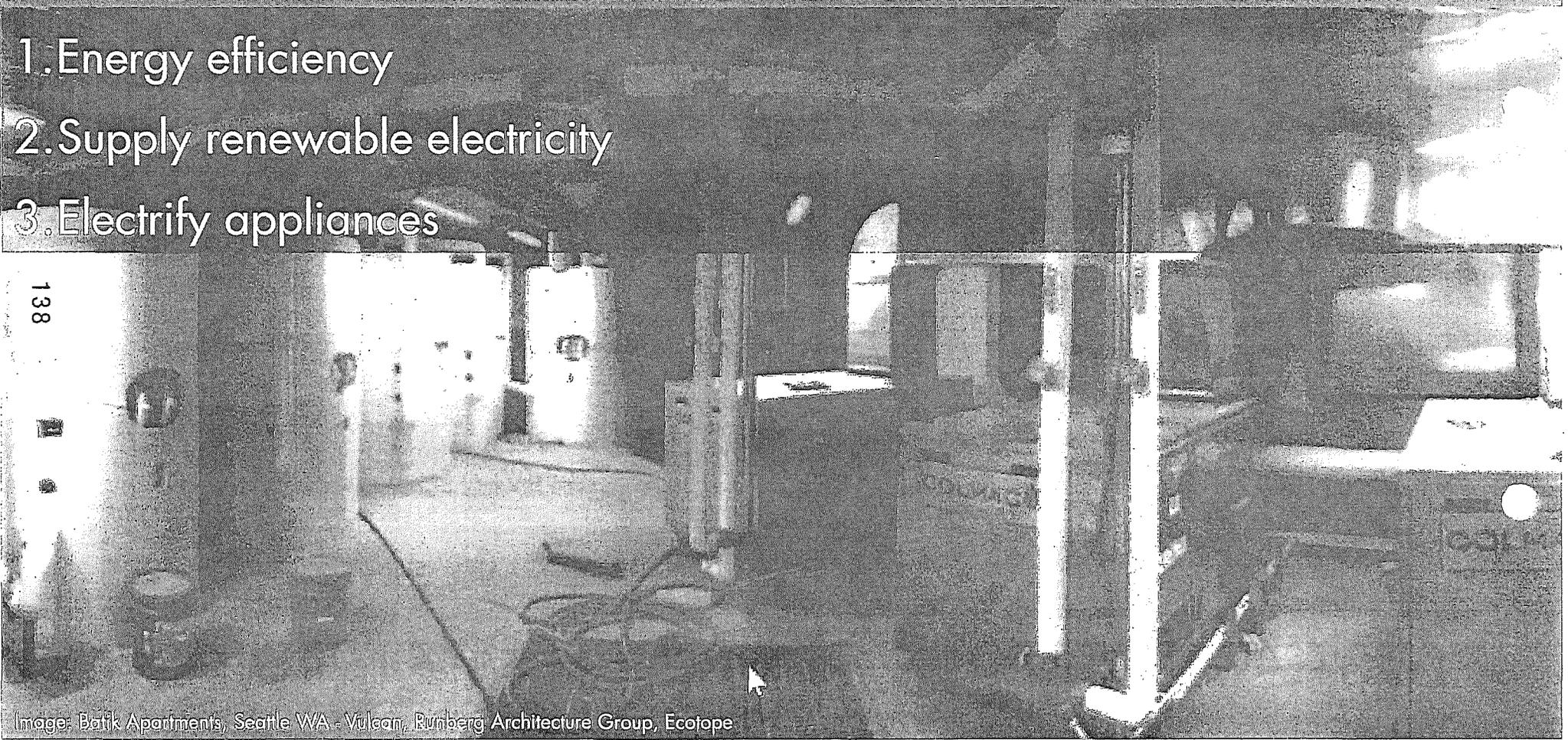
137



Zero Emissions In 3 Steps



1. Energy efficiency
2. Supply renewable electricity
3. Electrify appliances



138

Image: Batik Apartments, Seattle WA - Vulcan, Rinberg Architecture Group, Ecotope

