

2.12 San José Building Reach Code Administrative Update for Accessory Dwelling Units.

Recommendation:

(a) Make findings related to the local geographical, topographical, climatic conditions and cost effectiveness, which are necessary to make modifications to the State of California's Building Energy

Efficiency Standards.

(b) Approve an ordinance amending Section 24.12.600 of Chapter 24.12 of Title 24 (Technical Codes) of the San José Municipal Code to modify provisions of the 2022 California Building Energy Efficiency Standards to reduce certain City-imposed requirements for accessory dwelling units (as well as other single-family residential construction under 1,200 square feet).

(c) Authorize the City Manager or her designee to submit a reach code submittal package to the California Energy Commission for its approval as required by law.

CEQA: Categorically Exempt, File No. ER23-175, CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment (Environmental Services/Planning, Building, and Code Enforcement)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Chris Burton

SUBJECT: SEE BELOW

DATE: May 13, 2024

Approved

Date

5/23/24

**SUBJECT: SAN JOSÉ BUILDING REACH CODE ADMINISTRATIVE UPDATE
FOR ACCESSORY DWELLING UNITS**

RECOMMENDATION

- (a) Make findings related to the local geographical, topographical, climatic conditions and cost effectiveness, which are necessary to make modifications to the State of California's Building Energy Efficiency Standards.
- (b) Approve an ordinance amending Section 24.12.600 of Title 24 (Technical Codes) of the City of San José Municipal Code to modify provisions of the 2022 California Building Energy Efficiency Standards to reduce certain City-imposed requirements for accessory dwelling units, as well as other single-family residential construction under 1,200 square feet.
- (c) Authorize the City Manager or her designee to submit a reach code submittal package to the California Energy Commission for its approval as required by law.

SUMMARY AND OUTCOME

Adoption of the proposed amended reach code ordinance will be a small administrative update to the existing reach code, which sets building energy efficiency standards higher than that what is required by California's Technical Codes. This ordinance amendment will reduce previously approved requirements for accessory dwelling units, as well as single-family residences of 1,200 square feet or less, while still exceeding the requirements of California's Technical Codes. Increased standards help reduce community-wide greenhouse gas emissions in line with the City's Climate Smart San José plan and carbon neutrality by 2030 goals; provide financial benefits related to lower-cost electric construction; and support public health by decreasing air pollution emissions and exposure. As drafted, the proposed amended ordinance would become effective on July 18, 2024.

BACKGROUND

On September 12, 2023, the City Council approved an administrative update to the City of San José's Building Reach Code (Title 24, Chapter 12). The City's reach codes require new construction to exceed certain building standards based upon local conditions and for energy standards, provided they are cost effective. Reach codes must at least meet the minimum state requirements.

The City's reach code currently requires single-family residences, including accessory dwelling units, to be constructed with a source energy compliance margin of at least eight. A source energy compliance margin reflects the baseline carbon emission of a building if it used carbon or traditional fuel. Compliance margins are calculated on the emission savings from that baseline. A higher source energy compliance margin equates to a more efficient building. This reach code update encourages new construction to be cleaner and more energy-efficient while still meeting cost-effectiveness requirements. The simplest way to ensure compliance is by specifying all-electric appliances.

According to recent data (see **attached** cost effectiveness study) provided by the Statewide Investor-Owned Utilities Codes and Standards Team, it is more challenging for smaller single-family homes, such as accessory dwelling units, to achieve larger source energy compliance margins. Due to the reduced volume of conditioned space, smaller homes use less energy making it harder to achieve incremental efficiency savings. In light of this data, staff determined that a lower source compliance margin would still require emissions savings, while removing barriers for smaller home construction.

ANALYSIS

After working with a consultant, City staff determined that a source energy compliance margin of at least 2.5 would be achievable and cost-effective for accessory dwelling units and similar single-family residential construction. This margin will still incentivize energy efficient and all-electric construction without creating an additional technical and/or cost barrier for this type of construction. The proposed amended ordinance reflects the recommended update to the City's reach code requirement and is less restrictive than the reach code previously adopted by City Council. A source energy compliance margin of zero would meet base state energy efficiency standards.

Upon approval of this amended reach code by City Council, staff will submit the ordinance to the California Energy Commission and Building Standards Commission for its review and approval.

Climate Smart San José Analysis

The proposed amended ordinance will facilitate the energy efficiency of homes in alignment with Climate Smart San José.

HONORABLE MAYOR AND CITY COUNCIL

May 13, 2024

Subject: San José Building Reach Code Administrative Update for Accessory Dwelling Units

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EVALUATION AND FOLLOW-UP

Staff will provide progress updates to City Council on Climate Smart San José activities, including the reach code, on a semi-annual basis.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 4, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER23-175, CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

KERRIE ROMANOW

Director, Environmental Services

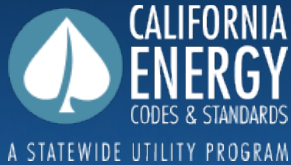
/s/

CHRIS BURTON

Director, Planning, Building and Code Enforcement

For questions, please contact Julie Benabente, Deputy Director, Environmental Services Department, at Julie.benabente@sanjoseca.gov or (408) 975-2537.

ATTACHMENT: 2022 Cost-Effectiveness Study: Single Family New Construction, last modified on April 26, 2024



2022 Cost-Effectiveness Study: Single Family New Construction



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Prepared for:

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Acronym List

2023 PV\$ – Present value costs in 2023

ACH50 – Air Changes per Hour at 50 pascals pressure differential

ACM – Alternative Calculation Method

ADU – Accessory Dwelling Unit

AFUE – Annual Fuel Utilization Efficiency

B/C – Lifecycle Benefit-to-Cost Ratio

BEopt – Building Energy Optimization Tool

BSC – Building Standards Commission

CA IOUs – California Investor-Owned Utilities

CASE – Codes and Standards Enhancement

CBECC-Res – Computer program developed by the California Energy Commission for use in demonstrating compliance with the California Residential Building Energy Efficiency Standards

CFI – California Flexible Installation

CFM – Cubic Feet per Minute

CO₂ – Carbon Dioxide

CPAU – City of Palo Alto Utilities

CPUC – California Public Utilities Commission

CZ – California Climate Zone

DHW – Domestic Hot Water

DOE – Department of Energy

DWHR – Drain Water Heat Recovery

EDR – Energy Design Rating

EER – Energy Efficiency Ratio

EF – Energy Factor



GHG – Greenhouse Gas

HERS Rater – Home Energy Rating System Rater

HPA – High Performance Attic

HPWH – Heat Pump Water Heater

HSPF – Heating Seasonal Performance Factor

IECC – International Energy Conservation Code

IOU – Investor Owned Utility

kBtu – kilo-British thermal unit

kWh – Kilowatt Hour

LBNL – *Lawrence Berkeley National Laboratory*

LCC – Lifecycle Cost

LLAHU – Low Leakage Air Handler Unit

LSC – Long-term System Cost (2025 Title 24, Part 6 compliance metric)

MF – Multifamily

NEEA – Northwest Energy Efficiency Alliance

NEM – Net Energy Metering

NPV – Net Present Value

NREL – *National Renewable Energy Laboratory*

PG&E – Pacific Gas and Electric Company

POU – Publicly-Owned-Utilities

PV – Photovoltaic

SCE – Southern California Edison

SDG&E – San Diego Gas and Electric

SEER – Seasonal Energy Efficiency Ratio

SF – Single Family

SMUD – Sacramento Municipal Utility District

SoCalGas – Southern California Gas Company

TDV – Time Dependent Valuation (2022 Title 24, Part 6 compliance metric)

Therm – Unit for quantity of heat that equals 100,000 British thermal units

Title 24 – Title 24, Part 6

TOU – Time-Of-Use

UEF – Uniform Energy Factor

VLLDCS – Verified Low Leakage Ducts in Conditioned Space

ZNE – Zero-net Energy

Summary of Revisions

Date	Description	Reference (page or section)
9/12/2022	Original Release (1.0)	N/A
3/25/2024	Updated analysis (1.1)	<ul style="list-style-type: none">• New simulation results with latest CBECC-Res version (Section 2.1.1)• Updated utility cost estimates using recent utility tariff and net billing tariff (Section 2.1.3)• New measure costs for heat pumps, batteries, and PV (Section 3.3)• Revised packages (Section 3.4)• Revised Results, Summary, References, and Appendices (Sections 4-7)
4/26/2024	Corrected errors (1.2)	<ul style="list-style-type: none">• Corrected incorrect results in Tables 16-19, 23, 26

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Executive Summary

The California Codes and Standards (C&S) Reach Codes program provides technical support to local governments considering adopting a local ordinance (reach code) intended to support meeting local and/or statewide energy efficiency and greenhouse gas (GHG) reduction goals. The program facilitates adoption and implementation of the code when requested by local jurisdictions by providing resources such as cost-effectiveness studies, model language, sample findings, and other supporting documentation.

This report documents cost-effectiveness analysis results for traditional new detached single family and detached accessory dwelling unit (ADUs) building types. It evaluates mixed fuel and all-electric package options in all sixteen California climate zones (CZs). Packages include combinations of efficiency measures, on-site renewable energy, and battery energy storage.

This analysis used two different metrics to assess the cost-effectiveness of the proposed upgrades. Both methodologies require estimating and quantifying the incremental costs and energy savings associated with each energy efficiency measure over a 30-year analysis period. On-Bill cost-effectiveness is a customer-based lifecycle cost (LCC) approach that values energy based upon estimated site energy usage and customer utility bill savings using today's electricity and natural gas utility tariffs. Time Dependent Valuation (TDV) is the California Energy Commission's LCC methodology, which is intended to capture the long-term projected cost of energy, including costs for providing energy during peak periods of demand, carbon emissions, grid transmission and distribution impacts. This is the methodology used by the Energy Commission in evaluating cost-effectiveness for efficiency measures in Title 24, Part 6.

The following are key takeaways and recommendations from the analysis.

Conclusions and Discussion:

- All-electric buildings have lower GHG emissions than mixed fuel buildings, due to the clean power sources currently available from California's power providers as well as accounting for increased penetration of renewables in the future. Almost all the all-electric packages evaluated resulted in greater GHG emission savings than the mixed fuel packages, with the exception of the mixed fuel package with battery storage in climate zones with low heating loads.
- The Reach Codes Team found code-compliant all-electric new construction to be feasible and cost-effective based on TDV for single family homes in all cases except Climate Zone 16.
- All-electric single family new construction was On-Bill cost-effective in all cases except Climate Zones 1, 3, 14, and 16.
- The all-electric ADU home was cost-effective based on TDV in all cases except in Climate Zones 3, 4, 13, and 14 where the higher cost of installing a ducted heat pump water heater (HPWH) instead of the prescriptively required gas tankless water heater exceed the resulting energy cost savings. In the other climate zones there were first cost savings for installing a heat pump space heater instead of a gas furnace, contributing to an overall TDV cost-effective result.
- Few cases were cost-effective On-Bill for the ADU.
- All-electric code minimum construction results in an increase in first year utility costs relative to a mixed fuel home, except for CPAU and SMUD where electricity rates are much lower than for the investor-owned utilities (IOUs). The addition of efficiency measures, market dominant HPWHs that meet the Northwest Energy Efficiency Alliance's (NEEA's) Advanced Water Heating Specification¹, high efficiency heat pumps, increased solar photovoltaics (PV), and batteries all reduce utility costs, and a combination of these options was found to reduce annual utility costs relative to a mixed fuel home in all cases.

¹ Refer to Section 0 for an explanation of HPWHs certified through NEEA's Advanced Water Heating Specification, their market status, and how they compare to federal minimum efficiency standards.

- Under the Net Billing Tariff (NBT)², utility cost savings for increasing PV system size beyond code minimum are substantially less than what they were under prior net energy metering rules (NEM 2.0); however, savings are sufficient to be On-Bill cost-effective in all climate zones for the all-electric single family home. Coupling PV with battery systems increases utility cost savings as a result of improved on-site utilization of PV generation and fewer exports to the grid.
- Applying California Alternate Rates for Energy (CARE) rates in the IOU territories improves On-Bill cost-effectiveness for all-electric buildings, as compared to the same case under standard rates, due to higher utility cost savings compared to a code compliant mixed fuel building also on a CARE rate. This is due to the CARE discount on electricity being higher than that on gas.
- If gas tariffs are assumed to increase substantially over time, in line with the escalation assumption from the 2025 LSC development, all-electric new construction was found to be On-Bill cost-effective in almost all scenarios over the 30-year analysis period. There is much uncertainty surrounding future tariff structures as well as escalation values. While it's clear that gas rates are anticipated to increase, how much and how quickly is not known. Electricity tariff structures are expected to evolve over time, and the California Public Utilities Commission (CPUC) has an active proceeding to adopt an income-graduated fixed charge that benefits low-income customers and supports electrification measures³. The CPUC will make a decision in mid-2024 and the new rates are expected to be in place later that year or in 2025. While the anticipated impact of this rate change is lower volumetric electricity rates, the rate design is not finalized. While lower volumetric electricity rates provide many benefits like incentivizing electrification, it also will make building efficiency measures harder to justify as cost-effective due to lower utility bill cost savings.

Recommendations:

- A reach code with a single performance target based on source energy (EDR1) can be structured to strongly encourage electrification. This approach requires equivalent performance for all buildings and allows mixed fuel buildings which minimizes the risk of violating federal preemption. Below are examples of how a reach code for single family homes could be set up based on the results summarized in Table 27.
 - A jurisdiction in Climate Zone 12 could set a performance target at an EDR1 margin of 11.5 (the EDR1 margin for the all-electric Code Minimum package). Any all-electric home meeting or exceeding the prescriptive requirements would comply, and a mixed fuel home would likely need to incorporate a combination of efficiency measures and a battery system to comply.
 - Similarly, a jurisdiction in Climate Zone 7 may consider setting a performance target of 2.8 EDR1 margin (also the EDR1 margin for the all-electric Code Minimum package). Any all-electric home meeting or exceeding the prescriptive requirements would comply, but a mixed fuel home would likely be able to comply with only a suite of above-code efficiency measures (no battery). Alternatively, a higher EDR1 margin target of 5 would incentivize more energy efficiency or additional PV for all-electric construction, and mixed fuel construction would likely need to incorporate a battery system to comply.
 - A jurisdiction in Climate Zone 16 may want to set a performance target at an EDR1 margin of 20.5 (the EDR1 margin for the mixed fuel efficiency + PV + battery package). This would establish a target that a mixed fuel home could cost-effectively meet, likely only after incorporating a combination of efficiency measures and a battery system, and that an all-electric home could easily meet.
- The 2022 Title 24 code's new source energy metric combined with the heat pump baseline encourage all-electric construction, providing an incentive that allows for some amount of prescriptively required building efficiency to be traded off, still meeting minimum code compliance. This compliance benefit for all-electric homes highlights a unique opportunity for jurisdictions to incorporate efficiency into all-electric reach codes. Efficiency and electrification have symbiotic benefits and are both critical for decarbonization of buildings. As demand on the electric grid is increased through electrification, efficiency can reduce the negative impacts of

² Refer to Section 2.1.3 for discussion on NBT and NEM

³ <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/demand-flexibility-rulemaking>

additional electricity demand on the grid, reducing the need for increased generation and storage capacity, as well as the need to upgrade upstream transmission and distribution equipment. The Reach Codes Team recommends that jurisdictions adopting a reach code for single family buildings also include an efficiency requirement with EDR1 margins at minimum consistent with the all-electric code minimum package results in Table 27.

- The code compliance margins for the ADU all-electric code minimum package are lower than for the single family prototype; code compliance and cost-effectiveness can be more challenging for smaller dwelling units. As a result, the Reach Codes Team does not recommend EDR1 targets above those reported for the all-electric Code Minimum package in Table 28.

This report presents measures or measure packages that local jurisdictions may consider adopting to achieve energy savings and emissions reductions beyond what will be accomplished by enforcing minimum state requirements, the 2022 Building Energy Efficiency Standards (Title 24, Part 6), effective January 1, 2023.

Local jurisdictions may also adopt ordinances that amend different Parts of the California Building Standards Code or may elect to amend other state or municipal codes. The decision regarding which code to amend will determine the specific requirements that must be followed for an ordinance to be legally enforceable. For example, jurisdictions may amend Part 11 instead of Part 6 of the CA Building Code requiring review and approval by the Building Standards Commission (BSC) but not the California Energy Commission (Energy Commission). Reach codes that amend Part 6 of the CA Building Code and require energy performance beyond state code minimums must demonstrate the proposed changes are cost-effective and obtain approval from the Energy Commission. Although a cost-effectiveness study is only required to amend Part 6 of the CA Building Code, this study provides valuable context for jurisdictions pursuing other ordinance paths to understand the economic impacts of any policy decision. This study documents the estimated costs, benefits, energy impacts and greenhouse gas emission reductions that may result from implementing an ordinance based on the results to help residents, local leadership, and other stakeholders make informed policy decisions.

Model ordinance language and other resources are posted on the C&S Reach Codes Program website at [LocalEnergyCodes.com](https://www.localenergycodes.com). Local jurisdictions that are considering adopting an ordinance may contact the program for further technical support at info@localenergycodes.com. In addition, jurisdictions in a CCA territory with rates or rate structures that are significantly different than IOU rates may email the program at info@localenergycodes.com to request a custom analysis.

1 Introduction

This report documents cost-effective combinations of measures that exceed the minimum state requirements, the 2022 Building Energy Efficiency Standards, effective January 1, 2023, for newly constructed single family buildings. This report was developed in coordination with the California Statewide Investor-Owned Utilities (CA IOUs) Codes and Standards Program, key consultants, and engaged cities—collectively known as the Reach Codes Team.

The analysis considers traditional detached single family and detached accessory dwelling unit (ADUs) building types and evaluates mixed fuel and all-electric package options in all sixteen California climate zones (CZs).⁴ Packages include combinations of efficiency measures, on-site renewable energy, and battery energy storage.

This report documents the key results and conclusions from the Reach Codes Team analysis. A full dataset of all results can be downloaded from the Local Energy Codes [Resources](#)⁵ webpage. Results alongside policy options and the potential citywide impacts for specific jurisdictions can also be explored using the Cost-effectiveness Explorer at <https://explorer.localenergycodes.com/>.

The California Building Energy Efficiency Standards Title 24, Part 6 (Title 24) (California Energy Commission, 2021a) is maintained and updated every three years by two state agencies: the California Energy Commission (Energy Commission) and the Building Standards Commission (BSC). In addition to enforcing the code, local jurisdictions have the authority to adopt local energy efficiency ordinances—or reach codes—that exceed the minimum standards defined by Title 24 (as established by Public Resources Code Section 25402.1(h)2 and Section 10-106 of the Building Energy Efficiency Standards). Local jurisdictions must demonstrate that the requirements of the proposed ordinance are cost-effective and do not result in buildings consuming more energy than is permitted by Title 24. In addition, the jurisdiction must obtain approval from the Energy Commission and file the ordinance with the BSC for the ordinance to be legally enforceable.

The Department of Energy (DOE) sets minimum efficiency standards for equipment and appliances that are federally regulated under the National Appliance Energy Conservation Act, including heating, cooling, and water heating equipment (E-CFR, 2020). Since state and local governments are prohibited from adopting higher minimum efficiencies than the federal standards require — herein referred to as federal preemption — the focus of this study is to identify and evaluate cost-effective packages that do not include high efficiency heating, cooling, and water heating equipment. High efficiency appliances are often the easiest and most affordable measures to increase energy performance. While federal preemption limits reach code mandatory requirements for covered appliances, in practice, builders may install any package of compliant measures to achieve the performance requirements.

⁴ See Appendix 7.1 Map of California Climate Zones for a graphical depiction of climate zone locations.

⁵ <https://localenergycodes.com/content/resources/?q=newly%20constructed%20buildings:%20efficiency%20and%20electrification>

2 Methodology and Assumptions

2.1 Analysis for Reach Codes

This section describes the approach to calculating cost-effectiveness including benefits, costs, metrics, and utility rate selection.

2.1.1 Modeling

The Reach Codes Team performed energy simulations using software approved for 2022 Title 24 Code compliance analysis, CBECC-Res 2022.3.0.

The general approach applied in this analysis is to evaluate performance and determine cost-effectiveness of various energy efficiency upgrade measures, individually and as packages, in single family buildings. Using the 2022 baseline as the starting point, prospective measures and packages were identified and modeled in each of the prototypes to determine the projected energy use (therm and kWh) and compliance impacts. A large set of parametric runs were conducted to evaluate various options and develop packages of measures that met or exceeded minimum code performance. The analysis utilized a Python based parametric tool to automate and manage the generation of CBECC-Res input files. This allowed for quick evaluation of various efficiency measures across multiple climate zones and prototypes and improved quality control. The batch process functionality of CBECC-Res was utilized to simulate large groups of input files at once.

2.1.2 Cost-effectiveness

2.1.2.1 Benefits

This analysis used two different metrics to assess cost-effectiveness of the proposed upgrades. Both methodologies require estimating and quantifying the incremental costs and energy savings associated with each energy efficiency measure. The main difference between the methodologies is the manner in which they value energy and thus the cost savings of reduced or avoided energy use:

Utility Bill Impacts (On-Bill): Customer-based lifecycle cost (LCC) approach that values energy based upon estimated site energy usage and customer utility bill savings using today's electricity and natural gas utility tariffs. Total savings are estimated over a 30-year duration and include discounting of future costs and energy cost inflation.

Time Dependent Valuation (TDV): Energy Commission LCC methodology, which is intended to capture the total value or cost of energy use over 30 years. This method accounts for long-term projected costs, such as the cost of providing energy during peak periods of demand, and other societal costs, such as projected costs for carbon emissions as well as grid transmission and distribution impacts. This metric values energy use differently depending on the fuel source (natural gas, electricity, and propane), time of day, and season. For example, electricity used (or saved) during peak periods has a much higher value than electricity used (or saved) during off-peak periods due to the less inefficient energy generation sources providing peak electricity (Horii, Cutter, Kapur, Arent, & Conotyannis, 2014). This is the methodology used by the Energy Commission in evaluating cost-effectiveness for efficiency measures in Title 24, Part 6.

2.1.2.2 Costs

The Reach Codes Team assessed the incremental costs of the measures and packages over a 30-year lifecycle. Incremental costs represent the equipment, installation, replacement, and maintenance costs of the proposed measure relative to the 2022 Title 24 Standards minimum requirements or standard industry practices. Present value of replacement cost is included only for measures with lifetimes less than the 30-year evaluation period.

In calculating On-Bill cost-effectiveness, incremental first costs were assumed to be financed into a mortgage or loan with a 30-year loan term and four percent interest rate. Financing was not applied to future replacement or maintenance costs. In calculating TDV cost-effectiveness, incremental first costs were not assumed to be financed into a mortgage or loan.

2.1.2.3 Metrics

Cost-effectiveness is presented using net present value (NPV) and benefit-to-cost (B/C) ratio metrics.

NPV Savings: The lifetime NPV savings is reported as a cost-effectiveness metric; Equation 1 demonstrates how this is calculated. If the net savings of a measure or package is positive, it is considered cost-effective. Negative savings represent net costs.

B/C Ratio: Ratio of the present value of all benefits to the present value of all costs over 30 years (present value of benefits divided by present value of costs). The criteria benchmark for cost-effectiveness is a B/C ratio greater than one. A value of one indicates the present value of the savings over the analysis period is equivalent to the present value of the lifetime incremental cost of that measure. A value greater than one represents a positive return on investment. The B/C ratio is calculated according to Equation 2.

Equation 1

$$NPV \text{ Savings} = \text{Present value of lifetime benefit} - \text{Present value of lifetime cost}$$

Equation 2

$$\text{Benefit-to-Cost Ratio} = \frac{\text{Present value of lifetime benefit}}{\text{Present value of lifetime cost}}$$

Improving the efficiency of a project often requires an initial incremental investment. In most cases the benefit is represented by annual On-Bill utility or TDV savings, and the cost is represented by incremental first cost and replacement costs. However, some packages result in initial construction cost savings (negative incremental cost), and either energy cost savings (positive benefits), or increased energy costs (negative benefits). In cases where both construction costs and energy-related savings are negative, the construction cost savings are treated as the 'benefit' while the increased energy costs are the 'cost.' In cases where a measure or package is cost-effective immediately (i.e., upfront construction cost savings and lifetime energy cost savings), B/C ratio cost-effectiveness is represented by ">1".

The lifetime costs or benefits are calculated according to Equation 3.

Equation 3

$$PV \text{ of lifetime cost or benefit} = \sum_{t=0}^n \frac{(\text{Annual cost or benefit})_t}{(1+r)^t}$$

Where: n = analysis term in years

- r = discount rate

The following summarizes the assumptions applied in this analysis to both methodologies.

- Analysis term of 30 years
- Real discount rate of three percent

TDV is a normalized monetary format and there is a unique procedure for calculating the present value benefit of TDV energy savings. The present value of the energy cost savings in dollars is calculated by multiplying the TDV savings (reported by the CBECC-Res simulation software) by a NPV factor developed by the Energy Commission (see (Energy + Environmental Economics, 2020)). The 30-year residential NPV factor is \$0.173/kTDV kBtu for the 2022 code cycle.

Equation 4

- $TDV \text{ PV of lifetime benefit} = TDV \text{ energy savings} * NPV \text{ factor}$

2.1.3 Utility Rates

In coordination with the CA IOU rate team (comprised of representatives from Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E)) and two Publicly-Owned-Utilities (POUs) (Sacramento Municipal Utility District (SMUD) and City of Palo Alto Utilities (CPAU)), the Reach Codes Team determined appropriate utility rates for each climate zone in order to calculate utility costs and determine On-Bill cost-effectiveness for the proposed measures and packages. The utility tariffs, summarized in Table 1, were determined based on the most prevalent active rate in each territory. Utility rates were applied to each climate zone based on the predominant IOU serving the population of each zone, with a few climate zones evaluated multiple times under different utility scenarios. Climate Zones 10 and 14 were evaluated with both SCE/SoCalGas and SDG&E tariffs since each utility has customers within these climate zones. Climate Zone 5 is evaluated under both PG&E and SoCalGas natural gas rates. Two POU or municipal utility rates were also evaluated: SMUD in Climate Zone 12 and CPAU in Climate Zone 4.

Some community choice aggregations (CCAs) have utility rates that are very similar to IOU rates, often within \$0.02 per kWh. For these CCA customers, total utility costs will be very similar to those calculated in this study and the results from this study will generally apply. The study results cannot be easily applied to CCAs with rates that do not closely track the IOU rates or municipal utilities outside of SMUD and CPAU.

First-year utility costs were calculated using hourly electricity and natural gas output from CBECC-Res and applying the utility tariffs summarized in Table 1. Annual costs were also estimated for IOU customers eligible for the CARE tariff discounts on both electricity and natural gas bills. Appendix 7.2 Utility Rate Schedules includes details of each utility tariff. For cases with onsite generation (i.e. solar photovoltaics (PV)), the approved Net Billing Tariff (NBT) was applied along with monthly service fees and hourly export compensation rates for 2024⁶. In December 2022, the California Public Utilities Commission (CPUC) issued a decision adopting NBT as a successor to prior net energy metering rules (NEM 2.0) that went into effect April of 2023.⁷ The ADU was assumed to have separate electric and gas meters from the main house.

Table 1: Utility Tariffs Used Based on Climate Zone

Climate Zones	Electric / Gas Utility	Electricity Tariff	Natural Gas Tariff
IOUs			
1-5,11-13,16	PG&E / PG&E	E-ELEC	G1
5	PG&E / SoCalGas	E-ELEC	GR
6, 8-10, 14, 15	SCE / SoCalGas	TOU-D-PRIME	GR
7, 10, 14	SDG&E / SDG&E	EV-TOU-5 (TOU-ELEC for ADU cases without PV systems ⁸)	GR
POUs			
4	CPAU / CPAU	E-1	G1
12	SMUD / PG&E	R-TOD	G1

Utility rates are assumed to escalate over time according to the CPUC 2021 En Banc hearings on utility costs through 2030 (California Public Utilities Commission, 2021a). Escalation rates through the remainder of the 30-year evaluation period are based on the escalation rate assumptions within the 2022 TDV factors. A second set of escalation rates were also evaluated to demonstrate the impact that utility cost changes over time have on cost-effectiveness. This utility rate escalation sensitivity analysis, presented in Section 4.6.3, was based on those used within the 2025 Long-

⁶ <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/net-energy-metering-nem/nemrevisit/nbt-model--12142022.xlsb>

⁷ <https://www.cpuc.ca.gov/nemrevisit>

⁸ See Section 3.2 Prototype Characteristics for a description of ADU cases that don't require solar PV prescriptively.

term System Cost (LSC) factors (LSC replaces TDV in the 2025 code cycle) which assumed steep increases in gas rates in the latter half of the analysis period. See Appendix 7.2.7 Fuel Escalation Assumptions for details.

