

Revised Response to Grand Jury Report

Report Title: Electrifying Marin's Buildings: A Countywide Approach

Respondent/Agency Name: City of Novato

Your Name: Eric Lucan **Title:** Mayor

GRAND JURY FINDINGS

- I (We) agree with findings numbered: **F1, F2, F3, F5 and F6**
- I (We) disagree partially with findings numbered: **F4**
- I (We) disagree wholly with findings numbered:

GRAND JURY RECOMMENDATIONS

- Recommendations numbered **R1, R2 and R3** require further analysis



Date: October 11, 2022 **Signed:** _____

Eric Lucan, Mayor
City of Novato

Number of pages attached: 4

RESPONSE TO GRAND JURY FINDINGS

F1. With the building sector accounting for approximately 34 percent of greenhouse gas emissions in Marin County, it will be necessary to substantially reduce emissions from that sector if the county and its cities and towns are to meet their 2030 greenhouse gas reduction goals.

Response: **Agree**

According to the City of Novato's 2020 Greenhouse Gas Emission Inventory, energy use in the built environment accounts for 32% of community-wide emissions. 26% of these emissions are generated by natural gas use (space/water heating, cooking) while just 6% is generated from electricity use. Since baseline year 2005, emissions from electricity use have decreased by 79%, primarily due to the lower carbon intensity of electricity provided to Novato residents by either Marin Clean Energy (MCE) or PG&E. Emissions from natural gas use have decreased just 9% since 2005. Reducing emissions generated from natural gas use in buildings will be critically important if the City's is to meet its current GHG reduction goals.

F2. Reducing or eliminating natural gas as a fuel source in buildings will dramatically reduce greenhouse gas emissions from Marin County's building sector.

Response: **Agree**

As stated above, reducing or eliminating natural gas as a fuel source in Novato's existing (and future) building stock will dramatically reduce greenhouse gas emissions generated from the built environment.

F3. The use of natural gas in buildings gives rise to health and safety risks, including adverse health effects attributed to exposure to natural gas, and safety risks posed by pipeline leaks, ruptures, and explosions. These health and safety risks serve as additional reasons to eliminate natural gas as a fuel source in new and existing buildings.

Response: **Agree**

The adverse health effects of cooking with natural gas have been well-documented. Natural gas stoves release methane through both leaks and incomplete combustion, and can release carbon monoxide, formaldehyde, and other harmful pollutants into the air, impacting indoor air quality. In addition, the proximity of Novato to the San Andreas and Hayward seismic faults, increases the risk of fires, and/or explosions as a result of damage to natural gas infrastructure both underground and above ground, in buildings themselves.

Natural gas combustion, as well as leakage occurring during natural gas procurement, transportation, storage, and distribution produce significant greenhouse gas emissions that contribute to global warming and climate change.

F4. The timely reduction of greenhouse gas emissions from Marin County's building sector will require in-depth, comprehensive, and coordinated planning. A countywide planning process, coordinated by Marin Climate and Energy Partnership or the county's Sustainability Team, would be an effective and efficient means of sustaining focus and leveraging the resources needed for developing a Countywide Building Electrification Plan.

Response: Disagree Partially

Although the City of Novato agrees that building electrification planning, collaboration, and coordination across the county is important, consistency of code implementation from one jurisdiction to another can be challenging due to the variation of resources available to individual property owners. What may be an achievable schedule of conversion to electrification for some Marin communities may present hardships for others. A coordinated planning effort, including analysis of resource availability, cost effectiveness studies, etc., are good examples of work needing to be completed in order to inform the larger effort. Numerous cities throughout California were early adopters of all-electric codes and Marin's jurisdictions can readily learn from their successes and challenges. Leveraging existing collaborations such as Marin Climate and Energy Partnership and BayREN can be significant but any countywide Building Electrification Plan must acknowledge the variation of communities within the County and develop goals and milestones accordingly. Representation from technical experts within the individual jurisdictions is critical to success.

F5. Underserved communities and lower income households have greater vulnerability to rising energy costs and will likely require extra financial support to mitigate those costs and reduce household greenhouse gas emissions through measures that require significant up-front investment.