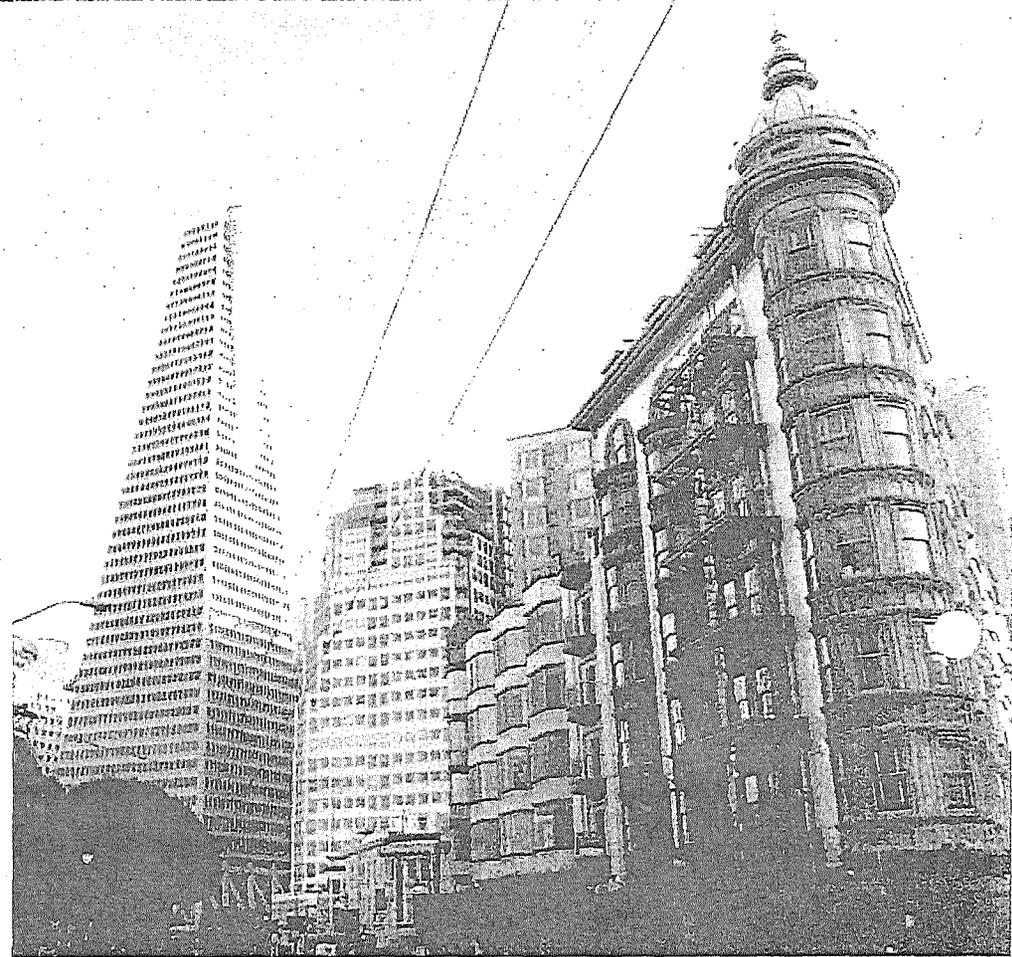
Existing Buildings Ordinance Supports Efficiency



Applies to

- Non-Residential $\geq 10,000$ square feet
- Residential $\geq 50,000$ square feet