2.2 Greenhouse Gas Emissions

The analysis reports the greenhouse gas (GHG) emission estimates based on assumptions within CBECC-Res. There are 8,760 hourly multipliers accounting for time-dependent energy use and carbon based on source emissions, including renewable portfolio standard projections. There are two strings of multipliers—one for Northern California climate zones, and another for Southern California climate zones.⁹ GHG emissions are reported as average annual metric tons of CO₂ equivalent over the 30-year measure analysis period.

2.3 Energy Design Rating

The 2019 Title 24 Code introduced California’s Energy Design Rating (EDR) as the primary metric to demonstrate compliance with the energy code for single family buildings. This EDR was based on the hourly TDV energy use from a building that is compliant with the 2006 International Energy Conservation Code (IECC) as the Reference Building. The Reference Building has an EDR score of 100 while a zero-net energy (ZNE) home has an EDR score of zero. While the Reference Building is used to set the scale for the rating, the Proposed Design is still compared to the Standard Design based on the Title 24 prescriptive baseline assumptions to determine compliance. In the 2022 Title 24 Code a second new EDR metric was introduced based on hourly source energy. The two EDR metrics are described below:

- EDR1 is calculated based on source energy.
- EDR2 is calculated based on TDV energy.

EDR1 has only one component, “Total EDR1” which represents source energy use for the entire building. EDR2 is composed of two components for compliance purposes: the “Efficiency EDR2”, which represents the energy efficiency features of a home, and the PV/Flexibility EDR2, which includes the effects of PV and battery storage systems. “Total EDR2” combines all energy use of the building including both the Efficiency and PV/Flexibility impacts. While the Efficiency EDR2 does not include the full impact of a battery system, it can include a self-utilization credit for batteries if certain conditions are met.

For a new, single family building to comply with the 2022 Title 24 Code, three criteria must be met:

1. The Proposed Total EDR1 must be equal to or less than the Total EDR1 of the Standard Design, and
2. The Proposed Efficiency EDR2 must be equal to or less than the Efficiency EDR2 of the Standard Design, and
3. The Proposed Total EDR2 must be equal to or less than the Total EDR2 of the Standard Design.

This concept, consistent with California’s “loading order” which prioritizes energy efficiency ahead of renewable generation, requires projects to meet a minimum Efficiency EDR2 before PV is credited but allows for PV to be traded off with additional efficiency when meeting the Total EDR2. A project may improve building efficiency beyond the minimum required and subsequently reduce the PV generation capacity necessary to achieve the required Total EDR2. However, it may not increase the size of the PV system and trade this off with a reduction of efficiency measures.

Results from this analysis are presented as EDR Margin, a reduction in the EDR score relative to the Standard Design. EDR Margin is a better metric to use than absolute EDR in the context of a reach code because absolute values vary based on the home design and characteristics such as size and orientation. This approach aligns with how compliance is reported for the 2019 and 2022 Title 24 Code. The EDR Margin is calculated according to Equation 5.

Equation 5

$$EDR\ Margin = Standard\ Design\ EDR - Proposed\ Design\ EDR$$

⁹ CBECC-Res multipliers are the same for CZs 1-5 and 11-13 (Northern California), while there is another set of multipliers for CZs 6-10 and 14-16 (Southern California).

3 Prototypes, Measure Packages, and Costs

This section describes the prototypes and the scope of analysis drawing from previous research where necessary, including the 2019 low-rise residential single family reach code study (Statewide Reach Codes Team, 2019).

3.1 Prior Reach Code Research

In 2019, the Reach Codes Team analyzed the cost-effectiveness of residential single family new construction projects for mixed fuel and all-electric packages (Statewide Reach Codes Team, 2019). Using this analysis, several cities and counties in California adopted local energy code amendments encouraging or requiring that low-rise residential new construction be all-electric. As there were few changes to the single family requirements, this analysis for the 2022 code cycle leveraged the work completed for the 2019 reports. Initial efficiency packages were based on the final packages from the 2019 research and were revised to reflect measure specifications and costs based on new data.

3.2 Prototype Characteristics

The Energy Commission defines building prototypes which it uses to evaluate the cost-effectiveness of proposed changes to Title 24 requirements. For the 2022 code cycle the Energy Commission used two single family prototypes, both of which were used in this analysis. Additional details on the prototypes can be found in the Alternative Calculation Method (ACM) Approval Manual (California Energy Commission, 2018).

Additionally, a detached new construction ADU prototype was developed to reflect recent trends in California construction related to the high cost of housing (TRC, 2021). ADUs are additional dwelling units typically built on the property of an existing single-family parcel. ADUs are defined as new construction in the energy code when they are ground-up developments, do not convert an existing space to livable space, and are not attached to the primary dwelling. The evaluated prototype is not representative of an attached ADU constructed as an addition to an existing home.

The Reach Codes Team leveraged prior research to define the detached ADU baseline and measure packages. The house size and number of bedrooms were based on data from a survey conducted by UC Berkeley's Center for Community Innovation (UC Berkeley Center for Community Innovation, 2021). The survey found that the average square footage for new ADUs statewide is 615 square feet and that the majority (61 percent) of new ADUs have one bedroom.

Table 2 describes the basic characteristics of each prototype. The prototypes have equal geometry on all walls, windows and roof to be orientation neutral.

Table 2: Prototype Characteristics

Characteristic	Single Family One-Story	Single Family Two-Story	ADU
Conditioned Floor Area	2,100 ft ²	2,700 ft ²	625 ft ²
Num. of Stories	1	2	1
Num. of Bedrooms	3	4	1
Window-to-Floor Area Ratio	20%	20%	19.2%

The Energy Commission's protocol for the two single family prototypes is to weigh the simulated energy impacts by a factor that represents the distribution of single-story and two-story homes being built statewide. Consistent with this protocol, this study assumed 50 percent single-story and 50 percent two-story. Simulation results in this study are

characterized and presented according to this ratio, which is approximately equivalent to a 2,400-square foot (ft²) house.¹⁰ ADU results are presented separately.

The methodology used in the analyses for each of the prototypical building types begins with a design that precisely meets the minimum 2022 prescriptive requirements (zero compliance margin). Table 150.1-A in the 2022 Standards (California Energy Commission, 2021a) lists the prescriptive measures that determine the baseline design in each climate zone. Other features are consistent with the Standard Design in the ACM Reference Manual (California Energy Commission, 2022), and are designed to meet, but not exceed, the minimum requirements. See Appendix 7.4 for a list of prescriptive values relevant to the measures explored in this analysis.

Table 3 describes additional characteristics as they were applied to the base case, or baseline, energy model in this analysis. In a shift from the 2019 Standards, the 2022 Standards apply a prescriptive fuel source for space heating and water, where one is gas-fueled and one is a heat pump depending on climate zone. This establishes a prescriptive heat pump baseline. In most climate zones the prescriptive base case includes a heat pump water heater and a natural gas furnace for space heating. In Climate Zones 3, 4, 13, and 14 this is reversed, where the base case has a heat pump space heater and natural gas tankless water heater.

Table 4 summarizes the PV capacities for the base case packages.

¹⁰ 2,400 ft² = (50% x 2,100 ft²) + (50% x 2,700 ft²)

Table 3: Base case Characteristics of the Prototypes

Characteristic	Single Family	ADU
Space Heating/Cooling ^{1,2}	<u>CZs 1-2,5-12,15-16</u> : Natural gas furnace, split AC 80 AFUE, 14.3 SEER2, 11.7 EER2 <u>CZs 3-4,13-14</u> : Split heat pump – 7.5 HSPF2, 14.3 SEER2, 11.7 EER2	Same as single family
Air Distribution	<u>Ductwork located in vented attic</u>	Same as single family
Water Heater ^{1,2}	<u>CZs 1-2,5-12,15-16</u> : Heat pump water heater (HPWH) UEF = 2.0 located in the garage <u>CZs 3-4,13-14</u> : Natural gas tankless – UEF = 0.81	Same equipment type as SF except HPWH is located inside the conditioned space with the supply air ducted from outside and exhaust air ducted to outside. ³
Hot Water Distribution	Code minimum <u>CZs 1,16</u> : Basic compact distribution credit	Same as single family
Cooking	Natural Gas	Same as single family
Clothes Drying	Natural Gas	Same as single family
PV System	Sized to offset 100% of electricity use for space cooling, ventilation, lighting, appliance, & other miscellaneous electric loads. Size differs by climate zone ranging from 2.64 kW to 5.21 kW, see Table 4.	PV is not required when the PV system size required based on the prescriptive calculations is less than 1.8 kW, as is the case in Climate Zones 1-9, 12, 14, and 16. In the other climate zones the PV size ranges from 1.73 kW to 2.51 kW, see Table 4. ⁴
Foundation	Slab-on-grade	Same as single family

¹ Equipment efficiencies are equal to minimum federal appliance efficiency standards.

² AFUE = annual fuel utilization efficiency. SEER = seasonal energy efficiency ratio. EER = energy efficiency ratio. HSPF = heating seasonal performance factor. UEF = uniform energy factor.

³ This version of CBECC-Res used in this analysis did not have the capability to directly model ducted HPWHs even though this configuration is called out as the Standard Design in the 2022 ACM (California Energy Commission, 2022). This was modeled by indicating that the tank is located within the conditioned space with the compressor unit located outside.

⁴ Exception 2 to Section 150.1(l)14 states that “no PV system is required when the minimum PV system size specified by section 150.1(c)14 is less than 1.8 kWdc.” In this analysis this exception is applied based on the sizes calculated per Equation 150.1-C of Section 150.1(c)14. The performance software sizes the PV system based on the estimated energy use, which differs slightly from the prescriptive sizing. As a result, the baseline PV capacity from the performance software for Climate Zone 10 is less than 1.8 kWdc.

Table 4: Base Package PV Capacities (kW-DC)

Climate Zone	Base Package	
	Single Family	ADU
CZ01	3.57	0
CZ02	3.03	0
CZ03	2.83	0
CZ04	2.91	0
CZ05	2.64	0
CZ06	2.65	0
CZ07	2.83	0
CZ08	3.11	0
CZ09	2.96	0
CZ10	3.17	1.73
CZ11	3.90	2.06
CZ12	3.14	0
CZ13	4.05	2.09
CZ14	3.15	0
CZ15	5.21	2.51
CZ16	2.93	0

3.3 Measure Definitions and Costs

Measures evaluated in this study fall into two categories: those associated with general efficiency — onsite generation (solar PV), and demand flexibility (batteries) — and those associated with building electrification. Furthermore, general efficiency measures are broken into those that are federally preempted and those that are not; see Section 1 for background information on preemption and Section 3.4 for details of measure packages evaluated in this study. The Reach Codes Team selected measures based on cost-effectiveness as well as decades of experience with residential architects, builders, and engineers along with general knowledge of the relative consumer acceptance of many measures.

The following sections describe the details and incremental cost assumptions for each of the measures. Incremental costs represent the equipment, installation, replacement, and maintenance costs of the proposed measures relative to the base case.¹¹ Replacement costs are applied for roofs, mechanical equipment, PV inverters and battery systems over the 30-year evaluation period. Maintenance costs are estimated for PV systems, but not any other measures. Costs were estimated to reflect costs to the building owner. All costs are provided as present value in 2023 (2023 PV\$).

The Reach Codes Team obtained measure costs from distributors, contractors, literature review, and online sources such as Home Depot and RS Means. Contractor markups are incorporated. These are the Reach Codes Team's best estimates of average costs statewide. However, it's recognized that local costs may differ, and that inflation and supply chain issues may also impact costs.

3.3.1 Efficiency, Solar PV, and Batteries

The following are descriptions of each of the efficiency, PV, and battery measures evaluated under this analysis and applied in at least one of the packages presented in this report, including how they compare to the current prescriptive requirements. Throughout this report, "Efficiency" measures refer specifically to the following non-preempted

¹¹ All first costs are assumed to be financed in a mortgage and interest costs due to financing are included in the incremental costs. See Section 2.1.2 for details.

measures. These measures are in addition to or in place of the relevant 2022 base case prototype characteristics outlined in Table 3, and their applicability to measure packages are summarized in Table 39 through Table 41. Table 5 summarizes the incremental cost assumptions for each of these measures.

Reduced Infiltration (ACH50): Reduce infiltration in single family homes from the default infiltration assumption of five (5) air changes per hour at 50 Pascals (ACH50)¹² by 40 percent to 3 ACH50. HERS rater field verification and diagnostic testing of building air leakage according to the procedures outlined in the 2022 Reference Appendices RA3.8 (California Energy Commission, 2021b).

Lower U-Factor Fenestration: Reduce window U-factor to 0.24. The prescriptive U-factor is 0.30 in all climate zones.

Higher SHGC Fenestration: Increase solar heat gain coefficient (SHGC) to 0.50 in climate zones where heating loads dominate (1, 3, 5 and 16). The baseline SHGC applied in the Standard Design is 0.35 in these climate zones.

Cool Roof: Install a roofing product that's rated by the Cool Roof Rating Council to have an aged solar reflectance (ASR) equal to or greater than 0.25. Steep-sloped roofs were assumed in all cases. The prescriptive ASR is 0.20 for Climate Zones 10 through 15.

Increased Ceiling Insulation: Increase ceiling level insulation in a vented attic to R-38, R-49, or R-60 insulation.

Slab Insulation: Install R-10 perimeter slab insulation at a depth of 16-inches. This measure doesn't apply to Climate Zone 16 where slab insulation is required prescriptively.

Low Pressure Drop Ducts: Upgrade the duct distribution system to reduce external static pressure and meet a maximum fan efficacy of 0.35 Watts per cfm (compared to the prescriptively required 0.45 W/cfm). This may involve upsizing ductwork, reducing the total effective length of ducts, and/or selecting low pressure drop components such as filters. Fan watt draw must be verified by a HERS rater according to the procedures outlined in the 2022 Reference Appendices RA3.3 (California Energy Commission, 2021b). This applies to the single family prototype only.

Buried Radial Duct Design: Bury all ductwork in ceiling insulation by laying the ducts across the ceiling joists or in-between ceiling joists directly on the ceiling drywall. Duct design is based on a radial design where individual ducts are run to each supply register. This allows for smaller diameter ducts, reducing duct losses and more easily meeting fully or deeply buried conditions.¹³ Duct burial and duct system design must be verified by a HERS rater according to the procedures outlined in the 2022 Reference Appendices RA3.1.4.1.5 and RA3.1.4.1.6 (California Energy Commission, 2021b). This applies to the single family prototype only.

Ductless Mini-Split Heat Pump: In the ADU prototype install a ductless mini-split heat pump with three indoor heads. The system is evaluated as meeting the criteria for the variable capacity heat pump (VCHP) credit, introduced in the 2019 code cycle, which must be verified by a HERS rater according to the procedures outlined in the 2022 Reference Appendices RA3.4.4.3 (California Energy Commission, 2021b). This credit requires verification of refrigerant charge, that all equipment is entirely within conditioned space, that airflow is directly supplied to all habitable space, and that wall mounted thermostats serve any zones greater than 150 square feet. This measure is non-preempted because it does not require the installation of equipment with efficiencies above federal minimum requirements.

Compact Hot Water Distribution: Design the hot water distribution system to meet minimum requirements for the basic compact hot water distribution credit according to the procedures outlined in the 2022 Reference Appendices RA4.4.6 (California Energy Commission, 2021b). In many single family homes this may require moving the water heater from an exterior to an interior garage wall. CBECC-Res software assumes a 30% reduction in distribution losses for the basic credit. This is prescriptively required in Climate Zones 1 and 16 only.

Solar PV: Installation of on-site PV is required in the 2022 residential code unless an exception is met. The PV sizing methodology in each package was developed to offset annual building electricity use and avoid oversizing. In all cases,

¹² Whole house leakage tested at a pressure difference of 50 Pascals between indoors and outdoors.

¹³ The duct systems in the Central Valley Research Homes Project Final Project Report are illustrative of this approach (Proctor, Wilcox, & Chitwood, 2018).

PV is evaluated in CBECC-Res according to the California Flexible Installation (CFI) 1 assumptions. To meet CFI eligibility, the requirements of 2022 Reference Appendices JA11.2.2 (California Energy Commission, 2021b) must be met.

The Reach Codes Team used two options within the CBECC-Res software for sizing the PV system. The first option, “Standard Design PV”, was applied in the base case simulations and packages where the PV system size was not changed from the minimum system size required¹⁴. For the PV packages, the second option, “Specify PV System Scaling”, was used. In these cases, a scaling of 100 was applied, indicating that the PV system be sized to offset 100% of the estimated electricity use of the Proposed Design case.

One exception to the PV requirement is when the minimum PV system size required is less than 1.8 kW. This exception applies to the ADU models in Climate Zones 1-9, 12, 14, and 16. For these cases no PV system is required by code and no PV system was modeled in the base case simulations.

Battery Energy Storage: A 10 kWh battery system was evaluated in CBECC-Res with control type set to “Basic” and with default efficiencies of 95% for both charging and discharging. 10kWh battery capacity is representative of systems installed in single family homes based on the Self-Generation Incentive Program (SGIP) participant data. The “Basic” control option charges the battery system anytime PV generation is greater than the house load and discharges the battery whenever the house load exceeds PV generation. The battery does not discharge to the grid, maximizing on-site utilization of the PV system and in turn utility bill benefits under NBT. To qualify for the battery storage compliance credit the battery system must meet the requirements outlined in the 2022 Reference Appendices JA12 (California Energy Commission, 2021b). Batteries are not prescriptively required in any climate zone.

Table 5: Incremental Cost Assumptions: Efficiency, PV, and Battery Measures

Measure	Performance Level	Incremental Cost (2023 PV\$) ¹		Source & Notes
		Single Family	ADU	
Reduced Infiltration	3.0 vs 5.0 ACH50	\$591	\$362	\$0.115/ft ² based on NREL’s BEopt cost database plus \$250 HERS rater verification.
Window U-factor	0.24 vs 0.30	\$2,280	\$285	\$4.23/ft ² window area based on analysis conducted for the 2019 and 2022 Title 24 cycles (Statewide CASE Team, 2018).
Window SHGC	0.50 vs 0.35	\$0	\$0	Based on feedback from Statewide CASE Team that higher SHGC does not necessarily have any incremental cost (Statewide CASE Team, 2017).
Cool Roof	0.25 vs 0.20 aged solar reflectance	\$219	\$53	\$0.07per ft ² of roof area first incremental cost for asphalt shingle product based on the 2022 Nonresidential High Performance Envelope CASE Report (Statewide CASE Team, 2020a). Total costs assume present value of replacement at year 20 and residual cost for remaining product life at end of 30-year analysis period. Higher reflectance values for lower cost are achievable for tile roof products
Attic Insulation	R-49 vs R-30	\$872	n/a	Based on costs from the 2022 Residential Additions & Alterations CASE Report (Statewide CASE Team, 2020b).
	R-60 vs R-30	\$1,420	n/a	
	R-60 vs R-38	\$1,096	n/a	
Slab Edge Insulation	R-10 vs R-0	\$651	\$449	\$4 per linear foot of slab perimeter based on internet research. Assumes 16in depth.

¹⁴ The Standard Design PV system is sized to offset the electricity use of the building loads which are typically electric in a mixed fuel home, which includes all loads except space heating, water heating, clothes drying, and cooking.

Measure	Performance Level	<u>Incremental Cost (2023 PV\$)¹</u>		Source & Notes
		Single Family	ADU	
Low Pressure Drop Ducts	0.35 vs 0.45 W/cfm	\$99	n/a	Costs assume one-hour labor for single family and half-hour for the ADU. Labor rate of \$88 per hour is from 2022 RS Means for sheet metal workers and includes a weighted average City Cost Index for labor for California.
Buried Ducts	Buried, radial design	\$281	n/a	No cost for laying ducts on attic floor versus suspending, in some cases there will be cost savings. Neutral cost for radiant design versus trunk and branch design. A \$250 HERS Rater verification fee is included.
Duct Insulation	R-8 vs R-6	\$201	n/a	Based on costs from the 2022 Residential Additions & Alterations CASE Report (Statewide CASE Team, 2020b).
Ductless Mini-Split Heat Pump	Ductless system meeting the VCHP credit vs. ducted split heat pump	n/a	\$1,571	Costs were developed based on data from E3's 2019 report Residential Building Electrification in California (Energy & Environmental Economics, 2019) and the 2022 All-Electric Multifamily CASE Report (Statewide CASE Team, 2020c). Equipment costs are from the CASE Report for the 10-story multifamily prototype assuming similar sized equipment between the multifamily dwelling unit and the ADU. Thermostat, wiring, electrical, and ducting costs are from the E3 study. A \$250 HERS Rater verification fee is also included. Where this measure is applied to the mixed fuel home with a gas furnace, this cost is in addition to the cost difference for a heat pump versus a gas furnace/split AC reported in Section 3.3.2.
Compact Hot Water Distribution	Basic credit – homes with gas tankless	\$196	\$0	For single family homes with a gas tankless water heater (mixed fuel homes in Climate Zones 3, 4, 13, 14) assumes adding 20-feet venting at \$14.69 per linear foot to locate water heater on interior garage wall, less 20-feet savings for PEX and pipe insulation at \$5.98 per linear foot. Costs obtained from online retailers. For single family homes with a HPWH there is an incremental cost savings from less pipe being required. For the ADU it is assumed the credit can be met without any changes to design and there is no cost impact.
	Basic credit – homes with HPWH	-\$134	\$0	
PV System	First Cost	\$3.11/W	\$3.11/W	First costs are from LBNL's Tracking the Sun 2022 (Barbose, Galen; Darghouth, Naim; O'Shaughnessy, Eric; Forrester, Sydney, 2022) and represent median costs in California in 2022 of \$3.78/WDC for residential systems. The first cost was reduced by the solar energy Investment Tax Credit of 30%. ² Inverter replacement cost of \$0.14/WDC present value includes replacements at year 11 at \$0.15/WDC (nominal) and at year 21 at \$0.12/WDC (nominal) per the 2019 PV CASE Report (California Energy Commission, 2017). System maintenance costs of \$0.31/WDC present value assume \$0.02/WDC (nominal) annually per the 2019 PV CASE Report (California Energy Commission, 2017).
	Inverter replacement	\$0.14/W	\$0.14/W	
	Maintenance	\$0.31/W	\$0.31/W	
	Replacement cost	\$648/kWh	\$648/kWh	

Measure	Performance Level	Incremental Cost (2023 PV\$) ¹		Source & Notes
		Single Family	ADU	
Battery (10 kWh)	First cost	\$782/kWh	\$782/kWh	First costs of \$1,101/kWh are from SGIP residential participant cost data for single family projects between 2020 and 2023. The first cost is reduced by 30% due to the Investment Tax Credit ² and also by \$0.15/Wh due to the base SGIP incentive ³ . The SGIP incentive is only accounted for in IOU territories and not for SMUD and CPAU analyses. Replacement cost at years 10 and 20 was calculated based on the first cost reduced by 7% annually over the next 10 years for a future value cost of \$533/kWh. The 7% reduction is based on SDG&E's Behind-the-Meter Battery Market Study (E-Source companies, 2020). For projects constructed in 2024 or 2025, the first replacement at year 10 would occur in 2034 or 2035. This replacement cost includes an average Investment Tax Credit of 22% in 2034 and 0% in 2035 ² .

¹All first costs are assumed to be financed in a mortgage and interest costs due to financing are included in the incremental costs. See Section 2.1.2 for details. Interest costs were not included for calculating TDV cost-effectiveness.

²As part of the Inflation Reduction Act in August 2022 the Section 25D Investment Tax Credit was extended and raised to 30% through 2032 with a step-down beginning in 2033. <https://www.seia.org/sites/default/files/2022-08/Inflation%20Reduction%20Act%20Summary%20PDF%20FINAL.pdf>

³SGIP incentives vary by 'steps' which reflect utility-specific funding across program implementation years. See: https://www.selfgenca.com/home/program_metrics/

3.3.2 Electrification

This analysis compared a code compliant mixed fuel prototype, which uses natural gas for three appliances (cooking, clothes drying and either space heating or water heating), with a code compliant all-electric prototype. The associated costs included the relative costs between natural gas and electric appliances, differences between in-house electricity and natural gas infrastructure, and the associated infrastructure costs for providing natural gas to the building. To estimate costs the Reach Codes Team leveraged costs from the 2019 reach code cost-effectiveness studies for residential new construction (Statewide Reach Codes Team, 2019) and detached accessory dwelling units (Statewide Reach Codes Team, 2021b), 2022 RS Means, PG&E data, published utility schedules and rules, and online research.

3.3.2.1 Utility Infrastructure

This section addresses utility infrastructure costs during construction; appliance-specific infrastructure costs are addressed in Section 0. Table 6 presents total costs for natural gas infrastructure for a single family building within CA gas IOU territory, including distribution and service line extensions, meter installation, and plan review. These costs are applied as cost savings for an all-electric home when compared to a mixed fuel home. This is the component with the highest degree of variability for all-electric homes, as they are project-dependent and may be significantly impacted by such factors as utility territory, site characteristics, distance to the nearest natural gas main and main location, joint trenching, whether work is conducted by the utility or a private contractor, and number of dwelling units per development. All gas utilities participating in this study were solicited for cost information. The CA IOU costs for single family homes presented are based on cost data provided by PG&E.

Extension of service lines from a main distribution line to the home were provided separately for a new subdivision in an undeveloped area (\$1,300) as well as an infill development (\$6,750). The service extension is typically more costly in an infill scenario due to the disruption of existing roads, sidewalks, and other structures. For this analysis an average of the new subdivision and infill development costs was used, representing 80 percent of the new subdivision and 20 percent infill. In the case of distribution line extensions, the estimated cost is for new greenfield development.

For the single family analysis, based on the Reach Codes Team's conversations with the industry it is assumed that no upgrades to the electrical panel are required and that a 200 Amp panel is typically installed for both mixed fuel and all-electric homes.

Table 6: Single Family IOU Total Natural Gas Infrastructure Costs

Item	Cost
Distribution Line Extension	\$1,020
Service Line Extension	\$2,390
Meter	\$300
Plan Review Costs	\$850
Total	\$4,560

CPAU provides gas service to its customers and therefore separate costs were evaluated based on CPAU gas service connection fees.¹⁵ Table 7 presents the breakdown of gas infrastructure costs used in this analysis for CPAU. There is no main distribution line component since Palo Alto has little greenfield space remaining and most of the development is infill.

¹⁵ CPAU Schedule G-5 effective 09-01-2019: <https://www.cityofpaloalto.org/files/assets/public/utilities/utilities-engineering/general-specifications/gas-service-connection-fees.pdf>

Table 7: Single Family CPAU Total Natural Gas Infrastructure Costs

Item	Cost
Service Extension	\$5,892
Meter	\$1,012
Plan Review Costs	\$924
Total	\$7,828

Electricity infrastructure costs for single family homes were not estimated as part of this work as they are expected to be the same for both all-electric and mixed fuel construction. This will change in July 2024 based on the CPUC's recent decision to eliminate electric line extension subsidies for new construction projects that use natural gas and/or propane.¹⁶ This will increase the utility infrastructure costs for mixed fuel homes, relative to all-electric homes, improving the cost-effectiveness of all-electric construction. The Reach Codes Team intends to quantify this impact in future studies.

Table 8 presents utility infrastructure costs for the detached ADU, both mixed fuel and all-electric designs. These costs are directly from the 2019 detached ADU reach code report (Statewide Reach Codes Team, 2021b) and were obtained from stakeholder interviews and RS Means. For the ADU scenario it's assumed that natural gas infrastructure already exists on the lot and is being extended to the location of the ADU typically at the back of the lot. There are incremental cost savings for an all-electric ADU from not extending the natural gas service; however, there is also a small incremental cost for upgrading the electric service to accommodate the additional electrical load. The Reach Codes Team found that a new detached ADU would require that the building owner upgrade the service connection to the lot in both the mixed fuel ADU design and the all-electric design. The most common size for this upgrade is to upsize the existing panel to 225A, which would not represent an incremental cost from the mixed fuel project to the all-electric project. Feeder wiring to the ADU and the ADU subpanel, on the other hand, will need to be slightly upgraded for the all-electric design.