Response: Agree

Although electrification programs offered through BayREN, MCE, and the County of Marin (via Electrify Marin) help to off-set a portion of up-front investment in building electrification, programs specifically targeted to meet the needs of underserved, low-income communities, and renters living in multi-family dwellings will need to be scaled significantly to achieve an equitable transition to building-electrification. This transition must include working closely with landlords, homeowners' associations, and property managers to ensure the provision of information, resources and access to electrification programs.

F6. The timely electrification of existing buildings will likely require one or more mandatory measures, supported where necessary by financial subsidies and rebates.

Response: Agree

The City of Novato agrees that the electrification of existing buildings will likely require one or more mandatory measures. However, as stated above, the City acknowledges that Marin communities are not equal in their access to resources to convert. Thus, subsidies and rebates are critical to a transition to building electrification. It is critically important that resources be sufficient to cover the entire need so that there is no undue financial hardships created and that these resources be made uniformly available to all property owners. There is currently no

analysis available as to the extent of this financial need or proposals as to how to make resources available to all property owners equally without creating the unintended consequence of providing resources to only those with better access to information. Comprehensive and extensive public education campaigns (e.g. The Switch is On, Electrify Now) will aid in the general public understanding the reasoning for the transition and their incurrence of additional costs.

RESPONSE TO GRAND JURY RECOMMENDATIONS

R1. On or before January 1, 2023, Marin County and each of its cities and towns that have not already done so should adopt a reach code banning natural gas connections in newly constructed buildings.

Response: This recommendation requires further analysis.

Although the City of Novato agrees that all electric buildings are critically important to a holistic response to climate change, an adoption date of January 1, 2023 leaves too little time for jurisdictions to implement the needed policies, procedures, and staff training. In addition, there is yet no evidence that the market is able to supply the needed equipment and supplies to serve new construction. This is especially important for residential construction. All jurisdictions have projects which are already in progress and have cost assumptions built into their project financials. In light of recent and ongoing state legislation related to housing, any impediment to new residential construction will impair jurisdictions' abilities to respond to mandates to facilitate housing development. This recommendation will be analyzed in further detail and a decision made by the Novato City Council in November 2022 as we consider adoption of the updated State Code.

R2. On or before January 1, 2023, Marin County and each of its cities and towns that have not already done so should adopt a reach code requiring energy efficiency measures in connection with renovations of existing residential buildings. The reach code should specify the size of the renovation that will trigger the requirement and provide flexibility by allowing the applicant to choose from a list of energy efficiency measures, including electrification of gas appliances.

Response: This recommendation requires further analysis.

Similar to Recommendation R1, this recommendation would affect many different stakeholders with varying goals, interests, and resources. A deadline of January 1, 2023 leaves insufficient time to engage those stakeholders. In practice, it also leaves insufficient time to develop and adopt the regulations which would define thresholds for electrification of existing building stock. It is also insufficient time to ensure that PG&E's staff resources and response times on individual change in service applications are sufficient to meet demand and that appliances, parts and labor are all available. This recommendation will be analyzed in further detail and a decision made by the Novato City Council in November 2022 as we consider adoption of the updated State Code.

R3. Marin County and each of its cities and towns, collaborating through the Marin Climate and Energy Partnership or otherwise, should develop a comprehensive Countywide Building Electrification Plan to be completed on or before January 1, 2024. The Plan should identify

those strategies, programs, and concrete actions necessary to bring about an equitable, prompt, and material acceleration of building electrification throughout the county.

Response: This recommendation requires further analysis.

The City of Novato agrees that countywide collaboration is important in achieving significant reductions in greenhouse gas emissions from the County's building stock. It is unclear whether existing collaborative networks such as MCEP and BayREN would be further enhanced by the addition of a separate planning effort. Such a plan could be effective, however, as mentioned above, involvement of the experts of each jurisdiction who possess in-depth knowledge of their respective building stock, majority permit activities, economic development and residential development goals, etc. will be critical to the success of any effort. All contributions and perspectives must be equally considered. In addition, it is critical that any effort narrowly focused on building electrification not divert time and resources away from the larger efforts to reduce greenhouse gas emissions. Outside experts who have perspectives not necessarily related to a mandatory regulatory approach, such as PG&E and material suppliers should also be part of this effort. The City of Novato would be pleased to participate in such an effort, however, we have no plans to initiate a county-wide Electrification Plan on our own. This recommendation will be analyzed in November 2022 and the City Council will provide final direction to staff at that time as to the level of staff involvement in a county-wide effort that can be supported with current resources.