

RESOLUTION NO. 2021-0166

Adopted by the Sacramento City Council

June 1, 2021

Establishing a Framework for Existing Building Electrification and Directing the Evaluation of Water Conservation and Green Job Opportunities

BACKGROUND

- A. On June 29, 2020, the Mayors' Commission on Climate Change Final Report recommended the electrification of new and existing buildings, each of which are critical for the reduction of greenhouse gas emissions.
- B. On August 25, 2020, City Council passed Motion No. 2020-0226 directing staff to develop an ordinance for new building electrification, and a plan for electrification of existing buildings with a focus on marginalized neighborhoods.
- C. On January 19, 2021, City Council adopted Resolution No. 2021-0022 establishing building electrification as a key strategy of the 2040 General Plan by:
 - a. Requiring all new buildings to be all electric and eliminate the use of natural gas and fossil fuels for building operations.
 - b. Gradually transition existing buildings away from natural gas to electric and assist low-income residents by offering financial incentives (Resolution No. 2021-0022).
- D. On February 2, 2021, City Council approved a \$4.4 million one-time allocation for 2021 Climate Implementation Work Plan projects in the Fiscal Year 2020/2021 Midyear Budget (Resolution No. 2021-0029), which supports additional work for water conservation and workforce tasks. These efforts are currently in process.
- E. On March 2, 2021, the Law and Legislation Committee provided further direction to begin engagement on existing building retrofits.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Adoption of the Framework for the Electrification of Existing Buildings as set forth in Exhibit A to this Resolution is approved.

- Section 2. City staff shall report back on progress and any recommendations to City Council by the end of 2021 for green job opportunities and accelerating the transition of potentially impacted labor segments into green and decarbonized sectors.
- Section 3. Concurrent with preparation for implementation of the New Building Electrification Ordinance, the Community Development Department and Department of Utilities shall evaluate opportunities for the expansion of water conservation standards for buildings and shall submit an update to the City Council prior to July 1, 2022, in advance of ordinance effective dates.

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Exhibit A – Framework for the Electrification of Existing Buildings in the City of Sacramento

Adopted by the City of Sacramento City Council on June 1, 2021, by the following vote:

Ayes: Members Guerra, Harris, Jennings, Schenirer, Valenzuela, Vang, and Mayor Steinberg

Noes: Members Ashby and Loloee

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2021.06.16 17:23:00 -07'00'
Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

Framework for the Electrification of Existing Buildings in the City of Sacramento

Vision

Sacramento's building stock will be zero-emission by first ensuring a collaborative and just decarbonization transition, to bring the benefits of clean, affordable, and resilient energy use to the most pollution- and cost-burdened households.

Goals

By the end of 2022, develop a policy roadmap to achieve decarbonization of the existing building stock by 2045, without additional cost burden or displacement risk to frontline communities. The roadmap must address:

- Equitable process and outcomes, including avoiding bill increases, ensuring benefits flow to renters, and local green jobs;
- Incentives and requirements;
- Regulatory obstacles;
- Phasing of implementation;
- Financial assistance for low-income residents and businesses, including on-bill financing;
- Opportunities for integration of distributed renewable energy generation and energy storage; and
- Opportunities and needs for energy efficiency and building envelope upgrades, taking into account local, state, and regional energy efficiency incentive programs and focusing particularly on renters, low-income populations, and populations with a disproportionate risk of housing and business displacement.

Objectives

1. Develop a pathway to equitably transition residents and businesses off gas infrastructure.
2. Prioritize and engage disadvantaged communities and small local businesses in the transition of the existing building stock to be fully electric, with a focus on historically marginalized low-income people of color.
3. Create a funding strategy for electrification that identifies anticipated investment need and funding tools and sources, and accounts for potential utility investments and state and federal funds.
4. Collaborate with utility providers to leverage resources and coordinate for electrification, while creating pathways to overcome regulatory barriers to collaboration.
5. Identify workforce strategies to create new sustainable jobs and empower new forms of employment in decarbonization, especially for affected trade groups and communities with high unemployment.
6. Ensure the health and resilience of Sacramentans by planning for an equitable transition to zero-emission appliances and the phased transition away from gas infrastructure.
7. Plan for transitioning the most energy-burdened households to affordable clean energy and minimizing their exposure to volatile gas rates that may increase by more than ten times by 2050.¹

Milestones

1. Project kickoff (Spring - Summer 2021)
 - a. Identify lead/supporting city staff resources (Spring 2021)
 - b. Release RFP and select technical and engagement project team (Spring 2021)
 - c. Council workshop to kickoff strategy (Summer 2021)
2. Equitably engage the community (Summer 2021 – Ongoing)

¹ Gridworks (2019). *California's gas system in transition*. <https://gridworks.org/initiatives/cagas-system-transition/>

- a. Create a community engagement strategy (Spring 2021)
 - b. Meetings with the Environmental Justice Collaborative Governance Committee (Quarterly)
3. Coordinate and create new resources/partnerships for building electrification
 - a. Regular meetings with City, SMUD and PG&E staff
 - b. Establish a Working Group consisting of community leaders, environmental justice representatives, labor unions, utility providers, equipment manufacturers, local business community, city staff, and elected officials.
4. Deploy initial learning pilots with utility partners (2021 – 2022)
 - a. Support collaboration for initial SMUD/PG&E pilot (Summer 2021 – Winter 2021)
 - b. Identify available utility resources and potential grant funds for scaling programs (2021 – 2022)
 - c. Establish a statewide model pilot program to transition a disadvantaged community off of gas infrastructure (Winter 2022)
5. Electrification Pathway
 - a. Release of draft electrification pathway strategy for stakeholder and public review (Summer 2022)
 - b. Electrification pathway adoption by City Council (Fall/Winter 2022)