Table 8: ADU Utility Infrastructure Total and Incremental Costs

Mixed Fuel Measure	Mixed Fuel Total Cost	All-Electric Measure	All-Electric Total Cost	All-Electric Incremental Cost
Site natural gas service extension	\$1,998	No site natural gas service	\$0	(\$1,998)
Site electrical service connection upgrade 225A	\$3,500	Site electrical service connection upgrade 225A	\$3,500	\$0
100A feeder to ADU with breaker	\$933	125A feeder to ADU with breaker	\$1,206	\$273
100A ADU subpanel	\$733	125A ADU subpanel	\$946	\$213
Totals	\$7,164		\$5,652	(\$1,512)

3.3.2.2 Equipment

This section provides descriptions and costs of the equipment applied to electrify mixed fuel homes in the all-electric packages. The equipment meets but does not exceed federal efficiency requirements to avoid federal preemption concerns.

¹⁶ <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-eliminates-last-remaining-utility-subsidies-for-new-construction-of-buildings-using-gas-2023>

For the water heating and space conditioning equipment analyzed, cost analyses incorporated the equipment's effective useful lifetime (EUL), which are summarized in Table 9. The EUL for the heat pump, furnace, and air conditioner are based on the Database for Energy Efficient Resources (DEER) (California Public Utilities Commission, 2021b). Water heating equipment lifetimes are based on DOE's recent water heater rulemaking (Department of Energy, 2022). Replacement costs are applied when equipment reaches its EUL within the 30-year evaluation period, and in such cases are included in the total lifetime costs. Residual value of the gas furnace and gas tankless at the end of the 30-year analysis period was accounted for to represent the remaining life of the equipment.

In this analysis, replacement costs assume a like-for-like replacement of equipment type and fuel (as listed in Table 9). However, this may be precluded in the future due to efforts to prohibit the sale of gas equipment currently being considered or undertaken by air districts (ex. BAAQMD, SCAQMD) and the California Air Resources Board (ex. zero NOx appliance rules).

Table 9: Effective Useful Lifetime (EUL) of Water Heating & Space Conditioning Equipment

Measure	EUL (Years)
Gas Furnace	20
Air Conditioner	15
Heat Pump	15
Gas Tankless Water Heater	20
Heat Pump Water Heater	15

Space Conditioning: This measure covers replacing a prescriptive air conditioner and gas furnace with a minimum efficiency heat pump in applicable climate zones (1, 2, 5 to 12, 15 and 16; see Table 3). Typical incremental costs for this equipment were based on contractor feedback and price variation by system capacity from the AC Wholesalers website and the RS Means cost database (RSMeans, 2022). Costs were applied based on the system capacity from heating and cooling load calculations in CBECC-Res as presented in Table 10. Air conditioner nominal capacity was calculated as the CBECC-Res cooling load, rounded up to the nearest half ton. Heat pump nominal capacity was calculated as the maximum of either the CBECC-Res heating or cooling load, rounded up to the nearest half ton. In both cases a minimum capacity of 1.5-ton was applied as this represents the typical smallest available split system heat pump equipment. Load calculations demonstrated that Climate Zones 2, 5 to 12, and 15 were cooling-dominated while Climate Zones 1 and 16 were heating-dominated. In the heating dominated climate zones the heat pump for the single family home needs to be upsized relative to an air conditioner that only provides cooling.

Replacement costs were estimated based on a contractor survey conducted by the Statewide Reach Codes Team in 2023 (Statewide Reach Codes Team, tbd), less any gas and electric infrastructure costs, and the equipment lifetimes listed in Table 9. Resultant incremental costs are presented in Table 11.

This measure, and thus the incremental cost, does not apply to climate zones where heat pump space conditioning is already prescriptively required (Climate Zones 3, 4, 13, and 14).

Table 10: Space Conditioning System Nominal Capacities

Climate Zone	Single Family		ADU	
	Air Conditioner Capacity (tons)	Heat Pump Capacity (tons)	Air Conditioner Capacity (tons)	Heat Pump Capacity (tons)
1	1.5	2.5	1.5	1.5
2	3	3	1.5	1.5
3	-	-	-	-
4	-	-	-	-
5	3	3	1.5	1.5
6	3	3	1.5	1.5
7	3	3	1.5	1.5
8	2.5	2.5	1.5	1.5
9	2.5	2.5	1.5	1.5
10	2.5	2.5	1.5	1.5
11	3	3	1.5	1.5
12	2.5	2.5	1.5	1.5
13	-	-	-	-
14	-	-	-	-
15	4	4	1.5	1.5
16	2	3.5	1.5	1.5

Table 11: Space Conditioning System Incremental Costs (2023 PV\$)

Climate Zone	Single Family		ADU	
	First Cost	Total Lifetime Cost (Financed)	First Cost	Total Lifetime Cost (Financed)
1	\$803	\$2,705	(\$2,120)	(\$1,717)
2	(\$1,044)	(\$44)	(\$2,120)	(\$1,717)
3	-	-	-	-
4	-	-	-	-
5	(\$1,044)	(\$44)	(\$2,120)	(\$1,717)
6	(\$1,044)	(\$44)	(\$2,120)	(\$1,717)
7	(\$1,044)	(\$44)	(\$2,120)	(\$1,717)
8	(\$1,445)	(\$673)	(\$2,120)	(\$1,717)
9	(\$1,445)	(\$673)	(\$2,120)	(\$1,717)
10	(\$1,445)	(\$673)	(\$2,120)	(\$1,717)
11	(\$1,044)	(\$44)	(\$2,120)	(\$1,717)
12	(\$1,445)	(\$673)	(\$2,120)	(\$1,717)
13	-	-	-	-
14	-	-	-	-
15	(\$1,032)	\$368	(\$2,120)	(\$1,717)
16	\$2,331	\$5,123	(\$2,120)	(\$1,717)

Water Heater: This measure covers replacing a prescriptive gas tankless water heater with a minimum efficiency HPWH in applicable climate zones (3, 4, 13, and 14; see Table 3). Typical incremental costs were based on costs from prior reach code work and recent contractor feedback. Incremental first costs assume a 65-gal HPWH and incremental replacement costs account for equipment lifetimes listed in Table 9. Replacement costs assume no change in cost from the first cost estimates before accounting for inflation, less any gas and electric infrastructure costs. For the ADU analysis the water heater is evaluated within the conditioned space with the supply air ducted from the outside and exhaust air ducted to the outside. A mechanical contractor provided a cost estimate of \$943 for ducting through the attic in an ADU where the water heater is in an interior room. This cost is included in the equipment and installation total for the ADU. Resultant incremental costs are presented in Table 12.

Table 12: Heat Pump Water Heating System Incremental Costs (2023 PV\$)

Item	ADU		Single Family	
	First Cost	Total Lifetime Cost (Financed)	First Cost	Total Lifetime Cost (Financed)
Equipment & Installation	\$2,243	\$3,930	\$1,300	\$2,267
Electric Service Upgrade	\$43	\$48	\$45	\$51
In-House Gas Piping	(\$580)	(\$651)	(\$580)	(\$651)
Total	\$1,706	\$3,327	\$765	\$1,666

For this electrification analysis, a HPWH that just meets the federal minimum efficiency standards¹⁷ of close to 2.0 Uniform Energy Factor (UEF) was evaluated in order to satisfy preemption requirements. However, the Reach Codes Team is not aware of any 2.0 UEF products that are available on the market. The Northwest Energy Efficiency Alliance (NEEA) established its own rating system for high efficiency HPWHs¹⁸ and maintains a database of qualified products. The lowest UEF currently reported in the database is 2.73. In fact, of the four rating tiers offered by NEEA, those meeting Tier 3 or Tier 4 are the dominant products on the market today. According to NEEA all major HPWH manufacturers are represented in NEEA's qualified product list¹⁹ and there are fewer than 10 integrated products certified as Tier 1 or Tier 2, all of which have UEFs greater than 3.0.²⁰

NEEA Tier 3 water heaters were included in the high-efficiency measure packages (see Section 3.4).

Clothes Dryer and Range: After review of various sources, the Reach Codes Team concluded that the cost difference between gas and electric resistance equipment for clothes dryers and stoves is negligible and that the lifetimes of the two technologies are similar. Resultant incremental costs are presented in Table 13. Note that while induction stoves may be a more likely installation option in many homes, CBECC-Res does not currently differentiate between electric technologies for stoves and therefore they were not considered in this analysis. Relative to electric resistance, induction stoves use less energy and improve performance and user satisfaction, at an additional cost.

Electric Service Upgrade (appliance-specific): The 2022 Title 24 Code requires electric readiness for gas appliances; as a result, the incremental costs to provide electrical service for electric appliances are minimal. The incremental costs accounted for in this study — shown in Table 13 — are calculated as the cost to install 220V service for the electric appliances less the cost for the electric ready requirements and for installing 110V service for the

¹⁷ The Department of Energy establishes minimum energy conservation standards for consumer products, as directed in the Energy Policy and Conservation Act. See <https://www.ecfr.gov/current/title-10/chapter-II/subchapter-D/part-430/subpart-C/section-430.32>.

¹⁸ Based on operational challenges experienced in the past, NEEA established rating test criteria to ensure newly installed HPWHs perform adequately, especially in colder climates. The NEEA rating requires products comply with ENERGY STAR and includes requirements regarding noise and prioritizing heat pump use over supplemental electric resistance heating.

¹⁹ <https://neea.org/success-stories/heat-pump-water-heaters>

²⁰ As of 3/8/2024: <https://neea.org/img/documents/residential-unitary-HPWH-qualified-products-list.pdf>

comparable gas appliance. Incremental costs are applied for the space conditioner, water heater, and cooking range. Based on builder surveys, it's assumed that in a typical mixed fuel home both electric and gas service are provided to the dryer location and therefore no incremental costs for the dryer were applied. Costs assume 50A service for the range and 30A service for the space conditioner and water heater. Costs are assumed to be the same for the single family and ADU analyses.

In-House Natural Gas Infrastructure (from meter to appliances): Installation cost to run a natural gas line from the meter to the appliance location was estimated at \$580 per appliance, as shown in Table 13. These costs were based on material costs from Home Depot and labor costs from 2022 RS Means. The material costs were about 1/3 higher in RS Means than Home Depot, so the Reach Codes Team used the lower costs from Home Depot. The Reach Codes Team conducted a pipe sizing analysis for the two single family and one ADU prototype homes to estimate the length and diameter of gas piping required assuming the home included a gas furnace, gas tankless water heater, gas range, and gas dryer. Total estimated costs were very similar for each of the three prototypes and an average cost per appliance of \$580 was determined. Costs are assumed to be the same for the single family and ADU analyses.

Table 13: Single Family All-Electric Appliance Incremental Costs

Item	ADU & Single Family	
	First Cost	Total Lifetime Cost (Financed)
<i>Electric Resistance vs Gas Cooking</i>		
Equipment & Installation	\$0	\$0
Electric Service Upgrade	\$100	\$113
In-House Gas Piping	(\$580)	(\$651)
Total	(\$480)	(\$539)
<i>Electric Resistance vs Gas Clothes Drying</i>		
Equipment & Installation	\$0	\$0
Electric Service Upgrade	\$0	\$0
In-House Gas Piping	(\$580)	(\$651)
Total	(\$580)	(\$651)

3.4 Measure Packages

The Reach Codes Team evaluated two packages for mixed fuel homes and five packages for all-electric homes for each prototype and climate zone, as described below.

1. All-Electric Code Minimum: This package applied the prescriptive requirements of the 2022 Title 24 Code and replaced gas equipment with minimum efficiency electric equipment.
2. Efficiency Only, all-electric: This package used only efficiency measures that don't trigger federal preemption issues including envelope, water heating distribution, and duct distribution efficiency measures. For ADUs, this also included ductless variable capacity heat pumps (VCHPs). This package was evaluated for the all-electric homes only.
3. Efficiency + High Efficiency (Preempted) Equipment, all-electric and mixed fuel: This package builds off the Efficiency Only package, adding water heating and space conditioning equipment that is more efficient than federal standards. The Reach Codes Team considers this more reflective of how builders meet above code requirements in practice. This package was evaluated to compare compliance results against the other non-preempted packages (see Table 27 and Table 28), however cost-effectiveness was not evaluated for this package since it cannot serve as the basis for adoption of a local ordinance. Specifically, it applied:
 - a. Water heating, all-electric: Heat pump water heaters with a NEEA Tier 3 rating (3.45 UEF).
 - b. Water heating, mixed fuel: High efficiency (0.95 UEF) gas tankless.

- c. Space conditioning, single family: High efficiency (16 SEER2/8 HSPF2) heat pumps. In mixed fuel packages, for climate zones with prescriptive gas heating, high efficiency (16 SEER2/95 AFUE) units were applied.
- 4. Efficiency + PV, all-electric: This package also builds on the Efficiency Only package, excluding preempted equipment. Instead, PV capacity was added to offset all of the estimated annual electricity use. This package was evaluated for the all-electric homes only.
- 5. Efficiency + PV + Battery, all-electric and mixed fuel: Using the Efficiency + PV package as a starting point for the all-electric analysis, a battery system was added. For mixed fuel homes the package of efficiency measures differed from the all-electric homes in some climate zones to arrive at a cost-effective solution.

To reiterate previous statements, the non-preempted measures used in all of the above packages (except for the All-Electric Code Minimum package) are referred to as “Efficiency measures”. As noted above, these measures may differ by prototype (single family vs. ADU) and by package. See Table 40 and Table 41 for the details of these measures.

4 Results

Section 4.1 presents compliance results for all-electric versus mixed fuel code minimum packages to provide a broad overview of how these different approaches impact code compliance. Sections 4.2 to 4.5 present EDR results along with other savings data for packages of particular interest, as well as cost-effectiveness results for all packages. Section 4.5 presents results for sensitivity analyses. All results reflect savings over a 30-year analysis period and are compared against the 2022 prescriptive baseline.

4.1 Compliance Results: All-Electric vs. Mixed Fuel Code Minimum

The Reach Codes Team evaluated the compliance impacts of a prescriptive all-electric home as well as a traditional mixed fuel home with four gas appliances (space heating, water heating, cooking, clothes drying). Compliance is relative to the 2022 prescriptive base case home with three gas appliances which, by definition, has a compliance margin of zero in all climate zones. The impacts for the all-electric single family home and the ADU are presented in Figure 1 and Figure 2, respectively. The all-electric single family and ADU home prototypes are code compliant with both EDR1 (source energy) and efficiency EDR2 (TDV energy) in all climate zones, though the compliance margin is highly variable across climate zones. The four gas appliance single family home is presented in Figure 3. This case is not code compliant in any climate zone.

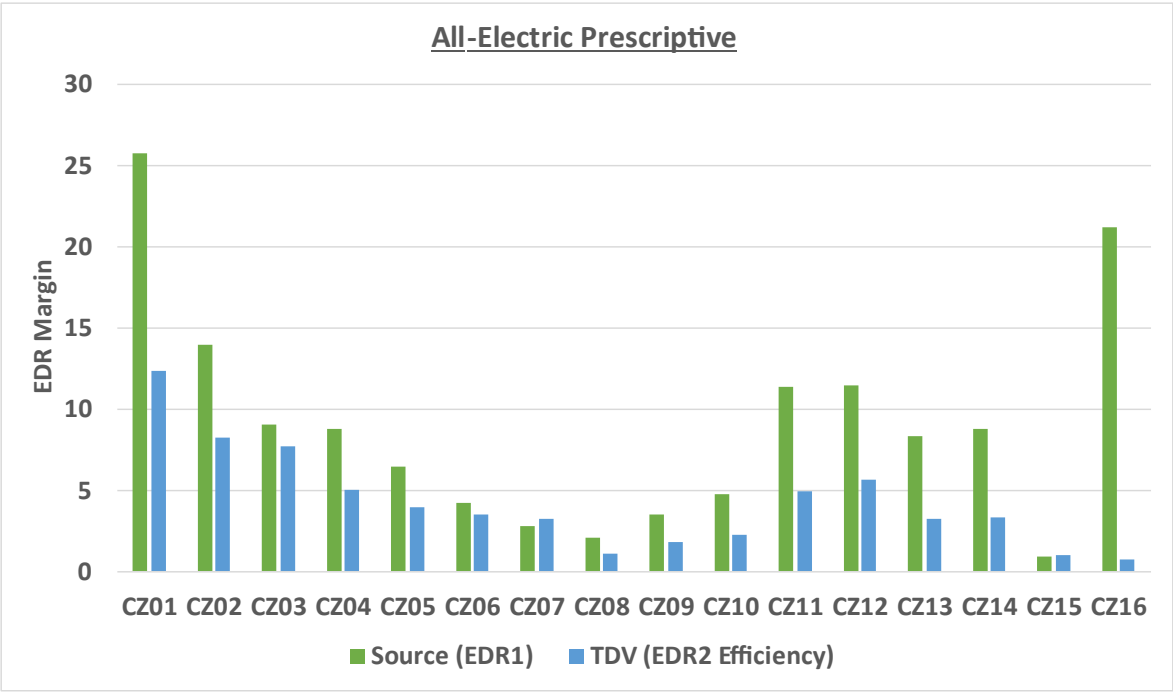


Figure 1: Single family all-electric home compliance impacts.

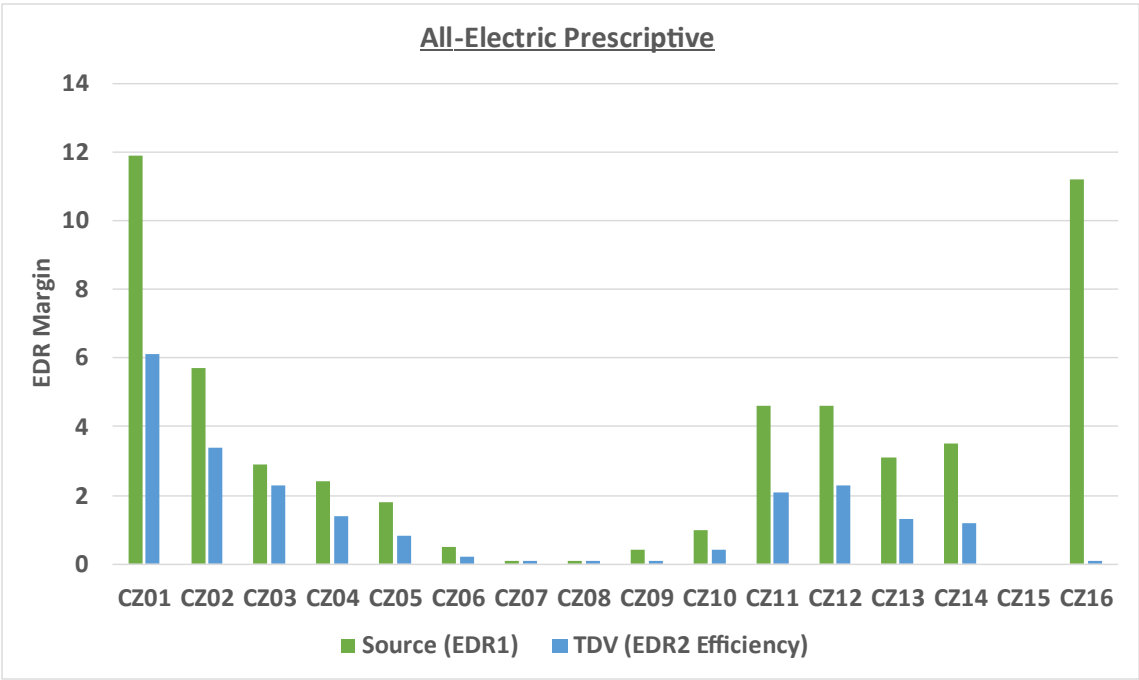


Figure 2: ADU all-electric home compliance impacts.

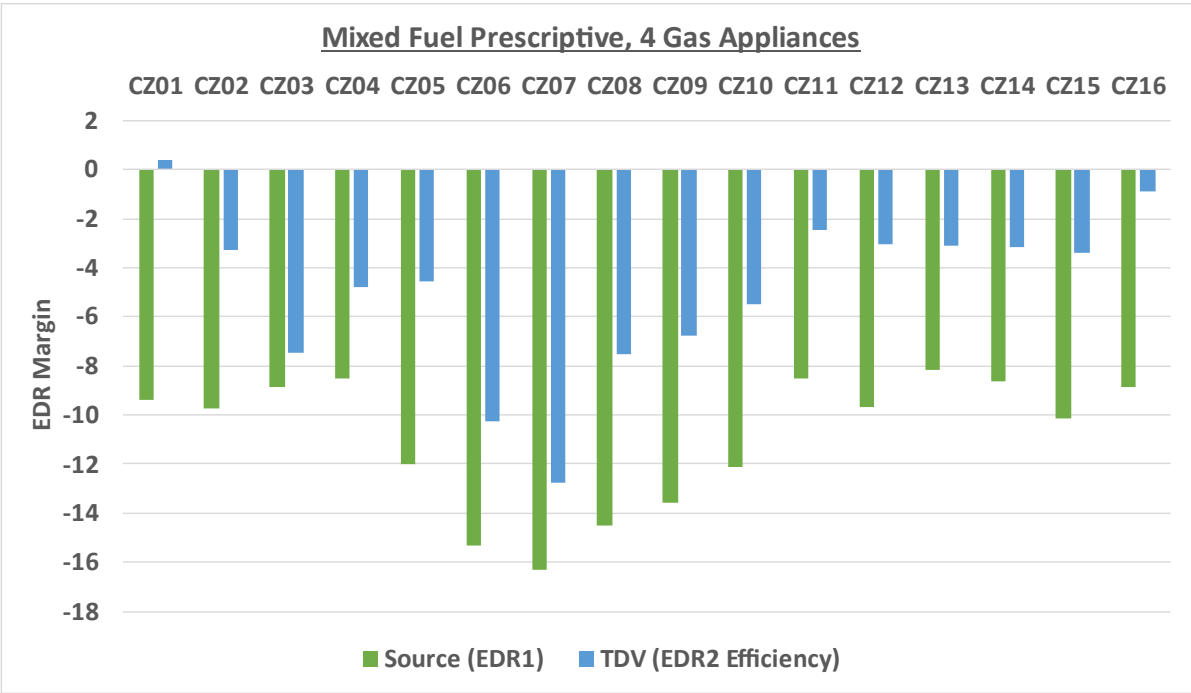


Figure 3: Single family four gas appliance home compliance impacts.

This analysis illustrates a couple of interesting points:

1. The 2022 compliance metrics are important drivers encouraging electrification. The compliance penalties associated with the four gas appliance home scenarios are significant and will require deep efficiency measures to overcome.
2. The 2022 Title 24 Code's new source energy metric combined with the heat pump baseline encourage all-electric construction, providing a compliance benefit that allows for some amount of prescriptively required building efficiency to be traded off and still comply when using the performance method.

4.2 All-Electric Code Minimum Results

Table 14 shows results for the single family all-electric Code Minimum measure package. Utility cost savings are negative, indicating an increase in utility costs for the all-electric building, everywhere except in CPAU and SMUD territories. In all cases the incremental cost is negative, which reflects cost savings for the all-electric building due to elimination of gas infrastructure costs. The package is cost-effective based on TDV in all cases but one (Climate Zone 16); it's not cost-effective On-Bill in Climate Zones 1, 3, 14, and 16.

Table 15 shows the all-electric Code Minimum package results for the ADU. Utility savings and incremental costs reflect the same general trend as single family homes. Cost-effectiveness is less favorable than the single family application, with TDV cost-effectiveness not met in Climate Zones 3, 4, 13, and 14, and On-Bill cost-effectiveness met only in Climate Zones 4 in CPAU territory, 10 in SCE/SCG territory, 12 in SMUD/PG&E territory, 11 and 15. Cost-effectiveness in Climate Zones 3, 4, 13, and 14 is worse than in the other climate zones due to the higher cost of converting from a gas tankless to a ducted HPWH (see Table 3) which isn't offset enough by the energy savings. Cost savings due to elimination of gas infrastructure costs are also lower for the ADU relative to the single family home.

Table 14: Single Family Cost-Effectiveness: All-Electric Code Minimum

Climate Zone	Electric /Gas Utility	Total EDR1 Margin	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Utility Cost Savings		Incremental Cost ¹		On-Bill		TDV	
						First Year	Lifecycle (2022\$)	First Year	Lifecycle (2022\$)	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	25.8	12.4	-4,308	398	(\$431)	(\$3,873)	(\$4,816)	(\$3,605)	0.9	(\$268)	>1	\$5,702
CZ02	PGE	14.0	8.3	-2,888	246	(\$327)	(\$4,000)	(\$6,664)	(\$6,355)	1.6	\$2,355	>1	\$7,711
CZ03	PGE	9.1	7.7	-2,433	171	(\$303)	(\$4,734)	(\$4,854)	(\$4,644)	0.98	(\$90)	25.3	\$3,887
CZ04	PGE	8.8	5.0	-2,232	163	(\$251)	(\$3,665)	(\$4,854)	(\$4,644)	1.3	\$979	>1	\$4,494
CZ04	CPAU	8.8	5.0	-2,232	163	(\$36)	\$2,123	(\$8,122)	(\$8,314)	>1	\$10,437	>1	\$7,762
CZ05	PGE	6.5	4.0	-1,960	133	(\$292)	(\$4,981)	(\$6,664)	(\$6,355)	1.3	\$1,373	6.1	\$4,633
CZ05	PGE/SCG	6.5	4.0	-1,960	133	(\$277)	(\$4,532)	(\$6,664)	(\$6,355)	1.4	\$1,823	6.1	\$4,633
CZ06	SCE/SCG	4.2	3.5	-1,432	84	(\$231)	(\$4,015)	(\$6,664)	(\$6,355)	1.6	\$2,339	4.7	\$4,353
CZ07	SDGE	2.8	3.2	-1,293	69	(\$266)	(\$5,731)	(\$6,664)	(\$6,355)	1.1	\$624	4.2	\$4,211
CZ08	SCE/SCG	2.1	1.1	-1,293	67	(\$228)	(\$4,192)	(\$7,065)	(\$6,983)	1.7	\$2,792	4.2	\$4,674
CZ09	SCE	3.6	1.9	-1,453	84	(\$237)	(\$4,153)	(\$7,065)	(\$6,983)	1.7	\$2,831	5.5	\$5,013
CZ10	SCE/SCG	4.8	2.3	-1,683	107	(\$258)	(\$4,342)	(\$7,065)	(\$6,983)	1.6	\$2,642	7.4	\$5,287
CZ10	SDGE	4.8	2.3	-1,683	107	(\$265)	(\$5,158)	(\$7,065)	(\$6,983)	1.4	\$1,825	7.4	\$5,287
CZ11	PGE	11.4	4.9	-2,712	226	(\$306)	(\$3,803)	(\$6,664)	(\$6,355)	1.7	\$2,552	>1	\$7,153
CZ12	PGE	11.5	5.6	-2,554	212	(\$294)	(\$3,773)	(\$7,065)	(\$6,983)	1.9	\$3,210	>1	\$7,504
CZ12	SMUD/PGE	11.5	5.6	-2,554	212	\$79	\$4,731	(\$7,065)	(\$6,983)	>1	\$11,714	>1	\$7,504
CZ13	PGE	8.3	3.2	-2,095	154	(\$224)	(\$3,164)	(\$4,854)	(\$4,644)	1.5	\$1,480	>1	\$4,490
CZ14	SCE/SCG	8.8	3.3	-2,291	159	(\$322)	(\$5,166)	(\$4,854)	(\$4,644)	0.9	(\$522)	>1	\$4,105
CZ14	SDGE	8.8	3.3	-2,291	159	(\$344)	(\$6,361)	(\$4,854)	(\$4,644)	0.7	(\$1,717)	>1	\$4,105
CZ15	SCE/SCG	0.9	1.0	-1,167	53	(\$217)	(\$4,152)	(\$6,652)	(\$5,942)	1.4	\$1,791	3.0	\$3,439
CZ16	PG&E	21.3	0.7	-4,729	403	(\$548)	(\$6,581)	(\$3,289)	(\$1,187)	0.2	(\$5,394)	0.4	(\$1,339)

¹ Though uncommon, incremental costs can be negative, reflecting initial construction cost savings. When paired with increased energy costs (negative benefits), the construction cost savings are treated as the 'benefit' while the increased energy costs are the 'cost,' which may yield positive cost effectiveness. See Section 2.1.2.3 for more information.

