

BOARD of SUPERVISORS



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## MEMORANDUM

TO: Deborah Raphael, Director, Department of the Environment  
Harlan Kelly, Jr., General Manager, Public Utilities Commission

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

DATE: October 2, 2019

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Brown on September 24, 2019:

**File No. 190972**

**Ordinance amending the Environment Code to require new construction and major renovations of municipal buildings to exclude natural gas and include exclusively all-electric energy sources; and affirming the Planning Department's determination under the California Environmental Quality Act.**

If you have comments or reports to be included with the files, 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](mailto:erica.major@sfgov.org).

cc: Peter Gallotta, Department of the Environment  
Charles Sheehan, Department of the Environment  
Juliet Ellis, Public Utilities Commission  
Donna Hood, Public Utilities Commission  
John Scarpulla, Public Utilities Commission  
Mona Panchal, Public Utilities Commission

1 [Environment Code - Electrification of Municipal Facilities]

2  
3 **Ordinance amending the Environment Code to require new construction and major**  
4 **renovations of municipal buildings to exclude natural gas and include exclusively all-**  
5 **electric energy sources; and affirming the Planning Department's determination under**  
6 **the California Environmental Quality Act.**

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

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

15 Section 1. CEQA Findings.

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

21 Section 2. Findings.

22 (a) San Francisco has established an ambitious goal of achieving net zero emissions  
23 by 2050.

24 (b) San Francisco continues to be a global climate action leader, having met  
25 milestones established in Environment Code Chapter 9 by reducing greenhouse gas

1 emissions 36% from 1990 levels by 2017, while the City's economy has grown 166% and its  
2 population has increased 22% during that time.

3 (c) At the Global Climate Action Summit in 2018, Mayor London Breed committed San  
4 Francisco to new building decarbonization goals, which require all new buildings to be net  
5 zero emissions no later than 2030 and all existing buildings to be net zero emissions by 2050.

6 (d) The City continues to lead by example through its own municipal building stock,  
7 which must meet rigorous green building standards and which, to date, includes 67 LEED-  
8 certified projects that together comprise 9,375,000 square feet.

9 (e) San Francisco municipal buildings receive 100% greenhouse gas-free electricity  
10 from the San Francisco Public Utilities Commission. As a result, all greenhouse gas emissions  
11 from the operation of City buildings comes from the combustion of natural gas onsite or in the  
12 production of district steam.

13 (f) To achieve the City's goal of net zero emissions, it is necessary to require City  
14 agencies to discontinue the installation of equipment dependent on fossil fuels, and instead  
15 install high-efficiency equipment that uses electricity and does not emit greenhouse gas.

16 (g) Requiring energy-efficient and all-electric systems in buildings at the time of new  
17 construction and major renovations is more cost-effective than replacing equipment in good  
18 working order, because workers are already on-site, permitting and administrative costs are  
19 lower, and standard construction financing can incorporate such systems.

20 (h) Zero-emissions buildings benefit the health, safety, and welfare of San Francisco  
21 and its residents by improving indoor air quality, enhancing emergency preparedness in the  
22 event of disaster, and reducing harmful greenhouse gas emissions from energy consumption.

23  
24 Section 3. The Environment Code is hereby amended by revising Sections 701 and  
25 706, to read as follows:

1           **SEC. 701. DEFINITIONS.**

2           The following terms shall have the meanings set forth below.

3           "All-Electric" means the described system, Building, or project uses a permanent supply of  
4 electricity as the source of energy for all space conditioning (including heating and cooling), water  
5 heating (including pools and spas), cooking appliances, and clothes drying appliances. An All-Electric  
6 system, Building or project may include solar thermal collectors, but installs no natural gas or propane  
7 plumbing or equipment in or in connection with a Building, or within property lines of the premises,  
8 extending from the point of delivery at the gas meter.

9           \* \* \* \*

10          "Building" means:

11           (1) Any structure used for support or shelter of any use or occupancy. "Structure"  
12 means that which is built or constructed, an edifice or building of any kind, or any piece of  
13 work artificially built or composed of parts joined together in some definite manner and  
14 permanently attached to the ground.

15           (2) "Building" includes office buildings, libraries, recreation centers, museums,  
16 airport buildings, public safety buildings, hospitals, clinics, education centers, transportation  
17 facilities, cruise ship terminals, marina buildings, convention facilities, and other structures.

18           (3) "Building" does not include any construction installation that is not part of a  
19 building, or any tunnel, roadway, or bridge, or any vehicle or mobile equipment. "Building"  
20 also does not include a structure, facility, or type of infrastructure that primarily provides for the  
21 collection, storage, treatment, delivery, distribution, and/or transmission of water, wastewater, and/or  
22 power utilities.

23           \* \* \* \*

1 "City-owned Facility" means any ~~b~~Building owned by the City and County of San  
2 Francisco. "City-owned Facility" includes City-owned Buildings facilities or portions thereof that  
3 the City leases to non-City entities.