Requires energy use tracking and
public disclosure

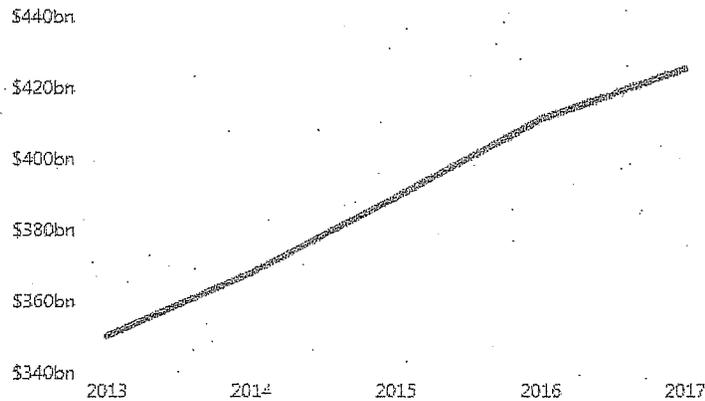


Commercial Buildings: More Jobs, Growing Economy, Using Less Energy

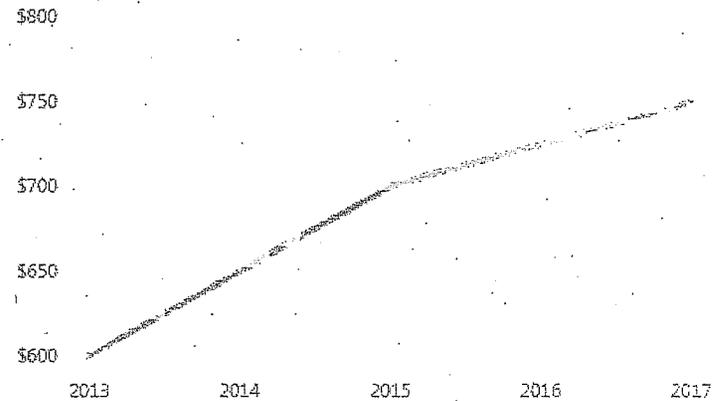


140

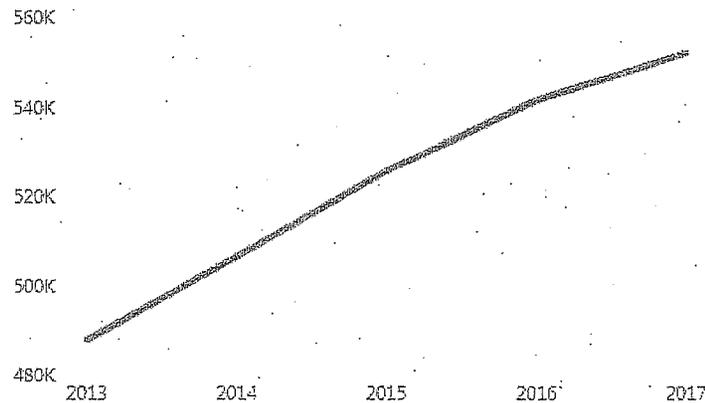
San Francisco-Oakland MSA GDP - Billions of Dollars



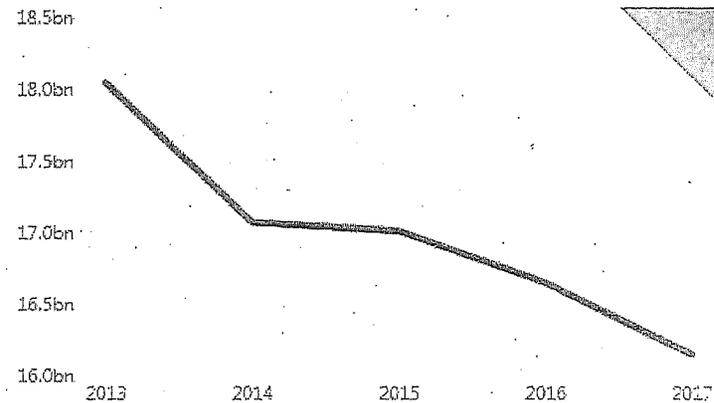
San Francisco Office Value Per Square Foot