Table 15: ADU Cost-Effectiveness: All-Electric Code Minimum

Climate Zone	Electric /Gas Utility	Total EDR1 Margin	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Utility Cost Savings		Incremental Cost ¹		On-Bill		TDV	
						First Year	Lifecycle (2022\$)	First Year	Lifecycle (2022\$)	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	11.9	6.1	-1,641	114	(\$353)	(\$6,682)	(\$4,692)	(\$4,605)	0.7	(\$2,077)	3.9	\$2,986
CZ02	PGE	5.7	3.4	-1,245	75	(\$312)	(\$6,347)	(\$4,692)	(\$4,605)	0.7	(\$1,742)	2.7	\$2,515
CZ03	PGE	2.9	2.3	-1,672	123	(\$377)	(\$7,138)	(\$863)	\$442	0.0	(\$7,581)	0.0	(\$1,489)
CZ04	PGE	2.4	1.4	-1,612	118	(\$366)	(\$6,964)	(\$863)	\$442	0.0	(\$7,406)	0.0	(\$801)
CZ04	CPAU	2.4	1.4	-1,612	118	\$25	\$3,035	(\$863)	\$442	6.9	\$2,592	0.0	(\$801)
CZ05	PGE	1.8	0.8	-1,026	49	(\$302)	(\$6,517)	(\$4,692)	(\$4,605)	0.7	(\$1,912)	2.0	\$2,021
CZ05	PGE/SCG	1.8	0.8	-1,026	49	(\$257)	(\$5,178)	(\$4,692)	(\$4,605)	0.9	(\$574)	2.0	\$2,021
CZ06	SCE/SCG	0.5	0.2	-904	38	(\$243)	(\$4,923)	(\$4,692)	(\$4,605)	0.9	(\$318)	2.1	\$2,135
CZ07	SDGE	0.1	0.1	-884	37	(\$337)	(\$7,903)	(\$4,692)	(\$4,605)	0.6	(\$3,298)	2.2	\$2,205
CZ08	SCE/SCG	0.1	0.1	-878	36	(\$241)	(\$4,894)	(\$4,692)	(\$4,605)	0.9	(\$289)	2.3	\$2,274
CZ09	SCE	0.4	0.1	-903	38	(\$243)	(\$4,914)	(\$4,692)	(\$4,605)	0.9	(\$310)	2.4	\$2,321
CZ10	SCE/SCG	1.0	0.4	-952	43	(\$189)	(\$3,629)	(\$4,692)	(\$4,605)	1.3	\$976	2.8	\$2,577
CZ10	SDGE	1.0	0.4	-952	43	(\$249)	(\$5,689)	(\$4,692)	(\$4,605)	0.8	(\$1,084)	2.8	\$2,577
CZ11	PGE	4.6	2.1	-1,209	71	(\$224)	(\$4,405)	(\$4,692)	(\$4,605)	1.0	\$200	3.5	\$2,870
CZ12	PGE	4.6	2.3	-1,183	69	(\$306)	(\$6,315)	(\$4,692)	(\$4,605)	0.7	(\$1,710)	3.0	\$2,684
CZ12	SMUD/PGE	4.6	2.3	-1,183	69	(\$65)	(\$808)	(\$4,692)	(\$4,605)	5.7	\$3,797	3.0	\$2,684
CZ13	PGE	3.1	1.3	-1,611	112	(\$218)	(\$3,689)	(\$863)	\$442	0.0	(\$4,131)	0.0	(\$858)
CZ14	SCE/SCG	3.5	1.2	-1,714	115	(\$375)	(\$6,933)	(\$863)	\$442	0.0	(\$7,375)	0.0	(\$1,089)
CZ14	SDGE	3.5	1.2	-1,714	115	(\$483)	(\$10,348)	(\$863)	\$442	0.0	(\$10,790)	0.0	(\$1,089)
CZ15	SCE/SCG	0.0	0.0	-864	36	(\$172)	(\$3,359)	(\$4,692)	(\$4,605)	1.4	\$1,246	2.6	\$2,477
CZ16	PG&E	11.2	0.1	-1,781	122	(\$379)	(\$7,167)	(\$4,692)	(\$4,605)	0.6	(\$2,562)	2.1	\$2,133

¹ Though uncommon, incremental costs can be negative, reflecting initial construction cost savings. When paired with increased energy costs (negative benefits), the construction cost savings are treated as the 'benefit' while the increased energy costs are the 'cost,' which may yield positive cost effectiveness. See Section 2.1.2.3 for more information.

4.3 All-Electric Efficiency, PV, and Battery Results

Table 16 and Table 17 compare cost-effectiveness results for the all-electric packages for the single family and ADU prototypes, respectively, with the exception of the all-electric Efficiency + High Efficiency (Preempted) Equipment package (cost-effectiveness was not evaluated for this package but see Table 27 and Table 28 for a comparison of compliance impacts). In almost all cases the packages are cost-effective based on TDV. On-Bill cost-effectiveness generally improves with the addition of efficiency measures, further improves with an upsized PV system, and improves even more once batteries are added. A summary of measures included in each package is provided in Appendix 7.3 Summary of Measures by Package. The efficiency measures added to the all-electric package to meet minimum code requirements are described in Table 39 and Table 41.

Table 16: Single Family Cost-Effectiveness: Comparison of All-Electric Efficiency Only, PV, and Battery Packages

Climate Zone	Electric /Gas Utility	All-Electric Code Minimum				All-Electric Efficiency Only				All-Electric-Efficiency + PV				All-Electric Efficiency + PV + Battery			
		On-Bill		TDV		On-Bill		TDV		On-Bill		TDV		On-Bill		TDV	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	0.93	(\$268)	>1	\$5,702	>1	\$2,945	>1	\$8,168	0.9	(\$1,313)	1.8	\$9,817	1.0	\$1,012	1.2	\$4,391
CZ02	PGE	1.6	\$2,355	>1	\$7,711	8.9	\$3,870	>1	\$9,325	1.5	\$2,242	4.2	\$12,452	1.3	\$4,962	1.5	\$8,190
CZ03	PGE	0.98	(\$90)	25.3	\$3,887	1.1	\$168	>1	\$3,939	0.8	(\$903)	2.8	\$6,465	1.1	\$2,114	1.1	\$1,347
CZ04	PGE	1.3	\$979	>1	\$4,494	1.7	\$1,054	>1	\$4,849	1.1	\$204	3.5	\$7,893	1.2	\$3,709	1.3	\$4,506
CZ04	CPAU	>1	\$10,437	>1	\$7,762	>1	\$10,021	>1	\$8,117	>1	\$14,776	>1	\$11,161	0.9	(\$1,076)	1.5	\$6,724
CZ05	PGE	1.3	\$1,373	6.1	\$4,633	1.6	\$1,975	>1	\$4,985	2.2	\$1,457	8.5	\$7,927	1.3	\$5,551	1.2	\$3,296
CZ05	PGE/SCG	1.4	\$1,823	6.1	\$4,633	1.9	\$2,424	>1	\$4,985	2.6	\$1,907	8.5	\$7,927	1.4	\$6,001	1.2	\$3,296
CZ06	SCE/SCG	1.6	\$2,339	4.7	\$4,353	1.6	\$1,813	>1	\$4,119	109.5	\$2,638	152.4	\$6,727	1.5	\$7,153	1.2	\$2,276
CZ07	SDGE	1.1	\$624	4.2	\$4,211	1.2	\$839	8.3	\$4,070	5.7	\$469	>1	\$6,079	2.0	\$13,798	1.1	\$1,186
CZ08	SCE/SCG	1.7	\$2,792	4.2	\$4,674	1.8	\$2,574	17.7	\$4,642	>1	\$3,329	>1	\$7,492	1.7	\$8,899	1.2	\$2,085
CZ09	SCE	1.7	\$2,831	5.5	\$5,013	1.9	\$2,699	>1	\$5,087	>1	\$3,634	>1	\$8,007	1.7	\$9,151	1.3	\$3,630
CZ10	SCE/SCG	1.6	\$2,642	7.4	\$5,287	2.0	\$2,668	>1	\$5,376	>1	\$3,765	>1	\$8,347	1.7	\$10,088	1.3	\$3,901
CZ10	SDGE	1.4	\$1,825	7.4	\$5,287	1.8	\$2,438	>1	\$5,376	>1	\$2,539	>1	\$8,347	2.4	\$19,463	1.3	\$3,901
CZ11	PGE	1.7	\$2,552	>1	\$7,153	>1	\$4,159	>1	\$8,524	1.8	\$2,984	4.6	\$11,310	1.4	\$7,781	1.5	\$8,757
CZ12	PGE	1.9	\$3,210	>1	\$7,504	4.6	\$3,742	>1	\$8,084	1.9	\$2,561	5.5	\$11,063	1.3	\$6,021	1.5	\$8,216
CZ12	SMUD/PGE	>1	\$11,714	>1	\$7,504	>1	\$10,665	>1	\$8,084	5.8	\$13,407	5.5	\$11,063	0.9	(\$1,237)	1.4	\$7,166
CZ13	PGE	1.5	\$1,480	>1	\$4,490	>1	\$2,876	>1	\$5,773	1.7	\$2,334	3.7	\$8,341	1.4	\$7,848	1.4	\$7,005
CZ14	SCE/SCG	0.9	(\$522)	>1	\$4,105	1.8	\$811	>1	\$5,461	1.6	\$2,558	3.6	\$9,965	1.6	\$10,569	1.4	\$6,204
CZ14	SDGE	0.7	(\$1,717)	>1	\$4,105	1.5	\$643	>1	\$5,461	1.2	\$922	3.6	\$9,965	2.1	\$20,099	1.4	\$6,204
CZ15	SCE/SCG	1.4	\$1,791	3.0	\$3,439	8.0	\$3,267	>1	\$4,669	>1	\$3,940	>1	\$6,120	2.0	\$13,576	0.99	(\$80)
CZ16	PG&E	0.2	(\$5,394)	0.4	(\$1,339)	0.2	(\$1,946)	1.7	\$1,894	0.8	(\$3,199)	1.6	\$6,711	1.0	\$206	1.1	\$1,690

Table 17: ADU Cost-Effectiveness: All-Electric Energy Efficiency + Additional PV + Battery

Climate Zone	Electric /Gas Utility	All-Electric Code Minimum				All-Electric Efficiency Only				All-Electric Efficiency + PV				All-Electric Efficiency + PV + Battery			
		On-Bill		TDV		On-Bill		TDV		On-Bill		TDV		On-Bill		TDV	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	0.7	(\$2,077)	3.9	\$2,986	0.6	(\$1,727)	>1	\$2,900	1.2	\$2,003	1.5	\$5,010	0.997	(\$79)	0.9	(\$2,884)
CZ02	PGE	0.7	(\$1,742)	2.7	\$2,515	0.5	(\$2,541)	>1	\$1,945	1.4	\$3,532	1.8	\$6,360	1.1	\$1,302	0.98	(\$410)
CZ03	PGE	0.0	(\$7,581)	0.0	(\$1,489)	0.0	(\$8,981)	0.0	(\$2,680)	0.8	(\$2,489)	1.1	\$1,436	0.8	(\$4,949)	0.8	(\$5,369)
CZ04	PGE	0.0	(\$7,406)	0.0	(\$801)	0.0	(\$8,705)	0.4	(\$1,762)	0.9	(\$1,480)	1.3	\$3,589	0.9	(\$3,501)	0.8	(\$3,849)
CZ04	CPAU	6.9	\$2,592	0.0	(\$801)	1.3	\$944	0.4	(\$1,762)	1.7	\$8,498	1.3	\$3,589	0.7	(\$9,161)	0.8	(\$4,899)
CZ05	PGE	0.7	(\$1,912)	2.0	\$2,021	0.4	(\$3,310)	1.4	\$650	1.6	\$4,015	1.9	\$5,436	1.1	\$2,498	0.9	(\$1,611)
CZ05	PGE/SCG	0.9	(\$574)	2.0	\$2,021	0.6	(\$1,972)	1.4	\$650	1.8	\$5,353	1.9	\$5,436	1.2	\$3,836	0.9	(\$1,611)
CZ06	SCE/SCG	0.9	(\$318)	2.1	\$2,135	0.6	(\$1,579)	2.1	\$1,103	2.0	\$5,866	2.2	\$6,551	1.1	\$2,799	0.95	(\$852)
CZ07	SDGE	0.6	(\$3,298)	2.2	\$2,205	0.4	(\$4,255)	1.8	\$941	1.8	\$5,667	1.9	\$5,493	1.5	\$10,358	0.9	(\$1,804)
CZ08	SCE/SCG	0.9	(\$289)	2.3	\$2,274	0.6	(\$1,432)	2.1	\$1,179	2.0	\$6,364	2.3	\$7,936	1.2	\$4,058	0.97	(\$609)
CZ09	SCE	0.9	(\$310)	2.4	\$2,321	0.6	(\$1,494)	2.3	\$1,280	2.0	\$6,568	2.4	\$7,709	1.2	\$4,314	0.99	(\$279)
CZ10	SCE/SCG	1.3	\$976	2.8	\$2,577	0.96	(\$106)	3.7	\$1,593	2.2	\$734	6.7	\$3,496	0.9	(\$860)	0.7	(\$3,944)
CZ10	SDGE	0.8	(\$1,084)	2.8	\$2,577	0.6	(\$1,787)	3.7	\$1,593	0.0	(\$1,465)	6.7	\$3,496	1.3	\$5,079	0.7	(\$3,944)
CZ11	PGE	1.0	\$200	3.5	\$2,870	10.7	(\$96)	>1	\$2,531	0.7	(\$602)	3.2	\$4,037	0.9	(\$1,125)	0.9	(\$1,893)
CZ12	PGE	0.7	(\$1,710)	3.0	\$2,684	0.5	(\$2,538)	>1	\$1,878	1.6	\$4,644	1.9	\$6,675	1.1	\$2,970	1.0	\$178
CZ12	SMUD/PGE	5.7	\$3,797	3.0	\$2,684	13	\$1,980	>1	\$1,878	1.7	\$5,737	1.9	\$6,675	0.6	(\$9,432)	0.96	(\$872)
CZ13	PGE	0.0	(\$4,131)	0.0	(\$858)	0.0	(\$4,502)	0.6	(\$1,223)	0.3	(\$4,759)	1.1	\$305	0.8	(\$4,729)	0.7	(\$5,491)
CZ14	SCE/SCG	0.0	(\$7,375)	0.0	(\$1,089)	0.0	(\$7,929)	0.5	(\$1,684)	1.1	\$1,555	1.5	\$5,935	1.0	\$1,222	0.9	(\$1,525)
CZ14	SDGE	0.0	(\$10,790)	0.0	(\$1,089)	0.0	(\$10,375)	0.5	(\$1,684)	1.2	\$2,956	1.5	\$5,935	1.4	\$10,678	0.9	(\$1,525)
CZ15	SCE/SCG	1.4	\$1,246	2.6	\$2,477	2.4	\$1,243	>1	\$2,342	>1	\$1,729	>1	\$3,560	1.2	\$2,631	0.8	(\$2,812)
CZ16	PG&E	0.6	(\$2,562)	2.1	\$2,133	0.5	(\$2,378)	>1	\$2,282	1.6	\$5,433	2.0	\$7,875	1.2	\$3,618	1.0	\$611

4.4 Mixed Fuel Results

Table 18 and Table 19 show results for the mixed fuel Efficiency + PV + Battery package for Single Family and ADU prototypes, respectively. On a TDV basis, this package is cost-effective only in Climate Zone 1 for single family and in no cases for ADUs. However, this package is cost-effective On-Bill for the single family home in all climate zones except 4 in CPAU territory and 12 in SMUD/PG&E territory. On-Bill cost-effectiveness for the ADU home, on the other hand, is seen only in Climate Zones 2, 5, 7 through 9, 10 in SDG&E territory, 14, and 16.

Table 18: Single Family Cost-Effectiveness: Mixed Fuel Efficiency + PV + Battery

Climate Zone	Electric /Gas Utility	Total EDR1 Margin	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
						First Year	Lifecycle (2022\$)	First Year	Lifecycle (2022\$)	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	22.6	18.8	1,571	116	\$1,084	\$26,667	\$11,160	\$20,166	1.3	\$6,501	1.0	\$500
CZ02	PGE	14.1	7.4	1,257	34	\$913	\$21,353	\$10,268	\$18,868	1.1	\$2,486	0.9	(\$1,282)
CZ03	PGE	12.8	4.3	858	7	\$785	\$18,003	\$8,708	\$16,900	1.1	\$1,104	0.7	(\$4,777)
CZ04	PGE	13.2	4.3	790	6	\$803	\$18,394	\$9,623	\$17,938	1.0	\$456	0.8	(\$3,925)
CZ04	CPAU	13.2	4.3	790	6	\$123	\$2,877	\$10,673	\$19,172	0.2	(\$16,295)	0.7	(\$4,975)
CZ05	PGE	14.8	4.9	1,178	13	\$905	\$20,821	\$9,441	\$17,885	1.2	\$2,936	0.8	(\$3,468)
CZ05	PGE/SCG	14.8	4.9	1,178	13	\$900	\$20,690	\$9,441	\$17,885	1.2	\$2,805	0.8	(\$3,468)
CZ06	SCE/SCG	18.3	5.5	888	6	\$864	\$19,539	\$9,266	\$17,587	1.1	\$1,951	0.8	(\$3,941)
CZ07	SDGE	18.7	4.8	832	4	\$1,134	\$27,505	\$9,214	\$17,537	1.6	\$9,967	0.7	(\$4,817)
CZ08	SCE/SCG	17.1	3.0	777	2	\$920	\$20,754	\$9,134	\$17,410	1.2	\$3,344	0.7	(\$4,341)
CZ09	SCE	16.2	3.1	833	3	\$922	\$20,804	\$9,152	\$17,435	1.2	\$3,369	0.8	(\$3,839)
CZ10	SCE/SCG	14.4	2.7	846	2	\$958	\$21,608	\$8,489	\$16,733	1.3	\$4,875	0.7	(\$3,859)
CZ10	SDGE	14.4	2.7	846	2	\$1,288	\$31,210	\$8,489	\$16,733	1.9	\$14,477	0.7	(\$3,859)
CZ11	PGE	12.9	5.1	1,025	26	\$1,031	\$23,949	\$9,828	\$18,296	1.3	\$5,653	0.94	(\$1,066)
CZ12	PGE	13.2	4.8	1,098	23	\$923	\$21,415	\$10,065	\$18,616	1.2	\$2,800	0.93	(\$1,194)
CZ12	SMUD/PGE	13.2	4.8	1,098	23	\$253	\$6,133	\$11,115	\$19,850	0.3	(\$13,717)	0.9	(\$2,244)
CZ13	PGE	12.3	4.2	1,006	5	\$1,016	\$23,250	\$9,831	\$18,236	1.3	\$5,013	0.9	(\$2,354)
CZ14	SCE/SCG	13.4	5.4	1,514	6	\$1,093	\$24,697	\$10,741	\$19,342	1.3	\$5,354	0.9	(\$1,910)
CZ14	SDGE	13.4	5.4	1,514	6	\$1,421	\$34,477	\$10,741	\$19,342	1.8	\$15,135	0.9	(\$1,910)
CZ15	SCE/SCG	13.5	3.8	531	2	\$1,140	\$25,708	\$8,586	\$16,630	1.5	\$9,078	0.6	(\$5,490)
CZ16	PG&E	20.4	14.2	1,228	114	\$1,070	\$26,218	\$12,086	\$20,964	1.3	\$5,254	0.98	(\$444)

Table 19: ADU Cost-Effectiveness: Mixed Fuel Efficiency + PV + Battery

Climate Zone	Electric /Gas Utility	Total EDR1 Margin	Efficiency EDR2 Margin	Annual Elec Savings (kWh)	Annual Gas Savings (therms)	Utility Cost Savings		Incremental Cost		On-Bill		TDV	
						First Year	Lifecycle (2022\$)	First Year	Lifecycle (2022\$)	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	18.5	7.7	3,666	20	\$1,078	\$24,880	\$15,432	\$25,919	1.0	(\$1,040)	0.7	(\$6,719)
CZ02	PGE	16.6	3.5	3,472	11	\$1,042	\$23,928	\$13,846	\$23,790	1.0	\$138	0.8	(\$4,128)
CZ03	PGE	11.8	1.2	2,679	0	\$781	\$17,816	\$11,879	\$21,215	0.8	(\$3,399)	0.6	(\$6,826)
CZ04	PGE	13.3	1.6	2,799	0	\$859	\$19,588	\$12,213	\$21,598	0.9	(\$2,011)	0.7	(\$5,306)
CZ04	CPAU	13.3	1.6	2,799	0	\$391	\$8,911	\$13,263	\$22,833	0.4	(\$13,922)	0.7	(\$6,356)
CZ05	PGE	16.9	1.1	3,309	2	\$1,031	\$23,539	\$12,668	\$22,274	1.1	\$1,265	0.8	(\$4,765)
CZ05	PGE/SCG	16.9	1.1	3,309	2	\$1,031	\$23,520	\$12,668	\$22,274	1.1	\$1,246	0.8	(\$4,765)
CZ06	SCE/SCG	19.8	1.2	3,285	1	\$953	\$21,468	\$12,496	\$22,043	1.0	(\$575)	0.8	(\$3,877)
CZ07	SDGE	20.3	1.2	3,278	0	\$1,296	\$31,370	\$12,869	\$22,545	1.4	\$8,825	0.8	(\$4,633)
CZ08	SCE/SCG	20.4	0.5	3,505	0	\$1,040	\$23,434	\$12,952	\$22,678	1.0	\$755	0.8	(\$3,522)
CZ09	SCE	19.6	0.5	3,497	0	\$1,030	\$23,213	\$12,691	\$22,327	1.0	\$886	0.8	(\$3,318)
CZ10	SCE/SCG	19.0	0.6	729	0	\$537	\$12,107	\$8,436	\$16,606	0.7	(\$4,499)	0.5	(\$7,344)
CZ10	SDGE	19.0	0.6	729	0	\$813	\$19,671	\$8,436	\$16,606	1.2	\$3,065	0.5	(\$7,344)
CZ11	PGE	17.6	3.0	871	10	\$663	\$15,273	\$9,218	\$17,568	0.9	(\$2,295)	0.7	(\$5,528)
CZ12	PGE	16.7	2.7	3,594	9	\$1,112	\$25,496	\$13,764	\$23,710	1.1	\$1,786	0.8	(\$3,321)
CZ12	SMUD/PGE	16.7	2.7	3,594	9	\$537	\$12,380	\$14,844	\$24,944	0.5	(\$12,564)	0.8	(\$4,371)
CZ13	PGE	14.5	2.2	273	0	\$551	\$12,569	\$7,979	\$15,904	0.8	(\$3,335)	0.5	(\$6,903)
CZ14	SCE/SCG	14.5	3.2	3,499	0	\$1,006	\$22,671	\$12,815	\$22,325	1.0	\$346	0.8	(\$3,423)
CZ14	SDGE	14.5	3.2	3,499	0	\$1,351	\$32,711	\$12,815	\$22,325	1.5	\$10,386	0.8	(\$3,423)
CZ15	SCE/SCG	19.2	1.8	551	0	\$683	\$15,387	\$8,478	\$16,574	0.9	(\$1,187)	0.5	(\$7,021)
CZ16	PG&E	18.3	6.3	3,680	24	\$1,117	\$25,838	\$13,872	\$23,801	1.1	\$2,037	0.8	(\$3,759)

4.5 Greenhouse Gas Reductions

Table 20 and Table 21 present greenhouse gas reductions for the single family and ADU prototypes, respectively. Savings represent average annual savings over the 30-year lifetime of the analysis. Greenhouse gas reductions are greatest for the all-electric Efficiency + PV + Battery package in all cases. For the single family homes, the all-electric Code Minimum case reduces greenhouse gas emissions as much or greater than the mixed fuel Efficiency + PV + Battery package in Climate Zones 1 through 4, 11 through 13, and 16—showcasing the benefit of all-electric construction over even the most ambitious of mixed fuel construction packages evaluated in this study. The trend differs for the ADU where the mixed fuel Efficiency + PV + Battery package results in more greenhouse gas savings than the all-electric Code Minimum in all climate zones except Climate Zones 3, 4, and 13. In most of the climate zones (1, 2, 5 through 12, 15, and 16) the all-electric ADU involves electrification of space heating, cooking, and clothes drying. The space heating loads for the ADU are very low, even in the colder climates, and as a result the greenhouse gas savings from efficiency measures, PV and battery are greater than just code minimum electrification. This is also the case for single family homes in Climate Zones 5 through 10, and 15 where space heating loads are low.

Table 20: Single Family Greenhouse Gas Reductions (metric tons)

Climate Zone	Single Family All-Electric					Single Family Mixed Fuel	
	Code Minimum	Efficiency Only	Efficiency + High Efficiency Equipment	Efficiency + PV	Efficiency + PV + Battery	Efficiency + High Efficiency Equipment	Efficiency + PV + Battery
CZ01	1.5	1.7	1.8	1.8	2.3	0.8	1.1
CZ02	0.9	1.0	1.1	1.1	1.6	0.5	0.7
CZ03	0.7	0.7	0.8	0.8	1.3	0.2	0.5
CZ04	0.7	0.7	0.8	0.8	1.3	0.2	0.5
CZ05	0.4	0.5	0.6	0.6	1.1	0.2	0.6
CZ06	0.3	0.3	0.3	0.4	0.9	0.1	0.5
CZ07	0.2	0.2	0.3	0.3	0.8	0.1	0.5
CZ08	0.2	0.2	0.3	0.3	0.8	0.1	0.5
CZ09	0.3	0.3	0.3	0.4	0.9	0.1	0.5
CZ10	0.3	0.4	0.4	0.5	1.0	0.1	0.5
CZ11	0.8	0.9	1.0	1.0	1.5	0.4	0.7
CZ12	0.7	0.8	0.9	0.9	1.4	0.4	0.6
CZ13	0.6	0.7	0.8	0.8	1.3	0.2	0.6
CZ14	0.6	0.7	0.8	0.9	1.4	0.2	0.6
CZ15	0.2	0.2	0.3	0.3	0.7	0.1	0.5
CZ16	1.4	1.7	1.7	1.9	2.3	1.0	1.1

Table 21: ADU Greenhouse Gas Reductions (metric tons)

Climate Zone	ADU All-Electric					ADU Mixed Fuel	
	Code Minimum	Efficiency Only	Efficiency + High Efficiency Equipment	Efficiency + PV	Efficiency + PV + Battery	Efficiency + High Efficiency Equipment	Efficiency + PV + Battery
CZ01	0.4	0.5	0.5	0.6	1.0	0.2	0.5
CZ02	0.2	0.3	0.3	0.4	0.8	0.1	0.5
CZ03	0.5	0.5	0.6	0.7	1.0	0.1	0.3
CZ04	0.5	0.5	0.5	0.7	1.0	0.1	0.4
CZ05	0.1	0.2	0.2	0.3	0.7	0.0	0.4
CZ06	0.1	0.1	0.1	0.3	0.6	0.0	0.4
CZ07	0.1	0.1	0.1	0.3	0.6	0.0	0.4
CZ08	0.1	0.1	0.1	0.3	0.6	0.0	0.5
CZ09	0.1	0.1	0.1	0.3	0.7	0.0	0.5
CZ10	0.1	0.1	0.2	0.2	0.6	0.0	0.4
CZ11	0.2	0.3	0.3	0.3	0.7	0.1	0.4
CZ12	0.2	0.3	0.3	0.4	0.7	0.1	0.5
CZ13	0.4	0.5	0.5	0.5	0.9	0.1	0.3
CZ14	0.4	0.5	0.5	0.7	1.1	0.1	0.5
CZ15	0.1	0.1	0.1	0.2	0.6	0.0	0.4
CZ16	0.4	0.5	0.5	0.7	1.0	0.2	0.6

4.6 Sensitivity Analysis

In response to jurisdictional interest, several cases were evaluated under circumstances different than those presented above in order to assess their impact on cost-effectiveness. Altered circumstances include:

1. CARE versus standard tariffs. This comparison is presented for the all-electric Code Minimum and the mixed fuel Efficiency + PV+ Battery packages and shows the impact on On-Bill cost-effectiveness for income qualified utility customers.
2. Infill versus new subdivision single family developments. This comparison applied to the all-electric Code Minimum package demonstrates how cost-effectiveness is impacted due to the magnitude of cost savings for all-electric construction from elimination of the natural gas infrastructure.
3. Utility rate escalation factors. The impact on On-Bill cost-effectiveness is presented for the all-electric Code Minimum package from varying the assumptions for escalation of electricity and natural gas utility rates over the 30-year analysis period.