4 "City Leasehold" means a ~~b~~Building or portion thereof owned by others where the City  
5 is a tenant.

6 \* \* \* \*

7 "Major Renovation" means any ~~m~~Municipal ~~e~~Construction ~~p~~Project or renovation to an  
8 existing structure other than repair or addition. A Major Renovation may include, but is not  
9 limited to, a change in occupancy or use, or structural repair to an existing ~~b~~Building or facility;  
10 or remodeling, rehabilitation, reconstruction, historic restoration, or changes to the plan  
11 configuration of wall and full-height partitions, where the scope of work is sufficient to support  
12 LEED certification and extensive enough such that normal building operations cannot be  
13 performed while the work is in progress, and/or a new certificate of occupancy, or similar  
14 official indication that it is fit and ready for use, is required. Major Renovation does not  
15 encompass normal maintenance, reroofing, floor covering, painting, wallpapering, or changes  
16 to mechanical and electrical systems.

17 \* \* \* \*

18 "Municipal Construction Project" includes any planning, design, building, or  
19 construction activity, including demolition, ~~n~~New ~~e~~Construction, ~~m~~Major ~~r~~Renovation, or  
20 building additions performed either by a City department at a Building, City-owned Facility, or  
21 City Leasehold, or by tenants at a City-owned Building or Facility.

22 "Natural Gas" shall have the same meaning as "Fuel Gas" as defined in the California  
23 Plumbing Code and Mechanical Code, as amended from time to time.

24 \* \* \* \*

1           **SEC. 706. LOCALLY-REQUIRED MEASURES FOR MUNICIPAL CONSTRUCTION**  
2 **PROJECTS.**

3           \* \* \* \*

4           **(d) Renewable Energy Efficiency, Better Roofs, and Energy Resilience.**

5           \* \* \* \*

6           (7) Each Municipal New Construction or Major Renovation Project for which the first  
7 building permit application is submitted on or after January 1, 2020 shall be All-Electric, except as  
8 follows:

9                   (A) Natural Gas or propane service and plumbing may be installed if necessary for  
10 processes or features separate from the operation of systems integral to Building functions, such as  
11 vehicle fueling and mechanic shop equipment.

12                   (B) Existing equipment that uses Natural Gas and serves the project area, but is outside  
13 the scope of the project, may be retained. Projects which both (i) are served by existing equipment that  
14 use Natural Gas and are outside the scope of work, and (ii) include upgrade to electric service in the  
15 project scope of work, are encouraged to include sufficient electrical service capacity to, in the future,  
16 replace existing systems that use Natural Gas with All-Electric systems.

17                   (C) Emergency backup electricity generation systems may use any combination of  
18 technologies permitted under applicable law, including combustion of fossil fuels. Zero-emissions  
19 emergency backup electricity systems are encouraged, such as onsite batteries that store electricity  
20 from onsite solar photovoltaics.

21                   (D) Pursuant to approval of a Waiver under Section 713 of this Chapter 7.

22           \* \* \* \*

23  
24           Section 4. Effective Date; Retroactivity.

1 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs  
2 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
3 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
4 Mayor's veto of the ordinance.

5 (b) If the effective date of this ordinance is later than January 1, 2020, the ordinance  
6 shall, upon its effective date, be retroactive to January 1, 2020.

7  
8 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
9 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
10 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
11 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
12 additions, and Board amendment deletions in accordance with the "Note" that appears under  
13 the official title of the ordinance.

14  
15 APPROVED AS TO FORM:  
16 DENNIS J. HERRERA, City Attorney

17 By:

  
18 NEHA GUPTA  
19 Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Environment Code - Electrification of Municipal Facilities]

**Ordinance amending the Environment Code to require new construction and major renovations of municipal buildings to exclude natural gas and include exclusively all-electric energy sources; and affirming the Planning Department's determination under the California Environmental Quality Act.**

### Existing Law

Chapter 7 of the Environment Code contains a number of "green building" standards for buildings owned or leased by the City. These standards include construction and operating requirements for energy efficiency, water conservation, toxics reduction, indoor environmental quality, and recycling and composting of refuse. Chapter 7 also includes provisions for waiver, administration, and enforcement of the requirements.

### Amendments to Current Law

The proposed ordinance would add to Chapter 7's requirements for municipal new construction and major renovation projects a mandate that, beginning with projects for which the first permit application is submitted on or after January 1, 2020, such projects be all-electric, with no installation of natural gas combustion equipment or plumbing. It would clarify that "buildings," for Chapter 7 purposes, do not include structures or facilities that primarily provide for collection, storage, treatment, delivery, distribution, and/or transmission of water, wastewater, or power utilities.

Exemptions from the requirement that municipal new construction and major renovations be all-electric would include: natural gas-based equipment for functions separate from the operation of a building itself, such as vehicle fueling and mechanic shop equipment; emergency electricity backup systems; and projects for which a waiver is procured under Chapter 7's existing waiver process.