San Francisco Total Employment



San Francisco Non-Residential Energy Sales - Billion kBtu



11%

Applicability



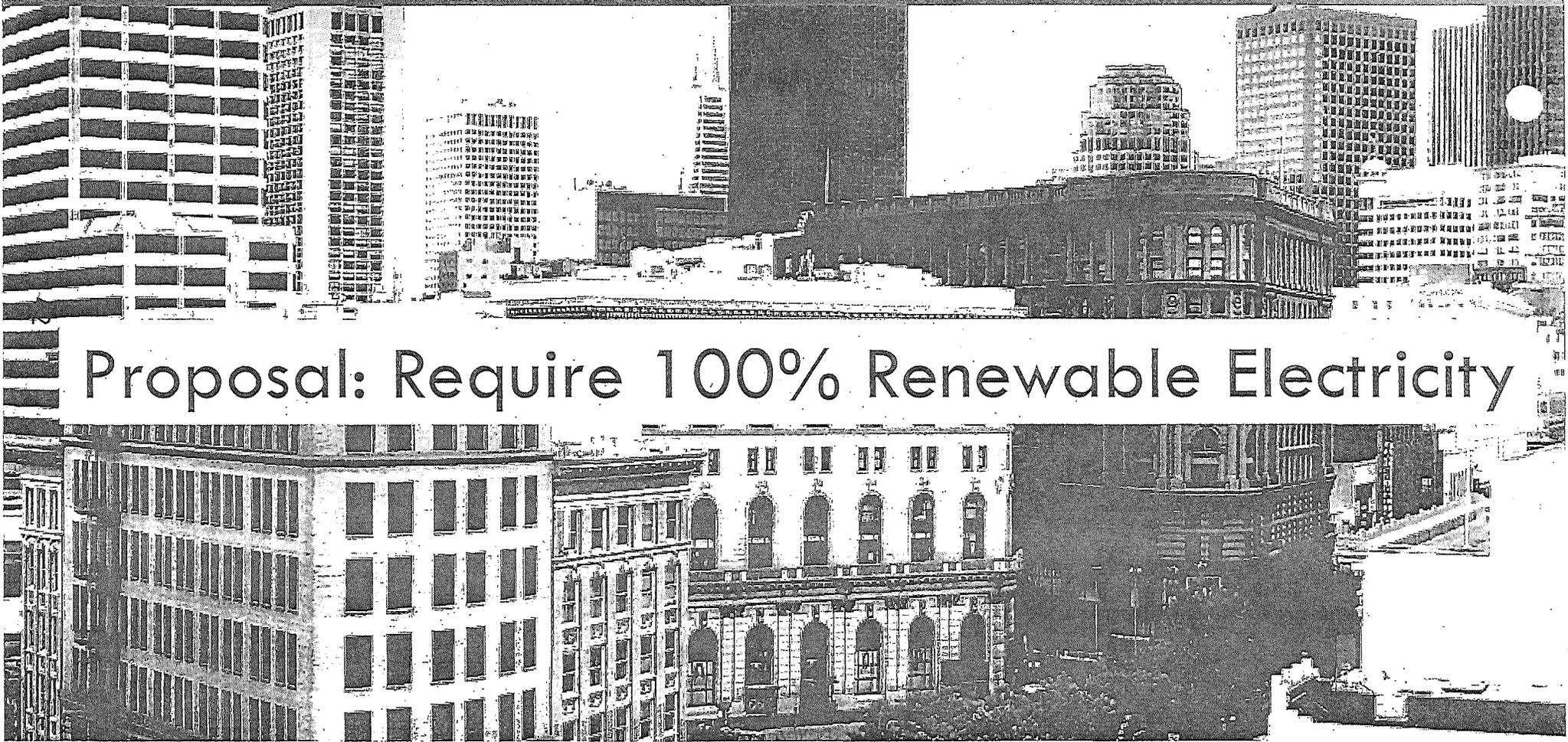
141

		Commercial		Multifamily
		≥ 50,000 sq ft	10,000 - 49,999 sq ft	≥ 50,000 sq ft
Adopted:	Benchmarking	✓	✓	✓
	Energy Audits	✓	✓	
Proposed:	Renewable Electricity	✓		