4.6.1 CARE Rate Comparison

Table 22 and Table 23 present a comparison of On-Bill cost-effectiveness results for CARE tariffs relative to standard IOU tariffs for the all-electric Code Minimum package for the single family and ADU prototypes, respectively. Applying the CARE rates lowers both electric and gas utility bills for the consumer. In the case of the all-electric home, the net impact of CARE rates is improved cost-effectiveness relative to the standard tariffs. This is because the discount on electricity is greater than that for natural gas. The opposite trend occurs for the mixed fuel packages, where the lower CARE rates result in lower utility cost savings and subsequently lower benefit-to-cost ratios.

Table 22: On-Bill Cost-Effectiveness with CARE Tariffs: All-Electric Code Minimum

Climate Zone	Electric /Gas Utility	Single Family				ADU			
		Standard		CARE		Standard		CARE	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	0.9	(\$268)	>1	\$3,886	0.7	(\$2,077)	1.2	\$696
CZ02	PGE	1.6	\$2,355	5.1	\$5,107	0.7	(\$1,742)	1.1	\$580
CZ03	PGE	1.0	(\$90)	1.7	\$1,968	0.0	(\$7,581)	0.0	(\$4,596)
CZ04	PGE	1.3	\$979	2.3	\$2,619	0.0	(\$7,406)	0.0	(\$4,526)
CZ05	PGE	1.3	\$1,373	2.2	\$3,467	0.7	(\$1,912)	1.1	\$237
CZ05	PGE/SCG	1.4	\$1,823	2.5	\$3,841	0.9	(\$574)	1.4	\$1,321
CZ06	SCE/SCG	1.6	\$2,339	2.3	\$3,535	0.9	(\$318)	1.4	\$1,225
CZ07	SDGE	1.1	\$624	2.1	\$3,309	0.6	(\$3,298)	0.9	(\$627)
CZ08	SCE/SCG	1.7	\$2,792	2.3	\$3,945	0.9	(\$289)	1.4	\$1,231
CZ09	SCE	1.7	\$2,831	2.4	\$4,074	0.9	(\$310)	1.4	\$1,230
CZ10	SCE/SCG	1.6	\$2,642	2.4	\$4,083	1.3	\$976	1.7	\$1,923
CZ10	SDGE	1.4	\$1,825	3.0	\$4,642	0.8	(\$1,084)	1.3	\$1,114
CZ11	PGE	1.7	\$2,552	5.0	\$5,077	1.0	\$200	1.6	\$1,634
CZ12	PGE	1.9	\$3,210	5.0	\$5,587	0.7	(\$1,710)	1.1	\$545
CZ13	PGE	1.5	\$1,480	2.7	\$2,924	0.0	(\$4,131)	0.0	(\$2,754)
CZ14	SCE/SCG	0.9	(\$522)	1.3	\$1,191	0.0	(\$7,375)	0.0	(\$4,754)
CZ14	SDGE	0.7	(\$1,717)	2.0	\$2,295	0.0	(\$10,790)	0.0	(\$6,496)
CZ15	SCE/SCG	1.4	\$1,791	1.9	\$2,831	1.4	\$1,246	1.8	\$2,031
CZ16	PG&E	0.2	(\$5,394)	0.8	(\$351)	0.6	(\$2,562)	1.1	\$453

Table 23: On-Bill Cost-Effectiveness with CARE Tariffs: Mixed Fuel Efficiency + PV+ Battery Package

Climate Zone	Electric /Gas Utility	Single Family				ADU			
		Standard		CARE		Standard		CARE	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	1.3	\$6,501	0.9	(\$2,072)	0.97	(\$654)	0.7	(\$6,719)
CZ02	PGE	1.1	\$2,486	0.7	(\$5,286)	1.0	\$524	0.7	(\$4,128)
CZ03	PGE	1.1	\$1,104	0.6	(\$5,980)	0.9	(\$2,899)	0.6	(\$6,826)
CZ04	PGE	1.0	\$456	0.6	(\$6,790)	0.9	(\$1,625)	0.6	(\$5,306)
CZ05	PGE	1.1	\$2,285	0.7	(\$4,995)	1.1	\$1,765	0.7	(\$4,765)
CZ05	PGE/SCG	1.1	\$2,154	0.7	(\$5,100)	1.1	\$1,746	0.7	(\$4,765)
CZ06	SCE/SCG	1.1	\$1,951	0.7	(\$5,232)	0.997	(\$75)	0.7	(\$3,877)
CZ07	SDGE	1.6	\$9,869	1.1	\$1,601	1.4	\$9,325	0.9	(\$4,633)
CZ08	SCE/SCG	1.2	\$3,344	0.7	(\$4,574)	1.1	\$1,141	0.8	(\$3,522)
CZ09	SCE	1.2	\$3,369	0.7	(\$4,547)	1.1	\$1,272	0.8	(\$3,318)
CZ10	SCE/SCG	1.3	\$4,546	0.8	(\$3,354)	0.7	(\$4,113)	0.5	(\$7,344)
CZ10	SDGE	1.8	\$14,148	1.3	\$4,789	1.2	\$3,451	0.8	(\$7,344)
CZ11	PGE	1.4	\$6,523	0.9	(\$3,358)	0.9	(\$1,909)	0.6	(\$5,528)
CZ12	PGE	1.2	\$3,451	0.7	(\$5,212)	1.1	\$2,172	0.7	(\$3,321)
CZ13	PGE	1.3	\$5,665	0.8	(\$4,024)	0.8	(\$2,949)	0.5	(\$6,903)
CZ14	SCE/SCG	1.3	\$5,945	0.8	(\$3,665)	1.0	\$732	0.7	(\$3,423)
CZ14	SDGE	1.8	\$15,726	1.2	\$4,127	1.5	\$10,772	0.9	(\$3,423)
CZ15	SCE/SCG	1.5	\$9,078	0.9	(\$877)	0.95	(\$801)	0.6	(\$7,021)
CZ16	PG&E	1.3	\$5,254	0.8	(\$3,523)	1.1	\$2,708	0.7	(\$3,759)

4.6.2 Utility Infrastructure Cost Sensitivity

Table 24 compares cost-effectiveness results for the natural gas service line extension cost scenarios that inform the average values presented in Table 8. The average cost scenario reflects the cost-effectiveness results for the single family all-electric Code Minimum package presented in Table 16. Relative to a new subdivision, gas infrastructure cost savings are higher for the infill development case, which translates to higher cost-effectiveness. This is shown by positive cost-effectiveness in all metrics except one – On-Bill for Climate Zone 16 – for infill development. Compared to the average cost scenario, there are two cases – On-Bill for Climate Zone 4 in PG&E territory and Climate Zone 7 – where the all-electric Code Minimum package is no longer cost-effective based on the new subdivision costs.

Table 24: Single Family Cost-Effectiveness Comparison with Range of Natural Gas Utility Infrastructure Costs: All-Electric Code Minimum

Climate Zone	Electric /Gas Utility	Average				New Subdivision				Infill Development			
		On-Bill		TDV		On-Bill		TDV		On-Bill		TDV	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	0.9	(\$268)	>1	\$5,702	0.6	(\$1,492)	>1	\$4,612	2.2	\$4,628	>1	\$10,062
CZ02	PGE	1.6	\$2,355	>1	\$7,711	1.3	\$1,131	>1	\$6,621	2.8	\$7,250	>1	\$12,071
CZ03	PGE	0.98	(\$90)	25.3	\$3,887	0.7	(\$1,314)	18.5	\$2,797	2.0	\$4,806	52.6	\$8,247
CZ04	PGE	1.3	\$979	>1	\$4,494	0.9	(\$245)	>1	\$3,404	2.6	\$5,875	>1	\$8,854
CZ04	CPAU	>1	\$10,437	>1	\$7,762	>1	\$10,437	>1	\$7,762	>1	\$10,437	>1	\$7,762
CZ05	PGE	1.3	\$1,373	6.1	\$4,633	1.0	\$149	4.9	\$3,543	2.3	\$6,269	11.0	\$8,993
CZ05	PGE/SCG	1.4	\$1,823	6.1	\$4,633	1.1	\$599	4.9	\$3,543	2.5	\$6,719	11.0	\$8,993
CZ06	SCE/SCG	1.6	\$2,339	4.7	\$4,353	1.3	\$1,115	3.8	\$3,263	2.8	\$7,235	8.4	\$8,713
CZ07	SDGE	1.1	\$624	4.2	\$4,211	0.9	(\$600)	3.4	\$3,121	2.0	\$5,519	7.5	\$8,571
CZ08	SCE/SCG	1.7	\$2,792	4.2	\$4,674	1.4	\$1,568	3.5	\$3,584	2.8	\$7,687	7.3	\$9,034
CZ09	SCE	1.7	\$2,831	5.5	\$5,013	1.4	\$1,607	4.6	\$3,923	2.9	\$7,726	9.5	\$9,373
CZ10	SCE/SCG	1.6	\$2,642	7.4	\$5,287	1.3	\$1,418	6.1	\$4,197	2.7	\$7,537	12.6	\$9,647
CZ10	SDGE	1.4	\$1,825	7.4	\$5,287	1.1	\$601	6.1	\$4,197	2.3	\$6,721	12.6	\$9,647
CZ11	PGE	1.7	\$2,552	>1	\$7,153	1.3	\$1,328	>1	\$6,063	3.0	\$7,448	>1	\$11,513
CZ12	PGE	1.9	\$3,210	>1	\$7,504	1.5	\$1,986	>1	\$6,414	3.1	\$8,106	>1	\$11,864
CZ12	SMUD/PGE	>1	\$11,714	>1	\$7,504	>1	\$10,490	>1	\$6,414	>1	\$16,610	>1	\$11,864
CZ13	PGE	1.5	\$1,480	>1	\$4,490	1.1	\$256	>1	\$3,400	3.0	\$6,376	>1	\$8,850
CZ14	SCE/SCG	0.9	(\$522)	>1	\$4,105	0.7	(\$1,746)	>1	\$3,015	1.8	\$4,374	>1	\$8,465
CZ14	SDGE	0.7	(\$1,717)	>1	\$4,105	0.5	(\$2,941)	>1	\$3,015	1.5	\$3,179	>1	\$8,465
CZ15	SCE/SCG	1.4	\$1,791	3.0	\$3,439	1.1	\$567	2.4	\$2,349	2.6	\$6,687	5.6	\$7,799
CZ16	PG&E	0.2	(\$5,394)	0.4	(\$1,339)	0.0	(\$6,618)	0.0	(\$2,429)	0.9	(\$498)	2.4	\$3,021

4.6.3 Utility Rate Escalation

In this sensitivity analysis, an alternative set of annual utility escalation rates was applied to the gas and electricity savings in select measure packages to show the impact that utility cost changes over time have on cost-effectiveness. This set of rates, detailed in Section 7.2.7, reflects those used by the Energy Commission in their development of the LSC factors for the 2025 code cycle (LSC replaces TDV in the 2025 code cycle). The rates assume steep increases in gas rates starting in 2030. Increased gas rates range from 2% to 6.7% higher than annual rates used in the 2022 code cycle; electricity rates are only marginally (about 0.5%) higher each year.

On-Bill cost-effectiveness results are shown for in Table 25 for the all-electric Code Minimum scenario and Table 26 for the mixed fuel Efficiency + PV + Battery measure package. The alternative rates described above ("2025 LSC") are shown alongside those reported elsewhere in this report ("CPUC / 2022 TDV", described in Section 2.1.3) for comparison. In all cases, the 2025 LSC escalation rates improve cost-effectiveness. In some cases, this improvement is enough to change the result from not cost-effective to cost-effective, these cases are summarized below:

- All-Electric Code Minimum package
 - Climate Zones 1, 3, 14, and 16 for the single family home
 - Climate Zones 1, 5 in PG&E/SCG territory, 6, 8, 9, 10 in SDG&E territory, and 16 for the ADU home
- Mixed fuel Efficiency + PV + Battery package
 - Climate Zones 1, 6, and 15 for the ADU home

Table 25: On-Bill Cost-Effectiveness, 2025 LSC Basis: All-Electric Code Minimum

Climate Zone	Electric /Gas Utility	Single Family				ADU			
		CPUC / 2022 TDV		2025 LSC		CPUC / 2022 TDV		2025 LSC	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	0.9	(\$268)	>1	\$13,867	0.7	(\$2,077)	1.2	\$833
CZ02	PGE	1.6	\$2,355	>1	\$10,458	0.7	(\$1,742)	0.95	(\$228)
CZ03	PGE	0.98	(\$90)	>1	\$4,883	0.0	(\$7,581)	0.0	(\$4,465)
CZ04	PGE	1.3	\$979	>1	\$5,728	0.0	(\$7,406)	0.0	(\$4,466)
CZ04	CPAU	>1	\$10,437	>1	\$17,647	6.9	\$2,592	20.7	\$8,704
CZ05	PGE	1.3	\$1,373	5.3	\$5,148	0.7	(\$1,912)	0.8	(\$1,386)
CZ05	PGE/SCG	1.4	\$1,823	13.5	\$5,884	0.9	(\$574)	1.2	\$807
CZ06	SCE/SCG	1.6	\$2,339	4.0	\$4,751	0.9	(\$318)	1.2	\$630
CZ07	SDGE	1.1	\$624	1.9	\$3,008	0.6	(\$3,298)	0.7	(\$2,394)
CZ08	SCE/SCG	1.7	\$2,792	3.0	\$4,650	0.9	(\$289)	1.1	\$591
CZ09	SCE	1.7	\$2,831	4.0	\$5,233	0.9	(\$310)	1.2	\$634
CZ10	SCE/SCG	1.6	\$2,642	5.4	\$5,700	1.3	\$976	1.9	\$2,147
CZ10	SDGE	1.4	\$1,825	7.4	\$6,038	0.8	(\$1,084)	1.0	\$102
CZ11	PGE	1.7	\$2,552	>1	\$9,997	1.0	\$200	1.6	\$1,669
CZ12	PGE	1.9	\$3,210	>1	\$10,077	0.7	(\$1,710)	0.9	(\$430)
CZ12	SMUD/PGE	>1	\$11,714	>1	\$19,028	5.7	\$3,797	>1	\$5,367
CZ13	PGE	1.5	\$1,480	>1	\$5,987	0.0	(\$4,131)	0.0	(\$1,228)
CZ14	SCE/SCG	0.9	(\$522)	6.0	\$3,876	0.0	(\$7,375)	0.0	(\$4,363)
CZ14	SDGE	0.7	(\$1,717)	>1	\$4,799	0.0	(\$10,790)	0.0	(\$6,285)
CZ15	SCE/SCG	1.4	\$1,791	2.2	\$3,214	1.4	\$1,246	1.9	\$2,210
CZ16	PG&E	0.2	(\$5,394)	>1	\$8,516	0.6	(\$2,562)	1.2	\$629

Table 26: On-Bill Cost-Effectiveness, 2025 LSC Basis: Mixed Fuel Efficiency + PV + Battery

Climate Zone	Electric /Gas Utility	Single Family				ADU			
		CPUC / 2022 TDV		2025 LSC		CPUC / 2022 TDV		2025 LSC	
		B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV	B/C Ratio	NPV
CZ01	PGE	1.3	\$6,501	1.6	\$12,598	1.0	(\$654)	1.0	\$993
CZ02	PGE	1.1	\$2,486	1.3	\$4,914	1.0	\$524	1.1	\$1,816
CZ03	PGE	1.1	\$1,104	1.1	\$2,287	0.9	(\$2,899)	0.9	(\$2,462)
CZ04	PGE	1.0	\$456	1.1	\$1,645	0.9	(\$1,625)	0.95	(\$980)
CZ04	CPAU	0.2	(\$16,295)	0.2	(\$15,990)	0.4	(\$13,536)	0.4	(\$13,453)
CZ05	PGE	1.1	\$2,285	1.3	\$4,506	1.1	\$1,765	1.1	\$2,574
CZ05	PGE/SCG	1.1	\$2,154	1.2	\$4,291	1.1	\$1,746	1.1	\$2,543
CZ06	SCE/SCG	1.1	\$1,951	1.2	\$3,420	1.0	(\$75)	1.0	\$847
CZ07	SDGE	1.6	\$9,869	1.6	\$9,930	1.4	\$9,325	1.4	\$8,570
CZ08	SCE/SCG	1.2	\$3,344	1.3	\$4,750	1.1	\$1,141	1.1	\$2,288
CZ09	SCE	1.2	\$3,369	1.3	\$4,812	1.1	\$1,272	1.1	\$2,407
CZ10	SCE/SCG	1.3	\$4,546	1.4	\$6,334	0.7	(\$4,113)	0.8	(\$3,703)
CZ10	SDGE	1.8	\$14,148	1.9	\$14,289	1.2	\$3,451	1.2	\$2,904
CZ11	PGE	1.4	\$6,523	1.4	\$7,967	0.9	(\$1,909)	0.94	(\$1,126)
CZ12	PGE	1.2	\$3,451	1.3	\$4,806	1.1	\$2,172	1.1	\$3,458
CZ12	SMUD/PGE	0.3	(\$13,066)	0.4	(\$12,515)	0.5	(\$12,178)	0.5	(\$11,582)
CZ13	PGE	1.3	\$5,665	1.4	\$6,448	0.8	(\$2,949)	0.8	(\$2,674)
CZ14	SCE/SCG	1.3	\$5,945	1.4	\$7,138	1.0	\$732	1.1	\$1,827
CZ14	SDGE	1.8	\$15,726	1.8	\$15,116	1.5	\$10,772	1.5	\$10,107
CZ15	SCE/SCG	1.5	\$9,078	1.7	\$10,819	1.0	(\$801)	0.99	(\$182)
CZ16	PG&E	1.3	\$5,254	1.5	\$10,999	1.1	\$2,708	1.2	\$4,285

5 Summary

The purpose of this study was to examine and document the code compliance and cost-effectiveness impacts of improving performance among single family new construction – both standard sized homes and ADUs. To this end, the Reach Codes Team evaluated packages of energy efficiency measures as well as packages combining energy efficiency with solar PV generation and battery storage, simulated them in building modeling software, and gathered costs to determine the cost-effectiveness of multiple scenarios. The Reach Codes Team coordinated with multiple utilities, cities, and building community experts to develop a set of assumptions considered reasonable in the current market. Changing assumptions, such as the period of analysis, measure selection, cost assumptions, energy escalation rates, or utility tariffs are likely to change results.

Table 27 (single family) and Table 28 (ADU) summarize results for each prototype and depict the EDR1 compliance margins achieved for each climate zone and package. Because local reach codes must both exceed the energy code (i.e., have a positive compliance margin in the performance approach) and be cost-effective, the Reach Codes Team highlighted cells meeting these two requirements to help clarify the upper boundary for potential reach code policies. All results presented in this study have a positive compliance margin.

- Cells highlighted in **green** depict a positive compliance margin and cost-effective results using both On-Bill and TDV approaches.
- Cells highlighted in **yellow** depict a positive compliance and cost-effective results using either the On-Bill or TDV approach.
- Cells **not highlighted** depict a package that was not cost-effective using either the On-Bill or TDV approach.
- Cells highlighted in **grey** depict the high efficiency equipment packages where cost-effectiveness was not evaluated.

The following are key takeaways and recommendations from the analysis.

Conclusions and Discussion:

- All-electric buildings have lower GHG emissions than mixed fuel buildings, due to the clean power sources currently available from California's power providers as well as accounting for increased penetration of renewables in the future. Almost all the all-electric packages evaluated resulted in greater GHG emission savings than the mixed fuel packages, with the exception of the mixed fuel package with battery storage in climate zones with low heating loads. The Reach Codes Team found code-compliant, all-electric new construction to be feasible and cost-effective based on TDV for single family homes in all cases except Climate Zone 16.
- All-electric single family new construction was On-Bill cost-effective in all cases except Climate Zones 1, 3, 14, and 16.
- The all-electric ADU home was cost-effective based on TDV in all cases except in Climate Zones 3, 4, 13, and 14 where the higher cost of installing a ducted HPWH instead of the prescriptively required gas tankless water heater outweigh the resulting energy cost savings. In the other climate zones there were first cost savings for installing a heat pump space heater instead of gas furnace, contributing to an overall TDV cost-effective result.
- Few cases were cost-effective On-Bill for the ADU.
- All-electric code minimum construction results in an increase in first year utility costs relative to a mixed fuel home, except for CPAU and SMUD where electricity rates are much lower than for the IOUs. The addition of efficiency measures, market dominant HPWHs that meet NEEA's Advanced Water Heating Specification, high efficiency heat pumps, increased PV, and batteries all reduce utility costs, and a combination of these options was found to reduce annual utility costs relative to a mixed fuel home in all cases.
- Under NBT, utility cost savings for increasing PV system size beyond code minimum are substantially less than under prior net energy metering rules (NEM 2.0); however, savings are sufficient to be On-Bill cost-effective in all climate zones for the all-electric single family home. Coupling PV with battery systems increases utility cost savings as a result of improved on-site utilization of PV generation and fewer exports to the grid.

- Applying CARE rates in the IOU territories increases improves On-Bill cost-effectiveness for all-electric buildings, as compared to the same case under standard rates, due to higher utility cost savings compared to a code compliant mixed fuel building also on a CARE rate, improving On-Bill cost-effectiveness. This is due to the CARE discount on electricity being higher than that on gas.
- If gas tariffs are assumed to increase substantially over time, in-line with the escalation assumption from the 2025 LSC development, all-electric new construction was found to be On-Bill cost-effective in almost all scenarios over the 30-year analysis period. There is much uncertainty surrounding future tariff structures as well as escalation values. While it's clear that gas rates will increase, how much and how quickly is not known. Electricity tariff structures are expected to evolve over time, and the CPUC has an active proceeding to adopt an income-graduated fixed charge that benefits low-income customers and supports electrification measures.²¹ The CPUC will make a decision in mid-2024 and the new rates are expected to be in place later that year or in 2025. While the anticipated impact of this rate change is lower volumetric electricity rates, the rate design is not finalized. While lower volumetric electricity rates provide many benefits including incentivizing electrification, it also will make building efficiency measures harder to justify as cost-effective due to lower utility bill cost savings.

Recommendations:

- A reach code with a single performance target based on source energy (EDR1) can be structured to strongly encourage electrification. This approach requires equivalent performance for all buildings and allows mixed fuel buildings which minimizes the risk of violating federal preemption. Below are examples of how a reach code for single family homes could be setup based on the results summarized in Table 27.
 - A jurisdiction in Climate Zone 12 could set a performance target at an EDR1 margin of 11.5 (the EDR1 margin for the all-electric Code Minimum package). Any all-electric home meeting or exceeding the prescriptive requirements would comply, and a mixed fuel home would likely need to incorporate a combination of efficiency measures and a battery system to comply.
 - Similarly, a jurisdiction in Climate Zone 7 may consider setting a performance target of 2.8 EDR1 margin (also the EDR1 margin for the all-electric Code Minimum package). Any all-electric home meeting or exceeding the prescriptive requirements would comply, but a mixed fuel home would likely be able to comply with only a suite of above-code efficiency measures (no battery). Alternatively, a higher EDR1 margin target of 5 would incentivize more energy efficiency or additional PV for all-electric construction, and mixed fuel construction would likely need to incorporate a battery system to comply.
 - A jurisdiction in Climate Zone 16 may want to set a performance target at an EDR1 margin of 20.5 (the EDR1 margin for the mixed fuel efficiency + PV + battery package). This would establish a target that a mixed fuel home could cost-effectively meet, likely only after incorporating a combination of efficiency measures and a battery system, and that an all-electric home could easily meet.
- The 2022 Title 24 code's new source energy metric combined with the heat pump baseline encourage all-electric construction, providing an incentive that allows for some amount of prescriptively required building efficiency to be traded off, still meeting minimum code compliance. This compliance benefit for all-electric homes highlights a unique opportunity for jurisdictions to incorporate efficiency into all-electric reach codes. Efficiency and electrification have symbiotic benefits and are both critical for decarbonization of buildings. As demand on the electric grid is increased through electrification, efficiency can reduce the negative impacts of additional electricity demand on the grid, reducing the need for increased generation and storage capacity, as well as the need to upgrade upstream transmission and distribution equipment. The Reach Codes Team recommends that jurisdictions adopting a reach code for single family buildings also include an efficiency requirement with EDR1 margins at minimum consistent with the all-electric code minimum package results in Table 27.

²¹ <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/demand-response-dr/demand-flexibility-rulemaking>

- The code compliance margins for the ADU all-electric code minimum package are lower than for the single family prototype; code compliance and cost-effectiveness can be more challenging for smaller dwelling units. As a result, the Reach Codes Team does not recommend EDR1 targets above those reported for the all-electric Code Minimum package in Table 28.

Local jurisdictions may also adopt ordinances that amend different Parts of the California Building Standards Code or may elect to amend other state or municipal codes. The decision regarding which code to amend will determine the specific requirements that must be followed for an ordinance to be legally enforceable. For example, jurisdictions may amend Part 11 instead of Part 6 of the CA Building Code requiring review and approval by the BSC but not the Energy Commission. Reach codes that amend Part 6 of the CA Building Code and require energy performance beyond state code minimums must demonstrate the proposed changes are cost-effective and obtain approval from the Energy Commission.

This report documents the key results and conclusions from the Reach Codes Team analysis. A full dataset of all results can be downloaded at <https://localenergycodes.com/content/resources>. Results alongside policy options can also be explored using the Cost-effectiveness Explorer at <https://explorer.localenergycodes.com/>.