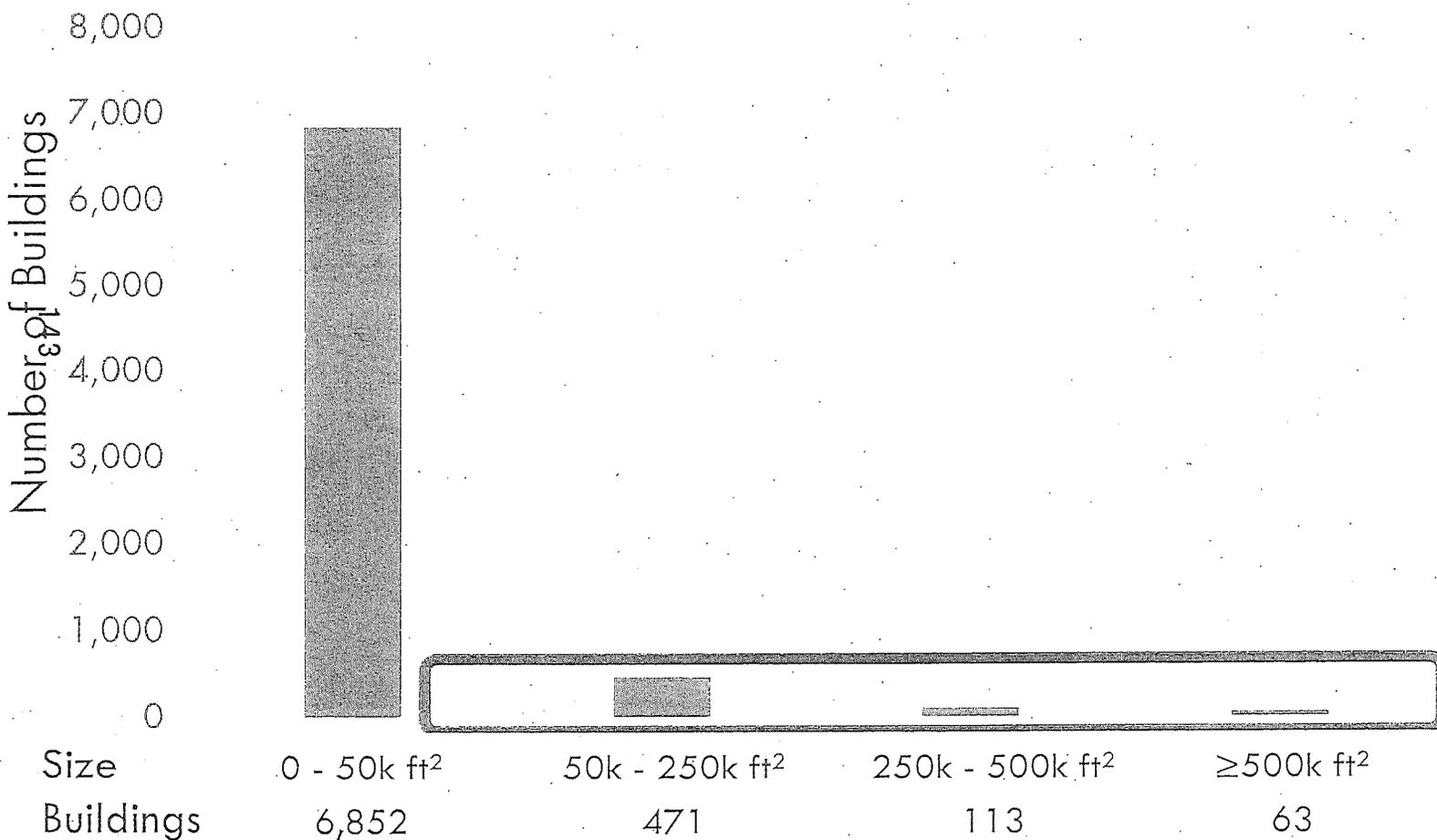
Large Commercial Buildings



Proposal: Require 100% Renewable Electricity



Impact



9%

Of Commercial Buildings Produce

73%

Of Commercial Electricity Emissions

156,000

Tons CO₂e/year

Phase-in

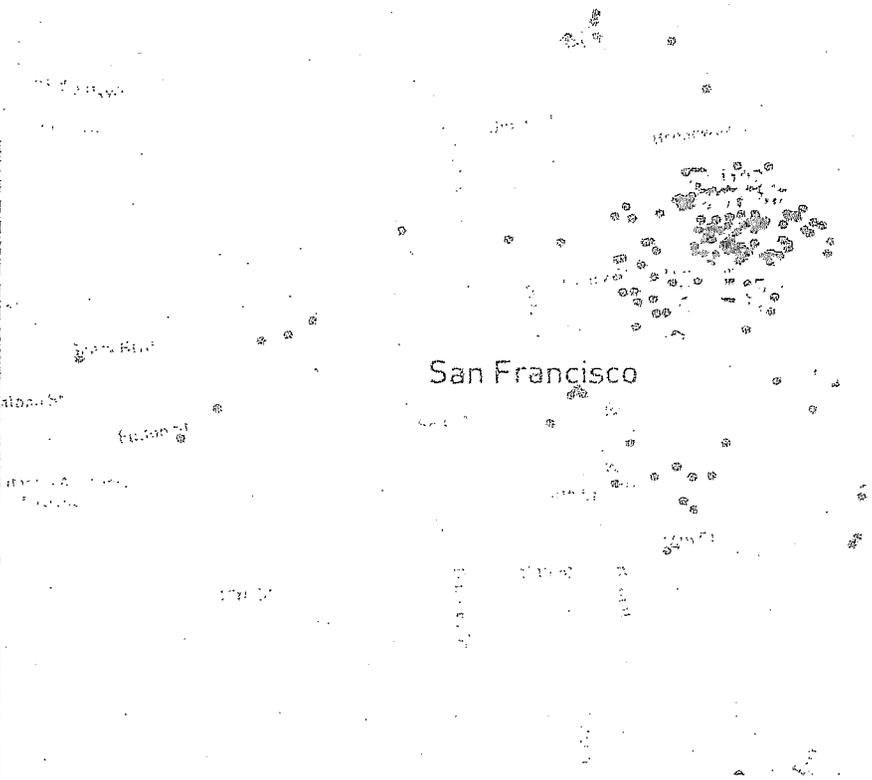


Phase	Size (square feet)	Number of Buildings	Annual Electricity Use (GWh)
2022	≥500k+	63	660
2024	250-500k	113	430
2030	50-250k	471	520

Buildings 250,000 to 500,000 square feet



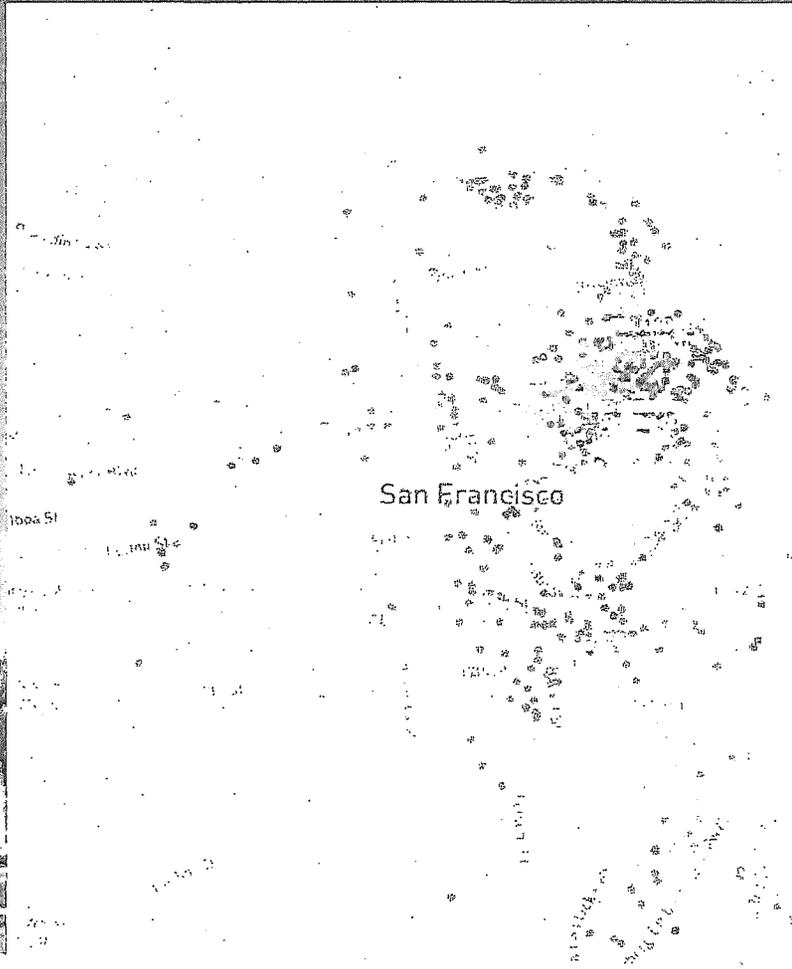
Image: 555 and 575 Market, by Minesweeper



Buildings 50,000 to 250,000 square feet



Image: 188 the Embarcadero, courtesy of SocksiSite



Roles



SFE

- Notify building owner of requirement
- Support SFPUC with outreach

149

SFPUC/ CleanPowerSF

- Provide cost-effective renewable energy
- Assist SFE with notification
- Monitor compliance
- Outreach

Definition: Greenhouse Gas-free or Renewable Energy



- Electricity qualifying for California Renewable Portfolio Standard, or
- Hetch Hetchy Power

Examples:

- CleanPowerSF SuperGreen
- SFPUC Hetch Hetchy Power
- PG&E Solar Choice

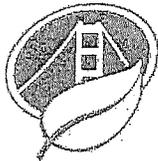
Thank You



Barry Hooper

Senior Green Building Coordinator

¹⁵¹ Barry.e.hooper@sfgov.org



SF Environment

Our home. Our city. Our planet.