Table 27: Summary of Single Family EDR1 Margins and Cost-Effectiveness

Climate Zone	Electric /Gas Utility	All-Electric					Mixed Fuel	
		Code Minimum	Efficiency	Efficiency + High Efficiency Equipment	Efficiency + PV	Efficiency + PV + Battery	Efficiency + High Efficiency Equipment	Efficiency + PV + Battery
CZ01	PGE	25.8	29.1	31.4	32.6	41.4	14.8	22.6
CZ02	PGE	14.0	16.3	18.0	18.9	28.3	9.1	14.1
CZ03	PGE	9.1	10.6	12.2	13.1	24.2	3.6	12.8
CZ04	PGE	8.8	10.4	11.9	12.8	24.6	3.8	13.2
CZ04	CPAU	8.8	10.4	11.9	12.8	24.6	3.8	13.2
CZ05	PGE	6.5	7.9	10.2	10.8	23.3	5.2	14.8
CZ05	PGE/SCG	6.5	7.9	10.2	10.8	23.3	5.2	14.8
CZ06	SCE/SCG	4.2	5.3	6.6	8.4	24.6	4.0	18.3
CZ07	SDGE	2.8	3.6	4.8	6.9	23.6	3.2	18.7
CZ08	SCE/SCG	2.1	2.9	4.2	5.6	21.3	2.7	17.1
CZ09	SCE/SCG	3.6	4.4	5.7	7.1	21.8	3.2	16.2
CZ10	SCE/SCG	4.8	5.8	7.2	8.5	21.9	3.9	14.4
CZ10	SDGE	4.8	5.8	7.2	8.5	21.9	3.9	14.4
CZ11	PGE	11.4	13.4	15.0	15.6	24.5	7.7	12.9
CZ12	PGE	11.5	13.3	14.8	15.5	25.2	7.2	13.2
CZ12	SMUD/PGE	11.5	13.3	14.8	15.5	25.2	7.2	13.2
CZ13	PGE	8.3	10.3	11.9	12.3	22.3	4.1	12.3
CZ14	SCE/SCG	8.8	11.5	13.2	14.3	24.7	4.6	13.4
CZ14	SDGE	8.8	11.5	13.2	14.3	24.7	4.6	13.4
CZ15	SCE/SCG	0.9	2.4	3.7	3.8	15.7	3.5	13.5
CZ16	PG&E	21.3	25.6	27.0	29.1	37.5	16.3	20.4

Table 28: Summary of ADU EDR1 Margins and Cost-Effectiveness

Climate Zone	Electric /Gas Utility	All-Electric					Mixed Fuel	
		Code Minimum	Efficiency	Efficiency + High Efficiency Equipment	Efficiency + PV	Efficiency + PV + Battery	Efficiency + High Efficiency Equipment	Efficiency + PV + Battery
CZ01	PGE	11.9	15.7	18.5	19.3	33.7	2.9	18.5
CZ02	PGE	5.7	7.9	9.7	10.8	25.6	-4.7	16.6
CZ03	PGE	2.9	4.0	5.9	7.1	23.2	4.0	11.8
CZ04	PGE	2.4	3.9	5.5	6.8	23.6	4.2	13.3
CZ04	CPAU	2.4	3.9	5.5	6.8	23.6	4.2	13.3
CZ05	PGE	1.8	2.9	4.8	6.4	24.0	-12.1	16.9
CZ05	PGE/SCG	1.8	2.9	4.8	6.4	24.0	-12.1	16.9
CZ06	SCE/SCG	0.5	1.3	2.6	5.0	25.7	-15.6	19.8
CZ07	SDGE	0.1	0.9	2.1	5.0	26.4	-16.5	20.3
CZ08	SCE/SCG	0.1	0.7	1.8	4.2	25.1	-15.3	20.4
CZ09	SCE	0.4	1.1	2.3	4.5	25.0	-14.4	19.6
CZ10	SCE/SCG	1.0	2.0	3.5	5.4	25.3	-11.9	19.0
CZ10	SDGE	1.0	2.0	3.5	5.4	25.3	-11.9	19.0
CZ11	PGE	4.6	7.0	8.6	9.6	25.1	-3.5	17.6
CZ12	PGE	4.6	6.6	8.3	9.3	24.5	-5.6	16.7
CZ12	SMUD/PGE	4.6	6.6	8.3	9.3	24.5	-5.6	16.7
CZ13	PGE	3.1	5.5	6.9	7.8	25.2	4.4	14.5
CZ14	SCE/SCG	3.5	6.3	8.0	9.6	26.9	5.1	14.5
CZ14	SDGE	3.5	6.3	8.0	9.6	26.9	5.1	14.5
CZ15	SCE/SCG	0.0	2.2	2.6	4.4	25.3	-9.3	19.2
CZ16	PG&E	11.2	14.7	15.7	18.3	33.7	2.9	18.3

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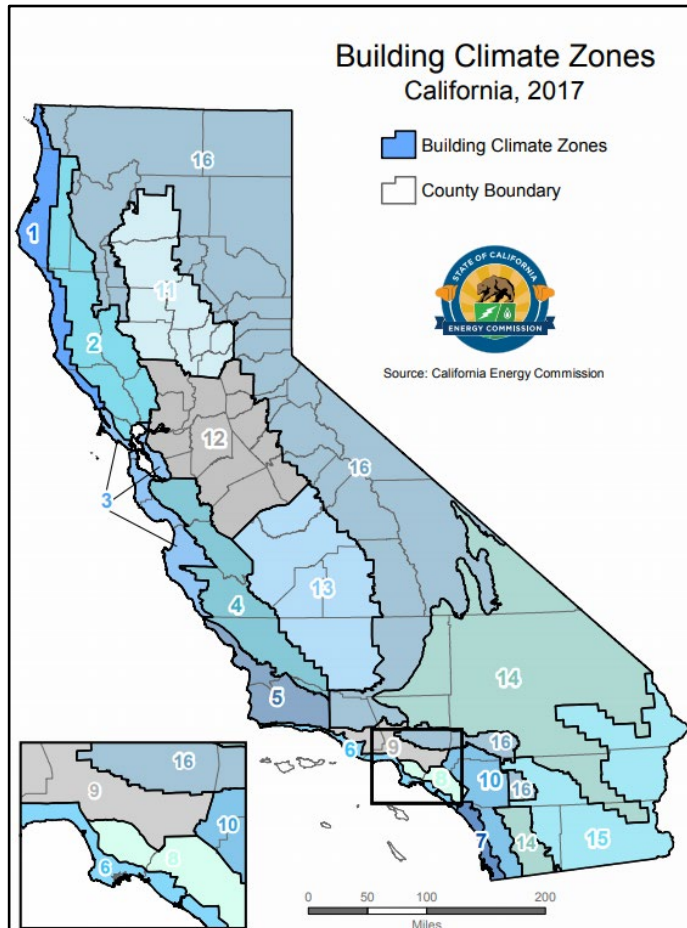
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7 Appendices

7.1 Map of California Climate Zones

Climate zone geographical boundaries are depicted in Figure 4. The map in Figure 4 along with a zip-code search directory is available at: https://ww2.energy.ca.gov/maps/renewable/building_climate_zones.html

Figure 4: Map of California climate zones.



7.2 Utility Rate Schedules

The Reach Codes Team used the CA IOU and POU rate tariffs detailed below to determine the On-Bill savings for each package. The California Climate Credit was applied for both electricity and natural gas service for the IOUs using the 2023 credits shows below.²² The credits were applied to reduce the total calculated annual bill, including any fixed fees or minimum bill amounts.

2023 Electric California Climate Credit Schedule

	February or March	April	May	June	July	Aug	Sept	Oct
PG&E	\$38.39							\$38.39
SCE	\$71.00							\$71.00
SDG&E	\$60.70							\$60.70

Residential Natural Gas California Climate Credit

In 2023, the 2023 Natural Gas California Climate Credit will be distributed in February or March instead of April.

	2018†	2019	2020	2021	2022	2023	Total Value Received Per Household 2018-2023
PG&E	\$30	\$25	\$27	\$25	\$48	\$52.78	\$208
SDG&E	*	\$34	\$21	\$18	\$43	\$43.40	\$162
Southwest Gas	\$22	\$25	\$27	\$28	\$49	\$56.35	\$207
SoCalGas	*	\$50	\$26	\$22	\$44	\$50.77	\$194

Electricity rates reflect the most recently approved tariffs. Monthly gas rates were estimated based on recent gas rates (November 2023) and a curve to reflect how natural gas prices fluctuate with seasonal supply and demand. The seasonal curve was estimated from monthly residential tariffs between 2014 and 2023 (between 2017 and 2023 for CPAU). 12-month curves were created from monthly gas rates for each of the ten years (seven years for CPAU). These annual curves were then averaged to arrive at an average normalized annual curve. This was conducted separately for baseline and excess energy rates. Costs used in this analysis were then derived by establishing the most recent baseline and excess rate from the latest tariff as a reference point (November 2023), and then using the normalized curve to estimate the cost for the remaining months relative to the reference point rate.

²² <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/greenhouse-gas-cap-and-trade-program/california-climate-credit>

7.2.1 Pacific Gas & Electric

The following pages provide details on the PG&E electricity and natural gas tariffs applied in this study. Table 29 describes the baseline territories that were assumed for each climate zone. A net surplus compensation rate of \$0.07051/ kWh was applied to any net annual electricity generation based on a one-year average of the rates between December 2022 and November 2023.

Table 29: PG&E Baseline Territory by Climate Zone

Climate Zone	Baseline Territory
CZ01	V
CZ02	X
CZ03	T
CZ04	X
CZ05	T
CZ11	R
CZ12	S
CZ13	R
CZ16	Y

The PG&E monthly gas rate for G-1 in \$/therm was applied on a monthly basis according to the rates shown in Table 30. These rates are based on applying a normalization curve to the November 2023 tariff based on ten years of historical gas data. Corresponding CARE rates reflect the 20 percent discount per the GL-1 tariff.

Table 30: PG&E Monthly Gas Rate (\$/therm)

Month	Total Charge	
	Baseline	Excess
January	\$2.05	\$2.43
February	\$2.08	\$2.46
March	\$1.92	\$2.31
April	\$1.80	\$2.20
May	\$1.77	\$2.18
June	\$1.78	\$2.18
July	\$1.80	\$2.20
August	\$1.85	\$2.26
September	\$1.92	\$2.33
October	\$1.99	\$2.40
November	\$2.06	\$2.46
December	\$2.05	\$2.44

Residential GAS Baseline Territories and Quantities ^{1/}

Effective April 1, 2022 - Present

BASELINE QUANTITIES (Therms Per Day Per Dwelling Unit)

Individually Metered			
Baseline Territories	Summer (April-October) Effective Apr. 1, 2022	Winter Off-Peak (Nov, Feb, Mar) Effective Nov. 1, 2022	Winter On-Peak (Dec, Jan) Effective Dec. 1, 2022
P	0.39	1.88	2.19
Q	0.56	1.48	2.00
R	0.36	1.24	1.81
S	0.39	1.38	1.94
T	0.56	1.31	1.68
V	0.59	1.51	1.71
W	0.39	1.14	1.68
X	0.49	1.48	2.00
Y	0.72	2.22	2.58

Master Metered			
Baseline Territories	Summer (April-October) Effective Apr. 1, 2022	Winter Off-Peak (Nov, Feb, Mar) Effective Nov. 1, 2022	Winter On-Peak (Dec, Jan) Effective Dec. 1, 2022
P	0.29	1.01	1.13
Q	0.56	0.67	0.77
R	0.33	0.87	1.16
S	0.29	0.61	0.65
T	0.56	1.01	1.10
V	0.59	1.28	1.32
W	0.26	0.71	0.87
X	0.33	0.67	0.77
Y	0.52	1.01	1.13

Summer Season: Apr-Oct
 Winter Off-Peak: Nov, Feb, Mar
 Winter On-Peak: Dec, Jan

Advice Letter: 4589-G
 Decision 21-11-016
 GRC 2020 Ph II [Application 19-11-019]
 Filed: Nov 22, 2019



**Pacific Gas and
Electric Company**

Oakland, California

Cancelling Revised

Revised Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

56550-E
56229-E

ELECTRIC SCHEDULE E-TOU-C
RESIDENTIAL TIME-OF-USE (PEAK PRICING 4 - 9 p.m. EVERY DAY)

Sheet 2

RATES:
(Cont'd.)

E-TOU-C TOTAL BUNDLED RATES

Total Energy Rates (\$ per kWh)	PEAK		OFF-PEAK	
<i>Summer</i>				
Total Usage	\$0.53933	(I)	\$0.45589	(I)
Baseline Credit (Applied to Baseline Usage Only)	(\$0.08851)	(R)	(\$0.08851)	(R)
<i>Winter</i>				
Total Usage	\$0.43662	(I)	\$0.40827	(I)
Baseline Credit (Applied to Baseline Usage Only)	(\$0.08851)	(R)	(\$0.08851)	(R)
Delivery Minimum Bill Amount (\$ per meter per day)	\$0.37612			
California Climate Credit (per household, per semi-annual payment occurring in the March* and October bill cycles)	(\$38.39)			

Total bundled service charges shown on customer's bills are unbundled according to the component rates shown below. Where the delivery minimum bill amount applies, the customer's bill will equal the sum of (1) the delivery minimum bill amount plus (2) for bundled service, the generation rate times the number of kWh used. For revenue accounting purposes, the revenues from the delivery minimum bill amount will be assigned to the Transmission, Transmission Rate Adjustments, Reliability Services, Public Purpose Programs, Nuclear Decommissioning, Competition Transition Charges, Energy Cost Recovery Amount, Wildfire Fund Charge, and New System Generation Charges based on kWh usage times the corresponding unbundled rate component per kWh, with any residual revenue assigned to Distribution.

* Pursuant to D.23-02-014, disbursement of the April 2023 residential Climate Credit shall begin by March 1, 2023.

(Continued)

Advice	7009-E	Issued by	Submitted	August 25, 2023
Decision		Meredith Allen	Effective	September 1, 2023
		Vice President, Regulatory Affairs	Resolution	



**Pacific Gas and
Electric Company**

U 39

Oakland, California

Cancelling Revised

Cal. P.U.C. Sheet No. 56551-E
Cal. P.U.C. Sheet No. 56230-E

ELECTRIC SCHEDULE E-TOU-C
RESIDENTIAL TIME-OF-USE (PEAK PRICING 4 - 9 p.m. EVERY DAY)

Sheet 3

RATES:
(Cont'd.)

UNBUNDLING OF E-TOU-C TOTAL RATES

Energy Rates by Component (\$ per kWh)	PEAK	OFF-PEAK
Generation:		
Summer (all usage)	\$0.19776	\$0.13432
Winter (all usage)	\$0.14916	\$0.12413
Distribution**:		
Summer (all usage)	\$0.17029 (I)	\$0.15029 (I)
Winter (all usage)	\$0.11618 (I)	\$0.11286 (I)
Conservation Incentive Adjustment (Baseline Usage)	(\$0.02216)	(I)
Conservation Incentive Adjustment (Over Baseline Usage)	\$0.06635	(I)
Transmission* (all usage)	\$0.05254	
Transmission Rate Adjustments* (all usage)	\$0.00059	
Reliability Services* (all usage)	\$0.00069	
Public Purpose Programs (all usage)	\$0.02578	
Nuclear Decommissioning (all usage)	\$0.00135	
Competition Transition Charges (all usage)	\$0.00030	
Energy Cost Recovery Amount (all usage)	(\$0.00071)	
Wildfire Fund Charge (all usage)	\$0.00530	
New System Generation Charge (all usage)**	\$0.00346	
Wildfire Hardening Charge (all usage)	\$0.00254	
Recovery Bond Charge (all usage)	\$0.00528	(R)
Recovery Bond Credit (all usage)	(\$0.00528)	(I)
Bundled Power Charge Indifference Adjustment (all usage)***	\$0.01309	

* Transmission, Transmission Rate Adjustments and Reliability Service charges are combined for presentation on customer bills.

** Distribution and New System Generation Charges are combined for presentation on customer bills.

*** Direct Access, Community Choice Aggregation and Transitional Bundled Service Customers pay the applicable Vintaged Power Charge Indifference Adjustment. Generation and Bundled PCIA are combined for presentation on bundled customer bills.

(Continued)

Advice	7009-E	Issued by	Submitted	August 25, 2023
Decision		Meredith Allen	Effective	September 1, 2023
		Vice President, Regulatory Affairs	Resolution	



**Pacific Gas and
Electric Company**

U 39

Oakland, California

Cancelling Revised

Cal. P.U.C. Sheet No. 56547-E
Cal. P.U.C. Sheet No. 56226-E

ELECTRIC SCHEDULE E-ELEC

Sheet 2

RESIDENTIAL TIME-OF-USE (ELECTRIC HOME)

SERVICE FOR CUSTOMERS WITH QUALIFYING ELECTRIC TECHNOLOGIES

RATES:(Cont'd.)

TOTAL BUNDLED RATES

Base Services Charge (\$ per meter per day)	\$0.49281		
Total Energy Rates (\$ per kWh)	PEAK	PART-PEAK	OFF-PEAK
Summer Usage	\$0.56589 (I)	\$0.40401 (I)	\$0.34733 (I)
Winter Usage	\$0.33438 (I)	\$0.31229 (I)	\$0.29843 (I)
California Climate Credit (per household, per semi-annual payment occurring in the March† and October bill cycles)	(\$38.39)		

Total bundled service charges shown on a customer's bills are unbundled according to the component rates shown below.

UNBUNDLING OF TOTAL RATES

Energy Rates by Component (\$ per kWh)	PEAK	PART-PEAK	OFF-PEAK
Generation:			
Summer Usage	\$0.28164	\$0.18253	\$0.13743
Winter Usage	\$0.11951	\$0.09954	\$0.08619
Distribution**:			
Summer Usage	\$0.17932 (I)	\$0.11655 (I)	\$0.10497 (I)
Winter Usage	\$0.10994 (I)	\$0.10782 (I)	\$0.10731 (I)
Transmission* (all usage)	\$0.05254	\$0.05254	\$0.05254
Transmission Rate Adjustments* (all usage)	\$0.00059	\$0.00059	\$0.00059
Reliability Services* (all usage)	\$0.00069	\$0.00069	\$0.00069
Public Purpose Programs (all usage)	\$0.02578	\$0.02578	\$0.02578
Nuclear Decommissioning (all usage)	\$0.00135	\$0.00135	\$0.00135
Competition Transition Charges (all usage)	\$0.00030	\$0.00030	\$0.00030
Energy Cost Recovery Amount (all usage)	(\$0.00071)	(\$0.00071)	(\$0.00071)
Wildfire Fund Charge (all usage)	\$0.00530	\$0.00530	\$0.00530
New System Generation Charge (all usage)**	\$0.00346	\$0.00346	\$0.00346
Wildfire Hardening Charge (all usage)	\$0.00254	\$0.00254	\$0.00254
Recovery Bond Charge (all usage)	\$0.00528 (R)	\$0.00528 (R)	\$0.00528 (R)
Recovery Bond Credit (all usage)	(\$0.00528) (I)	(\$0.00528) (I)	(\$0.00528) (I)
Bundled Power Charge Indifference Adjustment (all usage)***	\$0.01309	\$0.01309	\$0.01309

* Transmission, Transmission Rate Adjustments and Reliability Service charges are combined for presentation on customer bills.

** Distribution and New System Generation Charges are combined for presentation on customer bills.

*** Direct Access, Community Choice Aggregation and Transitional Bundled Service Customers pay the applicable Vintaged Power Charge Indifference Adjustment. Generation and Bundled PCIA are combined for presentation on bundled customer bills.

† Pursuant to D.23-02-014, disbursement of the April 2023 residential Climate Credit shall begin by March 1, 2023.

(Continued)

Advice	7009-E	Issued by	Submitted	August 25, 2023
Decision		Meredith Allen	Effective	September 1, 2023
		Vice President, Regulatory Affairs	Resolution	



Pacific Gas and Electric Company

San Francisco, California

Cancelling

Revised
Revised

Cal. P.U.C. Sheet No.
Cal. P.U.C. Sheet No.

54734-E
53424-E

ELECTRIC SCHEDULE D-CARE Sheet 1
LINE-ITEM DISCOUNT FOR CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE)
CUSTOMERS

APPLICABILITY: This schedule is applicable to single-phase and polyphase residential service in single-family dwellings and in flats and apartments separately metered by PG&E and domestic submetered tenants residing in multifamily accommodations, mobilehome parks and to qualifying recreational vehicle parks and marinas and to farm service on the premises operated by the person whose residence is supplied through the same meter, where the applicant qualifies for California Alternate Rates for Energy (CARE) under the eligibility and certification criteria set forth in Electric Rule 19.1. CARE service is available on Schedules E-1, E-6, E-TOU-B, E-TOU-C, E-TOU-D, EV2, E-ELEC, EM, ES, ESR, ET and EM-TOU. (T)

TERRITORY: This rate schedule applies everywhere PG&E provides electric service.

RATES: Customers taking service on this rate schedule whose otherwise applicable rate schedule has no Delivery Minimum Bill Amount (Schedule E-ELEC) will receive a CARE percentage discount of 35.000% on their total bundled charges (except for the California Climate Credit, which will not be discounted). Customers taking service on this rate schedule whose otherwise applicable rate schedule has a Delivery Minimum Bill Amount (all other schedules) will receive a CARE percentage discount ("A" or "C" below) on their total bundled charges on their otherwise applicable rate schedule (except for the California Climate Credit, which will not be discounted) and also will receive a percentage discount ("B" or "D" below) on the delivery minimum bill amount, if applicable. The CARE discount will be calculated for direct access and community choice aggregation customers based on the total charges as if they were subject to bundled service rates. Discounts will be applied as a residual reduction to distribution charges, after D-CARE customers are exempted from the Wildfire Fund Charge, Recovery Bond Charge, Recovery Bond Credit, and the CARE surcharge portion of the public purpose program charge used to fund the CARE discount. These conditions also apply to master-metered customers and to qualified sub-metered tenants where the master-meter customer is jointly served under PG&E's Rate Schedule D-CARE and either Schedule EM, ES, ESR, ET, or EM-TOU. (N)
|
|
(N)
(T)
|
(T)
(T)

For master-metered customers where one or more of the submetered tenants qualifies for CARE rates under the eligibility and certification criteria set forth in Rule 19.1, 19.2, or 19.3, the CARE discount is equal to a percentage ("C" below) of the total bundled charges, multiplied by the number of CARE units divided by the total number of units. In addition, master-metered customers eligible for D-CARE will receive a percentage discount ("D" below) on the delivery minimum bill amount, if applicable.

It is the responsibility of the master-metered customer to advise PG&E within 15 days following any change in the number of dwelling units and/or any decrease in the number of qualifying CARE applicants that results when such applicants move out of their submetered or non-submetered dwelling unit, or submetered permanent-residence RV or permanent-residence boat.

(L)
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(L)

(Continued)



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San Francisco, California

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Revised

Cal. P.U.C. Sheet No. 56208-E
Cal. P.U.C. Sheet No. 56020-E

ELECTRIC SCHEDULE D-CARE Sheet 2
LINE-ITEM DISCOUNT FOR CALIFORNIA ALTERNATE RATES FOR ENERGY (CARE)
CUSTOMERS

RATES: (Cont'd)	A. D-CARE Discount:	34.965	% (Percent)	(I)
	B. Delivery Minimum Bill Discount:	50.000	% (Percent)	
	C. Master-Meter D-CARE Discount:	34.965	% (Percent)	(I)
	D. Master-Meter Delivery Minimum Bill Discount:	50.000	% (Percent)	
SPECIAL CONDITIONS:	1. OTHERWISE APPLICABLE SCHEDULE: The Special Conditions of the Customer's otherwise applicable rate schedule will apply to this schedule.			
	2. ELIGIBILITY: To be eligible to receive D-CARE the applicant must qualify under the criteria set forth in PG&E's Electric Rules 19.1, 19.2, and 19.3 and meet the certification requirements thereof to the satisfaction of PG&E. Qualifying Direct Access, Community Choice Aggregation Service, and Transitional Bundled Service customers are also eligible to take service on Schedule D-CARE. Applicants may qualify for D-CARE at their primary residence only. Customers or sub-metered tenants participating in the Family Electric Rate Assistance (FERA) program cannot concurrently participate in the CARE program.			

Advice	6968-E	Issued by	Submitted	<u>June 23, 2023</u>
Decision		Meredith Allen	Effective	<u>July 1, 2023</u>
		Vice President, Regulatory Affairs	Resolution	

7.2.2 Southern California Edison

The following pages provide details on the SCE electricity tariffs applied in this study. Table 31 describes the baseline territories that were assumed for each climate zone. A net surplus compensation rate of \$ 0.06030/ kWh was applied to any net annual electricity generation based on a one-year average of the rates between December 2022 and November 2023.

Table 31: SCE Baseline Territory by Climate Zone

Climate Zone	Baseline Territory
CZ06	6
CZ08	8
CZ09	9
CZ10	10
CZ14	14
CZ15	15

Summer Daily Allocations (June through September)

Baseline Region Number	Daily kWh Allocation	All-Electric Allocation
5	17.2	17.9
6	11.4	8.8
8	12.6	9.8
9	16.5	12.4
10	18.9	15.8
13	22.0	24.6
14	18.7	18.3
15	46.4	24.1
16	14.4	13.5

Winter Daily Allocations (October through May)

Baseline Region Number	Daily kWh Allocation	All-Electric Allocation
5	18.7	29.1
6	11.3	13.0
8	10.6	12.7
9	12.3	14.3
10	12.5	17.0
13	12.6	24.3
14	12.0	21.3
15	9.9	18.2
16	12.6	23.1

Schedule TOU-D
TIME-OF-USE
DOMESTIC
(Continued)

Sheet 12 (T)

SPECIAL CONDITIONS

1. Applicable rate time periods are defined as follows:

Option 4-9 PM, Option 4-9 PM-CPP, Option PRIME, Option PRIME-CPP:

(T)

TOU Period	Weekdays		Weekends and Holidays	
	Summer	Winter	Summer	Winter
On-Peak	4 p.m. - 9 p.m.	N/A	N/A	N/A
Mid-Peak	N/A	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.
Off-Peak	All other hours	9 p.m. - 8 a.m.	All other hours	9 p.m. - 8 a.m.
Super-Off-Peak	N/A	8 a.m. - 4 p.m.	N/A	8 a.m. - 4 p.m.
CPP Event Period	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.	N/A	N/A



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 85111-E
Cancelling Revised Cal. PUC Sheet No. 74502-E

Schedule TOU-D

Sheet 2

TIME-OF-USE

DOMESTIC

(Continued)

RATES

Customers receiving service under this Schedule will be charged the applicable rates under Option 4-9 PM, Option 4-9 PM-CPP, Option 5-8 PM, Option 5-8 PM-CPP, Option PRIME, Option PRIME-CPP Option A, Option A-CPP, Option B, or Option B-CPP, as listed below. CPP Event Charges will apply to all energy usage during CPP Event Energy Charge periods and CPP Non-Event Energy Credits will apply as a reduction on CPP Non-Event Energy Credit Periods during Summer Season days, 4:00 p.m. to 9:00 p.m., as described in Special Conditions 1 and 3, below:

Option 4-9 PM / Option 4-9 PM-CPP	Delivery Service Total ¹	Generation ²	
		UG ³	DWREC ⁴
Energy Charge - \$/kWh			
Summer Season - On-Peak	0.28829 (R)	0.28543 (I)	0.00000
Mid-Peak	0.28829 (R)	0.17707 (I)	0.00000
Off-Peak	0.24482 (R)	0.11382 (I)	0.00000
Winter Season - Mid-Peak	0.28829 (R)	0.21752 (I)	0.00000
Off-Peak	0.24482 (R)	0.13851 (I)	0.00000
Super-Off-Peak	0.22919 (R)	0.11890 (I)	0.00000
Baseline Credit ^{****} - \$/kWh	(0.09759) (I)	0.00000	
Fixed Recovery Charge - \$/kWh	0.00090 (R)		
Basic Charge - \$/day			
Single-Family Residence	0.031		
Multi-Family Residence	0.024		
Minimum Charge ^{**} - \$/day			
Single-Family Residence	0.346		
Multi-Family Residence	0.346		
Minimum Charge (Medical Baseline) ^{***} - \$/day			
Single-Family Residence	0.173		
Multi-Family Residence	0.173		
California Climate Credit ¹⁰	(71.00) (I)		
California Alternate Rates for Energy Discount - %	100.00 [*]		
Family Electric Rate Assistance Discou	100.00		
Option 4-9 PM-CPP			
CPP Event Energy Charge - \$/kWh		0.80000	
Summer CPP Non-Event Credit		(0.15170)	
On-Peak Energy Credit - \$/kWh			
Maximum Available Credit - \$/kWh ^{****}			
Summer Season		(0.67183) (R)	

* Represents 100% of the discount percentage as shown in the applicable Special Condition of this Schedule.

** The Minimum Charge is applicable when the Delivery Service Energy Charge, plus the applicable Basic Charge is less than the Minimum Charge.

*** The ongoing Competition Transition Charge CTC of (\$0.00003) per kWh is recovered in the UG component of Generation.

**** The Baseline Credit applies up to 100% of the Baseline Allocation, regardless of Time-of-Use time period. Additional Baseline Allocations apply for Customers with Heat Pump Water Heaters served under this Option. The Baseline Allocations are set forth in Preliminary Statement, Part H.

***** The Maximum Available Credit is the capped credit amount for CPP Customers dual participating in other demand response programs.

1 Total = Total Delivery Service rates are applicable to Bundled Service, Direct Access (DA) and Community Choice Aggregation Service (CCA Service) Customers, except DA and CCA Service Customers are not subject to the DWRBC rate component of this Schedule but instead pay the DWRBC as provided by Schedule DA-CRS or Schedule CCA-CRS.

2 Generation = The Gen rates are applicable only to Bundled Service Customers. See Special Condition below for PCIA recovery.

3 DWREC = Department of Water Resources (DWR) Energy Credit - For more information on the DWR Energy Credit, see the Billing Calculation Special Condition of this Schedule.

4 Applied on an equal basis, per household, semi-annually. See the Special Conditions of this Schedule for more information.

(Continued)

(To be inserted by utility)

Advice 4929-E

Decision _____

2H13

Issued by

Michael Backstrom

Vice President

(To be inserted by Cal. PUC)

Date Submitted Dec 28, 2022

Effective Jan 1, 2023

Resolution E-5217



Southern California Edison
Rosemead, California (U 338-E)

Cancelling

Revised
Revised

Cal. PUC Sheet No. 86132-E
Cal. PUC Sheet No. 85624-E

Schedule TOU-D

Sheet 6

TIME-OF-USE

DOMESTIC

(Continued)

RATES (Continued)

	Delivery Service Total ¹	Generation ²	
		UG**	DWREC ³
Option PRIME / Option PRIME-CPP			
Energy Charge - \$/kWh/Meter/Day			
Summer Season			
On-Peak	0.22789 (I)	0.42769 (I)	0.00000
Mid-Peak	0.22789 (I)	0.15221 (I)	0.00000
Off-Peak	0.15191 (I)	0.10162 (I)	0.00000
Winter Season			
Mid-Peak	0.23353 (I)	0.36028 (I)	0.00000
Off-Peak	0.14530 (I)	0.08630 (I)	0.00000
Super-Off-Peak	0.14530 (I)	0.08630 (I)	0.00000
Fixed Recovery Charge - \$/kWh	0.00260 (I)		
Basic Charge - \$/Meter/Day	0.427 (I)		
EV Meter Credit (Separately Metered E	(0.323) (N)		
EV Submeter Credit - \$/Meter/Day	(0.111) (R)		
California Climate Credit ¹⁰	(71.00)		
California Alternate Rates for			
Energy Discount - %	100.00*		
Family Electric Rate Assistance Discou	100.00		
Medical Line Item Discount - %	100.000		
Option PRIME-CPP			
CPP Event Energy Charge - \$/kWh		0.80000	
Summer CPP Non-Event Credit			
On-Peak Energy Credit - \$/kWh		(0.15170)	
Maximum Available Credit - \$/kWh****			
Summer Season		(0.71812) (R)	

* Represents 100% of the discount percentage as shown in the applicable Special Condition of this Schedule.

** The ongoing Competition Transition Charge (CTC) of (\$0.00003) per kWh is recovered in the UG component of Generation.

**** The Maximum Available Credit is the capped credit amount for CPP Customers dual participating in other demand response programs.

¹ Total = Total Delivery Service rates are applicable to Bundled Service, Direct Access (DA) and Community Choice Aggregation Service (CCA Service) Customers, except DA and CCA Service Customers are not subject to the DWRBC rate component of this Schedule but instead pay the DWRBC as provided by Schedule DA-CRS or Schedule CCA-CRS.

² Generation = The Gen rates are applicable only to Bundled Service Customers. See Special Condition below for PCIA recovery.

³ DWREC = Department of Water Resources (DWR) Energy Credit – For more information on the DWR Energy Credit, see the Billing Calculation Special Condition of this Schedule.

⁴ Applied on an equal basis, per household, semi-annually. See the Special Conditions of this Schedule for more information.

(Continued)

(To be inserted by utility)

Advice 5041-E

Decision _____

6/19

Issued by

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Vice President

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Date Submitted May 30, 2023

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Resolution _____



Southern California Edison
Rosemead, California (U 338-E)

Revised Cal. PUC Sheet No. 85618-E
Cancelling Revised Cal. PUC Sheet No. 85109-E

Schedule D-CARE
CALIFORNIA ALTERNATE RATES FOR ENERGY
DOMESTIC SERVICE

Sheet 1

APPLICABILITY

Applicable to domestic service to CARE households residing in a permanent Single-Family Accommodation or Multifamily Accommodation where the customer meets all the Special Conditions of this Schedule. Customers enrolled in the CARE program are not eligible for the Family Electric Rate Assistance (FERA) program.

Pursuant to Special Condition 12 herein, customers receiving service under this Schedule are eligible to receive the California Climate Credit as shown in the Rates section below.

TERRITORY

Within the entire territory served.

RATES

The applicable charges set forth in Schedule D shall apply to Customers served under this Schedule.

CARE Discount:

A 29.8 percent discount is applied to a CARE Customer's bill prior to the application of the Public Utilities Commission Reimbursement Fee (PUCRF) and any applicable user fees, taxes, and late payment charges. CARE Customers are required to pay the PUCRF and any applicable user fees, taxes, and late payment charges in full. In addition, CARE Customers are exempt from paying the CARE Surcharge of \$0.00888 per kWh and the Wildfire Fund Non-Bypassable Charge of \$0.00530 per kWh. (R) The 29.8 percent discount, in addition to these exemptions result in an average effective CARE Discount of 32.5 percent.

(Continued)

(To be inserted by utility)

Advice 4977-E
Decision 23-01-002
TH12 22-12-031

Issued by
Michael Backstrom
Vice President

(To be inserted by Cal. PUC)

Date Submitted Feb 27, 2023
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Resolution _____

7.2.3 Southern California Gas

Following are the SoCalGas natural gas tariffs applied in this study. Table 32 describes the baseline territories that were assumed for each climate zone.

Table 32: SoCalGas Baseline Territory by Climate Zone

Climate Zone	Baseline Territory
CZ05	2
CZ06	1
CZ08	1
CZ09	1
CZ10	1
CZ14	2
CZ15	1

The SoCalGas monthly gas rate in \$/therm was applied on a monthly basis according to the rates shown in Table 33. These rates are based on applying a normalization curve to the November 2023 tariff based on ten years of historical gas data. Long-term historical natural gas rate data was only available for SoCalGas' procurement charges.²³ The baseline and excess transmission charges were found to be consistent over the course of a year and applied for the entire year based on 2023 rates. CARE rates reflect the 20 percent discount per the GR tariff.

Table 33: SoCalGas Monthly Gas Rate (\$/therm)

Month	Procurement Charge	Transportation Charge		Total Charge	
		Baseline	Excess	Baseline	Excess
January	\$0.72	\$0.86	\$1.31	\$1.92	\$2.36
February	\$0.50	\$0.86	\$1.31	\$1.57	\$2.02
March	\$0.44	\$0.86	\$1.31	\$1.48	\$1.93
April	\$0.39	\$0.86	\$1.31	\$1.39	\$1.84
May	\$0.41	\$0.86	\$1.31	\$1.43	\$1.87
June	\$0.46	\$0.86	\$1.31	\$1.49	\$1.93
July	\$0.47	\$0.86	\$1.31	\$1.51	\$1.96
August	\$0.51	\$0.86	\$1.31	\$1.58	\$2.03
September	\$0.46	\$0.86	\$1.31	\$1.52	\$1.96
October	\$0.45	\$0.86	\$1.31	\$1.48	\$1.92
November	\$0.48	\$0.86	\$1.31	\$1.54	\$1.99
December	\$0.57	\$0.86	\$1.31	\$1.63	\$2.08

Southern California Gas Company									
Residential Rates									
Nov-23									
				Procurement	Transportation	New Rate	New Rate	Absolute	
Customer Type		Commodity	Rate	Charge	Charge	Effective	Effective	Rate	%
	Rate Schedule	Charge	Type	¢/therm	¢/therm	11/1/2023	10/1/2023	Change	Change
Residential Individually Metered									
	Schedule No. GR	GR	Baseline	67.806	86.490	154.296	125.096	29.200	23.3%
	Res. Service	GR	Non Baseline	67.806	131.037	198.843	169.726	29.117	17.2%
		GT-R	Baseline	00.000	86.490	86.490	87.038	-00.548	-0.6%
		GT-R	Non Baseline	00.000	131.037	131.037	131.668	-00.631	-0.5%

²³ The SoCalGas procurement and transmission charges were obtained from the following site: <https://www.socalgas.com/for-your-business/energy-market-services/gas-prices RES2023.xlsx> (live.com)

7.2.4 San Diego Gas & Electric

Following are the SDG&E electricity and natural gas tariffs applied in this study. Table 34 describes the baseline territories that were assumed for each climate zone. A net surplus compensation rate of \$0.04542/ kWh was applied to any net annual electricity generation based on a one-year average of the rates between December 2022 and November 2023.

Table 34: SDG&E Baseline Territory by Climate Zone

Climate Zone	Baseline Territory
CZ07	Coastal
CZ10	Inland
CZ14	Mountain

The SDG&E monthly gas rate in \$/therm was applied on a monthly basis according to the rates shown in Table 35. These rates are based on applying a normalization curve to the November 2023 tariff based on ten years of historical gas data. CARE rates reflect the 20 percent discount per the G-CARE tariff.

Table 35: SDG&E Monthly Gas Rate (\$/therm)

Month	Total Charge	
	Baseline	Excess
January	\$2.34	\$2.63
February	\$2.28	\$2.57
March	\$2.21	\$2.51
April	\$2.14	\$2.45
May	\$2.18	\$2.48
June	\$2.23	\$2.55
July	\$2.26	\$2.57
August	\$2.32	\$2.62
September	\$2.26	\$2.59
October	\$2.21	\$2.55
November	\$2.24	\$2.57
December	\$2.38	\$2.70

Baseline Usage: The following quantities of gas used in individually metered residences are to be billed at the baseline rates:

<u>All Customers:</u>	<u>Daily Therm Allowance</u>
Summer (May to Oct)	0.359
Winter On-Peak (Dec, Jan & Feb)	1.233
Winter Off-Peak (Nov, Mar, & Apr)	0.692



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 37022-E
Canceling Revised Cal. P.U.C. Sheet No. 36337-E

SCHEDULE TOU-DR1
RESIDENTIAL TIME-OF-USE

Sheet 2

RATES

Total Rates:

Description – TOU DR1	UDC Total Rate	DWR BC + WF-NBC	EECC Rate + DWR Credit	Total Rate
Summer:				
On-Peak	0.25752	R 0.00530	I 0.57043	I 0.83325
Off-Peak	0.25752	R 0.00530	I 0.25697	I 0.51979
Super Off-Peak	0.25752	R 0.00530	I 0.09233	I 0.35515
Winter:				
On-Peak	0.43809	I 0.00530	I 0.19307	I 0.63646
Off-Peak	0.43809	I 0.00530	I 0.10855	I 0.55194
Super Off-Peak	0.43809	I 0.00530	I 0.08402	I 0.52741
Summer Baseline Adjustment Credit up to 130% of Baseline	(0.11724)	R		R (0.11724)
Winter Baseline Adjustment Credit up to 130% of Baseline	(0.11724)	R		R (0.11724)
Minimum Bill (\$/day)	0.380	I		I 0.380

Description – TOU DR1-CARE	UDC Total Rate	DWR BC + WF-NBC	EECC Rate + DWR Credit	Total Rate	Total Effective Care Rate
Summer – CARE Rates:					
On-Peak	0.25682	R 0.00000	I 0.57043	I 0.82725	I 0.55366
Off-Peak	0.25682	R 0.00000	I 0.25697	I 0.51379	I 0.33965
Super Off-Peak	0.25682	R 0.00000	I 0.09233	I 0.34915	I 0.22725
Winter – CARE Rates:					
On-Peak	0.43739	I 0.00000	I 0.19307	I 0.63046	I 0.41930
Off-Peak	0.43739	I 0.00000	I 0.10855	I 0.54594	I 0.36160
Super Off-Peak	0.43739	I 0.00000	I 0.08402	I 0.52141	I 0.34485
Summer Baseline Adjustment Credit up to 130% of Baseline	(0.11724)	R		(0.11724)	R (0.08004)
Winter Baseline Adjustment Credit up to 130% of Baseline	(0.11724)	R		(0.11724)	R (0.08004)
Minimum Bill (\$/day)	0.190	I		I 0.190	I 0.190

Note:

- Total Rates consist of UDC, Schedule DWR-BC (Department of Water Resources Bond Charge), Schedule WF-NBC (CA Wildfire Fund charge) and Schedule EECC (Electric Energy Commodity Cost) rates, with the EECC rates reflecting a DWR Credit. EECC rates are applicable to bundled customers only. See Special Condition 16 for PCIA (Power Charge Indifference Adjustment) recovery.
- Total Rates presented are for customers that receive commodity supply and delivery service from Utility.
- DWR-BC and WF-NBC charges do not apply to CARE customers.
- As identified in the rates tables, customer bills will also include line-item summer and winter credits for usage up to 130% of baseline to provide the rate capping benefits adopted by Assembly Bill 1X and Senate Bill 695.
- WF-NBC rate is 0.00530 + DWR-BC Bond Charge is 0.00000.

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(Continued)

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Time Periods

All time periods listed are applicable to local time. The definition of time will be based upon the date service is rendered.

TOU Periods – Weekdays	Summer	Winter
On-Peak	4:00 p.m. – 9:00 p.m.	4:00 p.m. – 9:00 p.m.
Off-Peak	6:00 a.m. – 4:00 p.m.; 9:00 p.m. - midnight	6:00 a.m. – 4:00 p.m. Excluding 10:00 a.m. – 2:00 p.m. in March and April; 9:00 p.m. - midnight
Super Off-Peak	Midnight – 6:00 a.m.	Midnight – 6:00 a.m. 10:00 a.m. – 2:00 p.m. in March and April
TOU Period – Weekends and Holidays	Summer	Winter
On-Peak	4:00 p.m. – 9:00 p.m.	4:00 p.m. – 9:00 p.m.
Off-Peak	2:00 p.m. – 4:00 p.m.; 9:00 p.m. - midnight	2:00 p.m. – 4:00 p.m.; 9:00 p.m. - midnight
Super Off-Peak	Midnight – 2:00 p.m.	Midnight – 2:00 p.m.

Seasons: Summer June 1 – October 31
Winter November 1 – May 31

15. **Baseline Usage:** The following quantities of electricity are used to calculate the baseline adjustment credit.

	Baseline Allowance For Climatic Zones*			
	Coastal	Inland	Mountain	Desert
Basic Allowance				
Summer (June 1 to October 31)	9.0	10.4	13.6	15.9
Winter (November 1 to May 31)	9.2	9.6	12.9	10.9
All Electric**				
Summer (June 1 to October 31)	6.0	8.7	15.2	17.0
Winter (November 1 to May 31)	8.8	12.2	22.1	17.1

* Climatic Zones are shown on the Territory Served, Map No. 1.

** All Electric allowances are available upon application to those customers who have permanently installed space heating or who have electric water heating and receive no energy from another source.



San Diego Gas & Electric Company
San Diego, California

Revised Cal. P.U.C. Sheet No. 37217-E

Canceling Revised Cal. P.U.C. Sheet No. 37016-E

SCHEDULE EV-TOU-5

Sheet 1

COST-BASED DOMESTIC TIME-OF-USE FOR HOUSEHOLDS WITH ELECTRIC VEHICLES

APPLICABILITY

Service under this schedule is specifically limited to customers who require service for charging of a currently registered Motor Vehicle, as defined by the California Motor Vehicle Code, which is: 1) a battery electric vehicle (BEV) or plug-in hybrid electric vehicle (PHEV) recharged via a recharging outlet at the customer's premises; or 2) a natural gas vehicle (NGV) refueled via a home refueling appliance (HRA) at the customer's premises. This schedule is not available to customers with a conventional charge sustaining (battery recharged solely from the vehicle's on-board generator) hybrid electric vehicle (HEV).

Residential customers taking service on Schedule NBT, who are required to utilize EV-TOU-5 as their otherwise applicable schedule (OAS) for electric service, do not require a qualifying motor vehicle, as described above to participate on Schedule EV-TOU-5.

Customers on this schedule may also qualify for a semi-annual California Climate Credit \$(60.70) per Schedule GHG-ARR.

TERRITORY

Within the entire territory served by the utility.

RATES

Total Rates:

Description – EV-TOU-5 Rates	UDC Total Rate	DWR BC + WF-NBC	EECC Rate + DWR Credit	Total Rate
Basic Service Fee	16.00			16.00
Summer				
On-Peak	0.28032	I 0.00530	I 0.53067	I 0.81629
Off-Peak	0.28032	I 0.00530	I 0.19567	I 0.48129
Super Off-Peak	0.05588	I 0.00530	I 0.09233	I 0.15351
Winter				
On-Peak	0.28032	I 0.00530	I 0.22587	I 0.51149
Off-Peak	0.28032	I 0.00530	I 0.16213	I 0.44775
Super Off-Peak	0.05588	I 0.00530	I 0.08402	I 0.14520

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SCHEDULE EV-TOU-5

Sheet 4

COST-BASED DOMESTIC TIME-OF-USE FOR HOUSEHOLDS WITH ELECTRIC VEHICLES

Notes: Transmission Energy charges include the Transmission Revenue Balancing Account Adjustment (TRBAA) of \$(0.00242) per kWh and the Transmission Access Charge Balancing Account Adjustment (TACBAA) of \$(0.01631) per kWh. PPP Energy charges includes Low Income PPP rate (LI-PPP) \$0.01669/kWh, Non-low Income PPP rate (Non-LI-PPP) \$0.00333/kWh (pursuant to PU Code Section 399.8, the Non-LI-PPP rate may not exceed January 1, 2000 levels), Procurement Energy Efficiency Surcharge Rate of \$0.00422 /kWh, California Solar Initiative rate (CSI) of \$0.00000/kWh and Self-Generation Incentive Program rate (SGIP) \$0.00122/kWh. The basic service fee of \$16 per month is applied to a customer's bill and a 50% discount is applied for CARE, Medical Baseline, or Family Electric Rate Assistance Program (FERA) customers resulting in their basic service fees to be \$8 per month.

Rate Components

The Utility Distribution Company Total Rates (UDC Total) shown above are comprised of the following components (if applicable): (1) Transmission (Trans) Charges, (2) Distribution (Distr) Charges, (3) Public Purpose Program (PPP) Charges, (4) Nuclear Decommissioning (ND) Charge, (5) Ongoing Competition Transition Charges (CTC), (6) Local Generation Charge (LGC), (7) Reliability Services (RS), and (8) the Total Rate Adjustment Component (TRAC).

Certain Direct Access customers are exempt from the TRAC, as defined in Rule 1 – Definitions.

Franchise Fee Differential

A Franchise Fee Differential of 5.78% will be applied to the monthly billings calculated under this schedule for all customers within the corporate limits of the City of San Diego. Such Franchise Fee Differential shall be so indicated and added as a separate item to bills rendered to such customers.

Time Periods:

All time periods listed are applicable to actual "clock" time)

TOU Period – Weekdays	Summer	Winter
On-Peak	4:00 p.m. – 9:00 p.m.	4:00 p.m. – 9:00 p.m.
Off-Peak	6:00 a.m. – 4:00 p.m.; 9:00 p.m. – midnight	6:00 a.m. – 4:00 p.m. Excluding 10:00 a.m.–2:00 p.m. in March and April; 9:00 p.m. – midnight
Super-Off-Peak	Midnight – 6:00 a.m.	Midnight – 6:00 a.m. 10:00 a.m. – 2:00 p.m. in March and April

TOU Period – Weekends and Holidays	Summer	Winter
On-Peak	4:00 p.m. – 9:00 p.m.	4:00 p.m. – 9:00 p.m.
Off-Peak	2:00 p.m. – 4:00 p.m.; 9:00 p.m. – midnight	2:00 p.m. – 4:00 p.m. 9:00 p.m. – midnight
Super-Off-Peak	Midnight – 2:00 p.m.	Midnight – 2:00 p.m.

Seasons:

Summer June 1 – October 31

Winter November 1 – May 31

(Continued)

4C8

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San Diego, California

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SCHEDULE E-CARE

Sheet 1

CALIFORNIA ALTERNATE RATES FOR ENERGY

APPLICABILITY

This schedule provides a California Alternate Rates for Energy (CARE) discount to each of the following types of customers listed below that meet the requirements for CARE eligibility as defined in Rule 1, Definitions, and herein, and is taken in conjunction with the customer's otherwise applicable service schedule.

- 1) Customers residing in a permanent single-family accommodation, separately metered by the Utility.
- 2) Multi-family dwelling units and mobile home parks supplied through one meter on a single premises where the individual unit is submetered.
- 3) Non-profit group living facilities.
- 4) Agricultural employee housing facilities.

TERRITORY

Within the entire territory served by the Utility.

DISCOUNT

- 1) **Residential CARE:** Qualified residential CARE customers will receive a total effective discount according to the following:

	2015	2016	2017	2018	2019	2020 and beyond
Effective Discount	40%	39%	38%	38%	36% R	35%

Pursuant to Commission Decision (D.) 15-07-001, the average effective CARE discount for residential customers will decrease 1% each year until an average effective discount of 35% is reached in 2020.

The average effective CARE discount consists of: (a) exemptions from paying the CARE Surcharge, Department of Water Resources Bond Charge (DWR-BC), Vehicle-Grid Integration (VGI) costs, and California Solar Initiative (CSI); (b) a 50% minimum bill relative to Non-CARE; (c) the California Wildfire Fund Charge (WF-NBC) and (d) a separate line-item bill discount for all qualified residential CARE customers with the exclusion of CARE Medical Baseline customers taking service on tiered rates schedules. D.15-07-001 retained the rate subsidies in Non-CARE Medical Baseline tiered rates and thereby a separate line-item discount is provided for these CARE Medical Baseline customers

(Continued)

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7.2.5 City of Palo Alto Utilities

Following are the CPAU electricity and natural gas tariffs applied in this study. The CPAU monthly gas rate in \$/therm was applied on a monthly basis according to the rates shown in Table 36. These rates are based on applying a normalization curve to the October 2023 tariff based on seven years of historical gas data. The monthly service charge applied was \$14.01 per month per the November 2023 G-1 tariff.

Table 36: CPAU Monthly Gas Rate (\$/therm)

Month	G1 Volumetric Total Baseline	G1 Volumetric Total Excess
January	\$1.83532	\$3.35639
February	\$1.38055	\$2.59947
March	\$1.32506	\$2.47695
April	\$1.29680	\$2.44038
May	\$1.29511	\$2.43804
June	\$1.32034	\$2.45406
July	\$1.35688	\$2.61519
August	\$1.40696	\$2.67944
September	\$1.42130	\$2.70301
October	\$1.42310	\$2.48300
November	\$1.46286	\$2.45547
December	\$1.62415	\$2.62128

RESIDENTIAL ELECTRIC SERVICE

UTILITY RATE SCHEDULE E-1

A. APPLICABILITY:

This Rate Schedule applies to separately metered single-family residential dwellings receiving Electric Service from the City of Palo Alto Utilities.

B. TERRITORY:

This rate schedule applies everywhere the City of Palo Alto provides Electric Service.

C. UNBUNDLED RATES:

<u>Per kilowatt-hour (kWh)</u>	<u>Commodity</u>	<u>Distribution</u>	<u>Public Benefits</u>	<u>Total</u>
Tier 1 usage	\$ 0.09999	\$ 0.06954	\$ 0.00568	\$ 0.17521
Tier 2 usage Any usage over Tier 1	0.13873	0.10225	0.00568	0.24666
<u>Minimum Bill (\$/day)</u>				0.4181

D. SPECIAL NOTES:

1. Calculation of Cost Components

The actual bill amount is calculated based on the applicable rates in Section C above and adjusted for any applicable discounts, surcharges and/or taxes. On a Customer's bill statement, the bill amount may be broken down into appropriate components as calculated under Section C.

2. Calculation of Usage Tiers

Tier 1 Electricity usage shall be calculated and billed based upon a level of 11 kWh per day, prorated by Meter reading days of Service. As an example, for a 30-day bill, the Tier 1 level would be 330 kWh. For further discussion of bill calculation and proration, refer to Rule and Regulation 11.

{End}

CITY OF PALO ALTO UTILITIES

Issued by the City Council

Supersedes Sheet No E-1-1
 dated 7-1-2022



Sheet No E-1-1
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7.2.6 Sacramento Municipal Utilities District (Electric Only)

Following are the SMUD electricity tariffs applied in this study. The rates effective January 2023 were used.

Residential Time-of-Day Service Rate Schedule R-TOD

II. Firm Service Rates

A. Time-of-Day (5-8 p.m.) Rate

	Effective as of January 1, 2023	Effective as of January 1, 2024	Effective as of May 1, 2024	Effective as of January 1, 2025	Effective as of May 1, 2025
Time-of-Day (5-8 p.m.) Rate (RT02)					
Non-Summer Season (October - May)					
System Infrastructure Fixed Charge <i>per month per meter</i>	\$23.50	\$24.15	\$24.80	\$25.50	\$26.20
Electricity Usage Charge					
Peak \$/k Wh	\$0.1547	\$0.1590	\$0.1633	\$0.1678	\$0.1724
Off-Peak \$/k Wh	\$0.1120	\$0.1151	\$0.1183	\$0.1215	\$0.1248
Summer Season (June - September)					
System Infrastructure Fixed Charge <i>per month per meter</i>	\$23.50	\$24.15	\$24.80	\$25.50	\$26.20
Electricity Usage Charge					
Peak \$/k Wh	\$0.3279	\$0.3369	\$0.3462	\$0.3557	\$0.3655
Mid-Peak \$/k Wh	\$0.1864	\$0.1914	\$0.1967	\$0.2021	\$0.2077
Off-Peak \$/k Wh	\$0.1350	\$0.1387	\$0.1425	\$0.1464	\$0.1505

B. Optional Critical Peak Pricing Rate

- The CPP Rate base prices per time-of-day period are the same as the prices per time-of-day period for TOD (5-8 p.m.).
- The CPP Rate provides a discount per kWh on the Mid-Peak and Off-Peak prices during summer months.
- During CPP Events, customers will be charged for energy used at the applicable time-of-day period rate plus the CPP Rate Event Price per kWh as shown on www.smud.org.
- During CPP Events, energy exported to the grid will be compensated at the CPP Rate Event Price per kWh as shown on www.smud.org.
- The CPP Rate Event Price and discount will be updated annually at SMUD's discretion and posted on www.smud.org.

C. Plug-In Electric Vehicle Credit (rate categories RT02 and RTC1)

This credit is for residential customers who have a licensed passenger battery electric plug-in or plug-in hybrid electric vehicle.

Credit applies to all electricity usage charges from midnight to 6:00 a.m. daily.

Electric Vehicle Credit..... **-\$0.0150/kWh**

III. Electricity Usage Surcharges

Refer to the following rate schedules for details on these surcharges.

A. Hydro Generation Adjustment (HGA). Refer to Rate Schedule HGA.

IV. Rate Option Menu

- Energy Assistance Program Rate.** Refer to Rate Schedule EAPR.
- Medical Equipment Discount Program.** Refer to Rate Schedule MED.
- Joint Participation in Medical Equipment Discount and Energy Assistance Program Rate.** Refer to Rate Schedule MED.

A. Time-of-Day (5-8 p.m.) Rate (rate category RT02)

1. The TOD (5-8 p.m.) Rate is the standard rate for SMUD's residential customers. Eligible customers can elect the Fixed Rate under Rate Schedule R as an alternative rate.
2. The TOD (5-8 p.m.) Rate is an optional rate for customers who have an eligible renewable electrical generation facility under Rate Schedule NEM1 that was approved for installation by SMUD prior to January 1, 2018.
3. This rate has five kilowatt-hour (kWh) prices, depending on the time-of-day and season as shown below. Holidays are detailed in Section V. Conditions of Service.

Summer (Jun 1 - Sept 30)	Peak	Weekdays between 5:00 p.m. and 8:00 p.m.
	Mid-Peak	Weekdays between noon and midnight except during the Peak hours.
	Off-Peak	All other hours, including weekends and holidays ¹ .
Non-Summer (Oct 1 - May 31)	Peak	Weekdays between 5:00 p.m. and 8:00 p.m.
	Off-Peak	All other hours, including weekends and holidays ¹ .

¹ See Section V. Conditions of Service

7.2.7 Fuel Escalation Assumptions

The average annual escalation rates in Table 37 were used in this study. These are based on assumptions from the CPUC 2021 En Banc hearings on utility costs through 2030 (California Public Utilities Commission, 2021a). Escalation rates through the remainder of the 30-year evaluation period are based on the escalation rate assumptions within the 2022 TDV factors. No data was available to estimate electricity escalation rates for CPAU and SMUD, therefore electricity escalation rates for PG&E and statewide natural gas escalation rates were applied. Table 38 presents the average annual escalation rates used in the utility rate escalation sensitivity analysis shown in Section 4.6.3. Rates were applied for the same 30-year period and are based on the escalation rate assumptions within the 2025 LSC factors from 2027 through 2053.²⁴ These rates were developed for electricity use statewide (not utility-specific) and assume steep increases in gas rates in the latter half of the analysis period. Data was not available for years 2024, 2025, and 2026 and so the CPUC En Banc assumptions were applied for those years using the average rate across the three IOUs for statewide electricity escalation.

Table 37: Real Utility Rate Escalation Rate Assumptions, CPUC En Banc and 2022 TDV Basis

Year	Statewide Natural Gas Residential Average Rate (%/year, real)	Electric Residential Average Rate (%/year, real)		
		PG&E	SCE	SDG&E
2024	4.6%	1.8%	1.6%	2.8%
2025	4.6%	1.8%	1.6%	2.8%
2026	4.6%	1.8%	1.6%	2.8%
2027	4.6%	1.8%	1.6%	2.8%
2028	4.6%	1.8%	1.6%	2.8%
2029	4.6%	1.8%	1.6%	2.8%
2030	4.6%	1.8%	1.6%	2.8%
2031	2.0%	0.6%	0.6%	0.6%
2032	2.4%	0.6%	0.6%	0.6%
2033	2.1%	0.6%	0.6%	0.6%
2034	1.9%	0.6%	0.6%	0.6%
2035	1.9%	0.6%	0.6%	0.6%
2036	1.8%	0.6%	0.6%	0.6%
2037	1.7%	0.6%	0.6%	0.6%
2038	1.6%	0.6%	0.6%	0.6%
2039	2.1%	0.6%	0.6%	0.6%
2040	1.6%	0.6%	0.6%	0.6%
2041	2.2%	0.6%	0.6%	0.6%
2042	2.2%	0.6%	0.6%	0.6%
2043	2.3%	0.6%	0.6%	0.6%
2044	2.4%	0.6%	0.6%	0.6%
2045	2.5%	0.6%	0.6%	0.6%
2046	1.5%	0.6%	0.6%	0.6%
2047	1.3%	0.6%	0.6%	0.6%
2048	1.6%	0.6%	0.6%	0.6%
2049	1.3%	0.6%	0.6%	0.6%
2050	1.5%	0.6%	0.6%	0.6%
2051	1.8%	0.6%	0.6%	0.6%
2052	1.8%	0.6%	0.6%	0.6%
2053	1.8%	0.6%	0.6%	0.6%

²⁴ <https://www.energy.ca.gov/files/2025-energy-code-hourly-factors>. Actual escalation factors were provided by consultants E3.