A Department of the City and County of San Francisco

SF Environment All Rights Reserved

The author of this document has secured the necessary permission to use all the images depicted in this presentation. Permission to reuse or repurpose the graphics in this document should not be assumed nor is it transferable for any other use. Please do not reproduce or broadcast any content from this document without written permission from the holder of copyright.

190708

From: John Bozeman <johnb@boma.com>
Sent: Monday, September 09, 2019 1:28 PM
To: Major, Erica (BOS); Haney, Matt (BOS); Peskin, Aaron (BOS); Safai, Ahsha (BOS)
Cc: Jue, Tyrone (MYR); Angulo, Sunny (BOS); RivamonteMesa, Abigail (BOS); Sandoval, Suhagey (BOS)
Subject: San Francisco Board of Supervisors Land Use and Transportation Committee, September 9, 2019 - Item #1 (190708) 100% Renewable Electricity in Commercial Buildings

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good Afternoon Honorable Members of the Land Use and Transportation Committee,

At your meeting today, you will consider Item #1 (190708) Environment Code - 100% Renewable Energy Required for On-Site Electricity Demands in Nonresidential Buildings of 50,000 Square Feet or More.

BOMA supports a more sustainable built environment generally through voluntary means as opposed to mandates. Measures addressing energy efficiency, water savings, resource usage reduction or any other environmental concerns should be well-vetted, realistic and cost-efficient.

With regard to this ordinance, we sincerely appreciate collaborating and working with me and our BOMA San Francisco Energy & Environment Committee leaders early in the process to determine the feasibility of implementing a well-intended policy objective. Indeed, there were a number of possible issues at the onset that would have made the requirements of the ordinance, without key amendments, difficult to implement if not for our member feedback and the understanding of City and County of San Francisco stakeholders.

Please let me know if you have any questions and thank you for your leadership.

Respectfully,

John M. Bozeman, CAE
Director, Government and Industry Affairs
Building Owners and Managers Association of San Francisco
233 Sansome Street, 8th Floor
San Francisco, CA 94104
Cell: (415) 686-9652



BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

June 25, 2019

File No. 190708

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On June 18, 2019, Mayor Breed submitted the proposed legislation:

File No. 190708

Ordinance amending the Environment Code to require all nonresidential buildings of 50,000 square feet or more to provide all on-site electricity demands from 100% greenhouse gas-free or renewable sources and to authorize the Director of the Department of the Environment to adopt rules and regulations for implementation of the requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "Erica Major".

By: Erica Major, Assistant Clerk
Land Use and Transportation Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department
Tom Hui, Director, Department of Building Inspection
Sonya Harris, Commission Secretary, Building Inspection Commission

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: June 25, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Mayor Breed on June 18, 2019:

File No. 190708

Ordinance amending the Environment Code to require all nonresidential buildings of 50,000 square feet or more to provide all on-site electricity demands from 100% greenhouse gas-free or renewable sources and to authorize the Director of the Department of the Environment to adopt rules and regulations for implementation of the requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

c: Scott Sanchez, Planning Department
Corey Teague, Planning Department
Lisa Gibson, Planning Department
Devyani Jain, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department
William Strawn, Department of Building Inspection
Carolyn Jayin, Department of Building Inspection

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors *SK*
FROM: Sophia Kittler
RE: [Environment Code - Use of 100% Renewable Energy Required for On-Site Electricity Demands in Nonresidential Buildings of 50,000 Square Feet or More]
DATE: June 18, 2019

Ordinance amending the Environment Code to require all nonresidential buildings of 50,000 square feet or more to provide all on-site electricity demands from 100% greenhouse gas-free or renewable sources and to authorize the Director of the Department of the Environment to adopt rules and regulations for implementation of the requirements; and affirming the Planning Department's determination under the California Environmental Quality Act.

Please note that Supervisors Brown and Safai are co-sponsors of this legislation.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2019 JUN 18 PM 2:54
BY AK