Table 38: Real Utility Rate Escalation Rate Assumptions, 2025 LSC Basis

Year	Statewide Natural Gas Residential Average Rate (%/year, real)	Statewide Electricity Residential Average Rate (%/year, real)
2024	4.6%	2.1%
2025	4.6%	2.1%
2026	4.6%	2.1%
2027	4.2%	0.6%
2028	3.2%	1.9%
2029	3.6%	1.6%
2030	6.6%	1.3%
2031	6.7%	1.0%
2032	7.7%	1.2%
2033	8.2%	1.1%
2034	8.2%	1.1%
2035	8.2%	0.9%
2036	8.2%	1.1%
2037	8.2%	1.1%
2038	8.2%	1.0%
2039	8.2%	1.1%
2040	8.2%	1.1%
2041	8.2%	1.1%
2042	8.2%	1.1%
2043	8.2%	1.1%
2044	8.2%	1.1%
2045	8.2%	1.1%
2046	8.2%	1.1%
2047	3.1%	1.1%
2048	-0.5%	1.1%
2049	-0.6%	1.1%
2050	-0.5%	1.1%
2051	-0.6%	1.1%
2052	-0.6%	1.1%
2053	-0.6%	1.1%

7.3 Summary of Efficiency Measures

Table 39 provides the details of the efficiency (non-preempted) measures, by climate zone, included in the following all-electric packages for the single family prototype:

- Efficiency Only
- Efficiency + High Efficiency (Preempted) Equipment
- Efficiency + PV
- Efficiency + PV + Battery

The efficiency measures for the single family mixed fuel packages are presented in Table 40, and Table 41 presents the efficiency measures for all the ADU packages. In all tables, the lack of an “X” indicates that the prescriptive values for that climate zone were not changed. See Appendix 7.4 for a list of prescriptive values by climate zone. Efficiency measures are described in Section 3.3.1.

Table 39: All-Electric Single Family Efficiency Measures, Various Packages

Climate Zone	3 ACH50	R-10 Slab	Attic Ceiling Insulation	0.25 Roof Solar Reflectance	0.24 U-Factor / 0.50 SHGC Windows	0.35 W/cfm	Buried Ducts	Basic Compact Hot Water Credit
1		X	R-60				X	
2		X	R-60			X	X	X
3			R-60			X	X	X
4		X	R-60			X	X	X
5		X ¹	R-49			X	X	X
6			R-60			X	X	X
7			R-49				X	X
8			R-60			X	X	X
9			R-60			X	X	X
10			R-60	X		X	X	X
11		X	R-60	X		X	X	X
12		X	R-60	X		X	X	X
13		X	R-60	X		X	X	X
14	X	X	R-60	X		X	X	X
15		X	R-60	X		X	X	X
16			R-60		X	X	X	

¹ This measure in Climate Zone 5 was only evaluated for the Efficiency + PV + Battery package.

Table 40: Mixed Fuel Single Family Measures, Efficiency Only & Efficiency + PV + Battery Packages

Climate Zone	3 ACH50	R-10 Slab	Attic: EE Only	Attic: EE + PV + Bat	0.25 Roof Solar Reflectance	0.24 U-Factor / 0.50 SHGC Windows	0.30 U-Factor / 0.50 SHGC Windows	0.35 W/cfm	Buried Ducts	CDHW ¹ : EE Only	CDHW: EE + PV + Bat
1		X	R-60 vs R-38				X		X		
2		X	R-60 vs R-38	R-49				X	X	X	X
3			R-60 vs R-30	R-38			X	EE Only	X		X
4		X	R-60 vs R-38	R-49				X	X		X
5			R-60 vs R-38	R-49				X	X	X	X
6			R-49 vs R-30	R-49				X	X	X	X
7			R-49 vs R-30	R-49					X	X	X
8			R-60 vs R-30	R-49				X	X	X	X
9			R-49 vs R-30	R-49				X	X	X	X
10			R-60 vs R-38		X			X	X	X	X
11		X	R-60 vs R-38	R-49	X			X	X	X	X
12		X	R-60 vs R-38	R-49	X			X	X	X	X
13		X	R-60 vs R-38	R-49	X			X	X		X
14	X	X	R-60 vs R-38	R-49	X			X	X		X
15		X	R-60 vs R-38	R-49	X			X	X	X	X
16			R-60 vs R-38	R-49		X		X	X		

¹ CDHW stands for basic Compact Domestic Hot Water credit

Table 41: Efficiency Measures for All ADU Packages

Climate Zone	3 ACH50	R-10 Slab	Attic ¹	0.25 Roof Solar Reflectance	0.24 U-Factor / 0.50 SHGC Windows	Ductless VCHP ²	Basic Compact Hot Water Credit ³
1		X	R-60 vs R-38			X	
2		X	R-60 vs R-38			X	X
3			R-60 vs R-30			X	X
4		X	R-60 vs R-38			X	X
5			R-60 vs R-38			X	X
6			R-60 vs R-30			X	X
7			R-60 vs R-30			X	X
8			R-60 vs R-30			X	X
9			R-60 vs R-30			X	X
10			R-60 vs R-38	X		X	X
11		X	R-60 vs R-38	X		X	X
12		X	R-60 vs R-38	X		X	X
13		X	R-60 vs R-38	X		X	X
14	X	X	R-60 vs R-38	X		X	X
15		X	R-60 vs R-38	X		X	X
16			R-60 vs R-38		X	X	

¹ This measure was added to all ADU packages except the Mixed Fuel Efficiency + High Efficiency Equipment package.

² The ductless VCHP measure was only applied to the all-electric packages; the mixed fuel packages instead applied 0.35 W/cfm fans in Climate Zones 2, 4-6, and 8-15.

³ The compact hot water measure was only applied to the all-electric packages.

7.4 Summary of Applicable Prescriptive Base Case Measures

This appendix lists the prescriptive values, by climate zone, of building components relevant to the measures included in this analysis. Table 42 outlines envelope, PV, and battery values; Table 43 outlines space conditioning values, and Table 44 outlines domestic water heating (DHW) values.

Table 42: Prescriptive Envelope, PV, and Battery Measures by Climate Zone

CZ	Air Infiltration ¹	Foundation	Wall Insulation ²	Attic Insulation ³	Roof Aged Solar Reflectivity	Window U-Factor / SHGC	PV ⁴	Battery
1	5 ACH50	Uninsulated slab	R-21 + R-5	R-38	0.1	0.30 / 0.35	code min.	none
2	5 ACH50	Uninsulated slab	R-21 + R-5	R-38	0.1	0.30 / 0.23	code min.	none
3	5 ACH50	Uninsulated slab	R-21 + R-5	R-30	0.1	0.30 / 0.35	code min.	none
4	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.1	0.30 / 0.23	code min.	none
5	5 ACH50	Uninsulated slab	R-21 + R-5	R-30	0.1	0.30 / 0.35	code min.	none
6	5 ACH50	Uninsulated slab	R-15 + R-4	R-30	0.1	0.30 / 0.23	code min.	none
7	5 ACH50	Uninsulated slab	R-15 + R-4	R-30	0.1	0.30 / 0.23	code min.	none
8	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.1	0.30 / 0.23	code min.	none
9	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.1	0.30 / 0.23	code min.	none
10	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
11	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
12	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
13	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
14	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
15	5 ACH50	Uninsulated slab	R-21 + R-5	R-38 + R-19	0.2	0.30 / 0.23	code min.	none
16	5 ACH50	R-7, 16" slab insulation	R-21 + R-5	R-38 + R-19	0.1	0.30 / 0.35	code min.	none

¹ 5 ACH50 is prescriptively required however verification is not required.

² Cavity wall insulation + continuous rigid insulation.

³ Ceiling/attic insulation R-value. R-38 + R-19 reflect High Performance Attics (HPAs) as defined by Option B in Table 150.1-A.

⁴ Prescriptive PV capacities (kW-DC) by climate zone are summarized in Table 4.

Table 43: Prescriptive HVAC Measures by Climate Zone

CZ	Heating Type	AC Type	Heating Efficiency ¹	HVAC Efficiency (SEER2/EER2)	HVAC Fan Efficacy (W/cfm)	Ducts ²
1	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
2	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
3	Heat pump	Heat pump	7.5	14.3 / 11.7	0.45	R-6, 5%, in attic (not buried)
4	Heat pump	Heat pump	7.5	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
5	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-6, 5%, in attic (not buried)
6	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-6, 5%, in attic (not buried)
7	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-6, 5%, in attic (not buried)
8	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
9	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
10	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
11	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
12	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
13	Heat pump	Heat pump	7.5	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
14	Heat pump	Heat pump	7.5	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
15	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)
16	Gas Furnace	AC	80%	14.3 / 11.7	0.45	R-8, 5%, in attic (not buried)

¹ AFUE for gas furnaces, HSPF2 for heat pumps.² Duct insulation R-value, duct leakage, duct location.

Table 44: Prescriptive Water Heating Measures by Climate Zone

CZ	DHW Type	DHW Location		DHW: Basic Compact Distribution Credit
		Single Family	ADU	
1	Heat pump	Garage	In conditioned space, ducted to/from outside	Yes
2	Heat pump	Garage	In conditioned space, ducted to/from outside	No
3	Gas tankless	Garage	In conditioned space, ducted to/from outside	No
4	Gas tankless	Garage	In conditioned space, ducted to/from outside	No
5	Heat pump	Garage	In conditioned space, ducted to/from outside	No
6	Heat pump	Garage	In conditioned space, ducted to/from outside	No
7	Heat pump	Garage	In conditioned space, ducted to/from outside	No
8	Heat pump	Garage	In conditioned space, ducted to/from outside	No
9	Heat pump	Garage	In conditioned space, ducted to/from outside	No
10	Heat pump	Garage	In conditioned space, ducted to/from outside	No
11	Heat pump	Garage	In conditioned space, ducted to/from outside	No
12	Heat pump	Garage	In conditioned space, ducted to/from outside	No
13	Gas tankless	Garage	In conditioned space, ducted to/from outside	No
14	Gas tankless	Garage	In conditioned space, ducted to/from outside	No
15	Heat pump	Garage	In conditioned space, ducted to/from outside	No
16	Heat pump	Garage	In conditioned space, ducted to/from outside	Yes

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ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
SECTION 24.12.600 OF CHAPTER 24.12 OF TITLE 24
(TECHNICAL CODES) OF THE SAN JOSE MUNICIPAL
CODE TO MODIFY PROVISIONS OF THE 2022 CALIFORNIA
BUILDING ENERGY EFFICIENCY STANDARDS TO
REDUCE CERTAIN REQUIREMENTS FOR ACCESSORY
DWELLING UNITS AND RESIDENTIAL BUILDINGS
SMALLER THAN 1,200 SQUARE FEET**

WHEREAS, pursuant to Sections 17922, 17958, 17958.5 and 17958.7 of the California Health and Safety Code, the City of San José (“City”) may adopt the provisions of the Building Efficiency Energy Standards (“Energy Standards”) with certain amendments to those provisions which are reasonably necessary to protect the health, welfare and safety of the citizens of San José because of local climatic, geological and topographical conditions; and

WHEREAS, the City Council hereby makes the following findings with respect to local geological, topographical and climatic conditions relating to the amendments to the California Codes for which such findings are required:

- A. The San Francisco Bay area region is densely populated and located in an area of high seismic activities. The City is bounded by the Hayward and San Andreas faults capable of producing major earthquakes; and
- B. Gas appliances and associated piping located in the ground and in buildings increase the risk of explosion or fire if there is a structural failure due to a seismic event especially considering the City’s number of older buildings and increasing density; and
- C. Severe seismic events could disrupt communications, damage gas mains, cause extensive electrical hazards, and place extreme demands on the limited and widely dispersed resources of the Fire Department, resulting in increased difficulty in meeting the fire and life safety needs of the community; and
- D. Solar infrastructure on buildings reduces the need for pipelines and electrical transmission lines; and
- E. The local geographic, topographic, and climatic conditions pose an increased hazard in acceleration, spread, magnitude, and severity of potential fires in the City, and may cause a delayed response from emergency responders, allowing further growth of the fire; and

- F. Over the next century, increasing levels of atmospheric greenhouse gases are expected to result in global temperature increases, causing a variety of local changes, including extreme weather conditions, sea level rise, more frequent heat waves, and extended periods of drought. Local geographic, topographic, and climatic conditions include increased risk of the following:
1. Fires: In addition to the increased risk as a result of earthquakes, the City is surrounded by hills both within City limits or adjacent to them. The dry brush and steep terrain are particularly susceptible to wildfires. The City, through its Fire Department, has designated approximately 54.5 square miles of the City's 180 square miles of incorporated area as Wildland Urban Interface ("WUI"). These areas in the southwestern and southeastern areas of the City known as the Almaden Valley and East Foothills have heightened construction and regulatory standards to mitigate the spread of wildfires. In addition, wildfires located outside of the area in 2018 created a blanket of toxic smoke over the City, causing the worst air quality on record by the Bay Area Air Quality Management District for two (2) consecutive weeks; and
 2. Landslides: Extreme storms as a result of climate change increases the chance of rainfall-induced landslides; fire and drought may kill vegetation in the City's WUI, increasing runoff and the potential for landslides; and
 3. Drought: Prolonged periods of drought as a result of climate change may deplete reservoirs and the groundwater basin serving San José, as of 2021, Governor Newsom has include Santa Clara County in a statewide emergency declaration specifically for drought conditions, and local agencies, including the Santa Clara Valley Water District, Santa Clara County, and the City issued emergency proclamations regarding drought conditions; and
 4. Flooding: Extreme weather conditions such as sudden, prolonged rainfall as result of climate change could result in a spillover from local dams, including the Anderson Dam, which can result in flooding of local creeks which run through San José, such as the Coyote Creek; as the City experienced in 2017; and
 5. Sea Level Rise: Sea level rise as a result of climate change will have a dramatic local impact on the City. The City's Alviso area borders the southern end of the San Francisco Bay and is particularly vulnerable to sea level rise and is at an increased risk of flooding; and

6. Heat: Increased heat as a result of climate change can have a local impact on the health, safety, and welfare of the City's population, especially those without resources to purchase air conditioning, the elderly, disabled, and children; and
- G. Failure to address and substantially reduce greenhouse gas emissions creates an increased risk to the health, safety, and welfare of the City residents, Council considers and adopts as findings the analysis contained in the staff report and prior reports to Council including those related to the declaration of a climate emergency and those for the September 17, 2019 City Council meeting; and
- H. Amendments to the California Codes have been adopted in the past by the City Council based on specific findings of local geographic, topographic and climatic conditions; and the Council hereby reaffirms such findings and confirms that the facts on which such findings were based continue to exist; and
- I. The provisions of this Ordinance establishing certain more restrictive standards than the California Codes will better serve to prevent or minimize structural damage resulting from local conditions; and

WHEREAS, the City Council hereby makes the additional following findings with respect to cost effectiveness of any amendments to the California Codes for which such findings are required:

- A. A March 24, 2023 Non-residential New Construction Reach Code Cost Effectiveness Study prepared by TRC Companies Inc., funded by California utility ratepayers and submitted to the California Energy Commission further supports and documents the cost-effectiveness of the Ordinance; and
- B. A February 23, 2023, 2022 Cost-Effectiveness Study: Multifamily New Construction prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, funded by California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and
- C. A September 12, 2022 Cost-Effectiveness Study: Single Family New Construction prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, (version 1.2, modified April 26, 2024) funded by California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and
- D. An August 1, 2019 Low Rise Residential Reach Code Cost Effectiveness Study prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, funded by

California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and

- E. A July 25, 2019 Non-residential New Construction Reach Code Cost Effectiveness Study prepared by TRC Advanced Energy and Energy Soft, funded by California utility ratepayers and submitted to the California Energy Commission further supports and documents the cost-effectiveness of the Ordinance; and
- F. This Ordinance's amendments to the Building Energy Efficiency Standards are in alignment with the cost effectiveness studies and therefore Council finds them to be cost-effective; and
- G. The Department of Energy sets the minimum efficiency standards for equipment and appliances; none of the provisions of this Ordinance change minimum efficiency standards, and the Ordinance meets the criteria in 42 USC Section 4297, and further
 - 1. The Ordinance permits a builder to select the items whose combined energy efficiency meets an overall building target; and
 - 2. The Ordinance does not require covered appliances to exceed federal standards, the performance pathway allows different options in fuel types; and
 - 3. The Ordinance offers options for compliance including appliances that exceed federal standards on a "one for one equivalency energy use or equivalent cost basis" and uses the source energy target values for all buildings; and
 - 4. The Ordinance bases any baseline building design with covered products that do not exceed federal standards; and
 - 5. The Ordinance offers at least one optional combination of items that does not exceed federal standards for any covered appliances; and
 - 6. The Ordinance frames energy targets as a total for the entire building; and
 - 7. The Ordinance uses the appropriate test procedures for determining energy consumption for covered products.

WHEREAS, this Ordinance was found to be categorically exempt from environmental review, per the provisions of the California Environmental Quality Act (CEQA) of 1970, as amended, 14 California Code of Regulations Section 15308, and Title 21 of the

San José Municipal Code, under File Number ER23-175; actions by a Regulatory Agencies for the Protection of the Environment; and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed, considered, and approves the Statement of Exemption determination under CEQA prior to taking any approval actions on this Ordinance;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Chapter 24.12 of Title 24 of the San José Municipal Code is amended to add a new Part, to be numbered, entitled, and to read as follows:

Part 6
Single-Family Residential Buildings – Performance and Prescriptive Compliance Approaches

24.12.600 PERFORMANCE AND PRESCRIPTIVE COMPLIANCE APPROACHES FOR SINGLE-FAMILY RESIDENTIAL BUILDINGS (Energy Standards, Subch. 8 §150.1)

Energy Standards, Subchapter 8, Section 150.1 is amended to read as follows:

- (a) **Basic Requirements.** Single-family residential buildings shall meet all of the following:
1. The applicable requirements of Sections 110.0 through 110.10.
 2. The applicable requirements of Section 150.0 (mandatory features).
 3. Either the performance standards or the prescriptive standards set forth in this section for the Climate Zone in which the building is located. Climate zones are shown in Reference Joint Appendix JA2 – Weather/Climate Data.
- Exception to Section 150.1(a)3:** If a single contiguous subdivision or tract falls in more than one Climate Zone, all buildings in the subdivision or tract may be designed to meet the performance or prescriptive standards for the climate zones that contains 50 percent or more of the dwelling units.

Note: The Commission periodically updates, publishes, and makes available to interested persons and local enforcement agencies precise descriptions of the climate zones, as specified in Reference Joint Appendix JA2 –Weather/Climate Data.

Note: The requirements of Sections 150.0(a) through 150.0(r) apply to newly constructed buildings and Sections 150.2(a) and 150.2(b) specifies changes to the requirements of Sections 150.1(a) through 150.1(c) that apply to additions or alterations.

- (b) **Performance Standards.** A building complies with the performance standards if the energy consumption calculated for the proposed design building is no greater than the energy budget calculated for the standard design building using Commission-certified compliance software as specified by the Alternative Calculation Methods Approval Manual, as specified in subsections 1, 2 and 3 below.

1. **Newly Constructed Buildings.** The Energy Budget for newly constructed buildings is expressed in terms of the Energy Design Ratings, which are based on source energy and time-dependent valuation (TDV) energy. The Energy Design Rating 1 (EDR1) is based on source energy. The Energy Design Rating 2 (EDR2) is based on TDV energy and has two components, the Energy Efficiency Design Rating, and the Solar Electric Generation and Demand Flexibility Design Rating. The total Energy Design Rating shall account for both the Energy Efficiency Design Rating and the Solar Electric Generation and Demand Flexibility Design Rating. The proposed building shall separately comply with the Source Energy Design Rating, Energy Efficiency Design Rating and the Total Energy Design Rating. A newly constructed building complies with the performance approach if the TDV energy budget calculated for the proposed design building is no greater than the TDV energy budget calculated for the Standard Design Building AND Source Energy compliance margin of at least 8, relative to the Source Energy Design Rating 1 calculated for the Standard Design building.

EXCEPTION 1 to Section 150.1(b)1. A community shared solar electric generation system, or other renewable electric generation system, and/or community shared battery storage system, which provides dedicated power, utility energy reduction credits, or payments for energy bill reductions, to the permitted building and is approved by the Energy Commission as specified in Title 24, Part 1, Section 10-115, may offset part or all of the solar electric generation system Energy Design Rating required to comply with the Standards, as calculated according to

methods established by the Commission in the Residential ACM Reference Manual.

EXCEPTION 2 to Section 150.1(b)1. If the Certificate of Compliance is prepared and signed by a Certified Energy Analyst and the Total Energy Design Rating of the Proposed Design is no greater than the Standard Design Building, the Source Energy Design Rating 1 of the Proposed Building required by Section 150.1(b)1 may be reduced by 1.

EXCEPTION 3 to Section 150.1(b)1. A newly constructed building with a conditioned floor area of 1200 square feet or less shall achieve a Source Energy compliance margin of at least 2.5, relative to the Source Energy Design Rating 1 calculated for the Standard Design building.

Subsections 150.1 (b)(2) - (3) are adopted without modification:

2. **Additions and Alterations to Existing Buildings.** The Energy Budget for additions and alterations is expressed in terms of TDV energy.
3. **Compliance demonstration requirements for performance standards.**
 - A. **Certificate of compliance and application for a building permit.**

The application for a building permit shall include documentation pursuant to Sections 10-103(a)1 and 10-103(a)2 which demonstrates, using an approved calculation method, that the building has been designed so that its Energy Efficiency Design Rating and the total EDR meets or exceeds the standard design EDR for the applicable climate zone.

Exception n to Section 150.1(b)3A: Multiple orientation: A permit applicant may demonstrate compliance with the energy budget requirements of Section 150.1(a) and (b) for any orientation of the same building model if the documentation demonstrates that the building model with its proposed designs and features would comply in each of the four cardinal orientations.
 - B. **Field verification.** When performance of installed features, materials, components, manufactured devices or systems above the minimum specified in Section 150.1(c) is necessary for the building to comply with Section 150.1(b), or is necessary to achieve a more stringent local ordinance, field verification shall be

performed in accordance with the applicable requirements in the following subsections, and the results of the verification(s) shall be documented on applicable certificates of installation pursuant to Section 10-103(a)3 and applicable certificates of verification pursuant to Section 10-103(a)5.

- i. **EER/EER2/SEER/SEER2/CEER/HSPF/HSPF2 Rating.**
When performance compliance requires installation of a space conditioning system with a rating that is greater than the minimum rating required by Table 150.1-A or specified for the standard design, the installed system shall be field verified in accordance with the procedures specified in the applicable sections of Reference Residential Appendix RA3.4.
- ii. **Variable capacity heat pump (VCHP) compliance option.**
When performance compliance requires installation of a heat pump system that meets all the requirements of the VCHP compliance option specified in the ACM Reference Manual, the system shall be field verified in accordance with the procedures in Reference Residential Appendix RA3.4.4.3.
- iii. **Low leakage air handler.** When performance compliance requires installation of a low leakage air-handling unit, the installed air-handling unit shall be field verified in accordance with the procedures specified in Reference Residential Appendix RA3.1.4.3.9.
- iv. **RESERVED**
- v. **Heat pump - rated heating capacity.** When performance compliance requires installation of a heat pump system, the heating capacity values at 47° F and 17° F shall be field verified in accordance with the procedures specified in Reference Residential Appendix RA3.4.
- vi. **Whole-house fan.** When performance compliance requires installation of a whole-house fan, the whole-house fan ventilation airflow rate and fan efficacy shall be field verified in accordance with the procedures in Reference Residential Appendix RA3.9.
- vii. **Central fan ventilation cooling system.** When performance compliance requires installation of a central fan

ventilation cooling system, the installed system shall be field verified in accordance with the procedures in Reference Residential Appendix RA3.3.4.

- viii. **Building enclosure air leakage.** When performance compliance requires a building enclosure leakage rate that is lower than the standard design, the building enclosure shall be field verified in accordance with the procedures specified in Reference Residential Appendix RA3.8.
- ix. **Quality Insulation Installation (QII).** When performance compliance requires field verification of QII, the building insulation system shall be field verified in accordance with the procedures in Reference Residential Appendix RA3.5.

Subsection 150.1(c) is adopted without modification.

- (c) **Prescriptive standards/component packages.** Buildings that comply with the prescriptive standards shall be designed, constructed and equipped to meet all of the requirements for the appropriate climate zone shown in Table 150.1-A. In Table 150.1-A, NA (not allowed) means that feature is not permitted in a particular climate zone and NR (no requirement) means that there is no prescriptive requirement for that feature in a particular climate zone. Installed components shall meet the following requirements:

1. **Insulation.**

- A. Roof and ceiling insulation shall be installed in a ventilated attic with an R-value equal to or greater than that shown in Table 150.1-A meeting options ii or iii below.
 - i. Option A: **RESERVED.**
 - ii. Option B: A minimum R-value of insulation installed between the roof rafters in contact with the roof deck and an additional layer of ceiling insulation located between the attic and the conditioned space when meeting Section 150.1(c)9A; or
 - iii. Option C: A minimum R-value of ceiling insulation located between the attic and the conditioned space when meeting Section 150.1(c)9B.

Note: Low rise residential single- family buildings with the ducts and air handler located in the conditioned space, as specified by Section 150.1(c)9B, need only comply with insulation requirements of Option C.

B. Walls.

- i. Framed exterior walls shall be insulated such that the exterior wall has an assembly U-factor equal to or less than that shown in Table 150.1-A. The U-factors shown are maximum U-factors for the exterior wall assembly.
- ii. Mass walls above grade and below grade shall be insulated such that the wall has an assembly U-factor equal to or less than that shown in Table 150.1-A, or walls shall be insulated with continuous insulation that has an R-value equal to or greater than that shown in Table 150.1-A. "Interior" denotes continuous insulation installed on the inside surface of the wall, and "exterior" denotes continuous insulation installed on the outside surface of the wall.
- iii. Other unframed exterior walls, excluding mass walls, shall meet the requirements for framed walls shown in Table 150.1-A.

- C. Raised-floors shall be insulated such that the floor assembly has an assembly U-factor equal to or less than shown in Table 150.1-A, or shall be insulated between wood framing with insulation having an R-value equal to or greater than that shown in Table 150.1-A.

Exception to Section 150.1(c)1C: Raised-floor insulation may be omitted if the foundation walls are insulated to meet the wall insulation minimums shown in Table 150.1-A, and a vapor retarder is placed over the entire floor of the crawl space, and the vents are fitted with automatically operated louvers, and the requirements of Reference Residential Appendix RA4.5.1 are met.

- D. Slab floor perimeter insulation shall be installed with a U-factor equal to or less than, or R-value equal to or greater than shown in TABLE 150.1-A. The minimum depth of concrete-slab floor perimeter insulation shall be 16 inches or the depth of the footing of the building, whichever is less.

Exception to Section 150.1(c)1: The insulation requirements of Tables 150.1-A may also be met by ceiling, roof deck, wall, or floor assemblies that meet the required maximum U-factors using a U-factor calculation method that considers the thermal effects of all elements of the assembly and is approved by the Executive Director.

- E. All buildings shall comply with the Quality Insulation Installation (QII) requirements shown in Table 150.1-A. When QII is required, insulation installation shall meet the criteria specified in Reference Appendix RA3.5.
- 2. **Radiant barrier.** A radiant barrier required in Table 150.1-A shall meet the requirements specified in Section 110.8(j), and shall meet the installation criteria specified in the Reference Residential Appendix RA4.
- 3. **Fenestration.**
 - A. Installed fenestration products, including glazed doors, shall have an area -weighted average U-factor and Solar Heat Gain Coefficient (SHGC) meeting the applicable fenestration value in Table 150.1-A and shall be determined in accordance with Sections 110.6(a)2 and 110.6(a)3.

Exception 1 to Section 150.1(c)3A: For each dwelling unit, up to 3 square feet of new glazing area installed in doors and up to 3 square feet of new tubular skylights area with dual-pane diffusers shall not be required to meet the U-factor and SHGC requirements of Table 150.1-A.

Exception 2 to Section 150.1(c)3A: For each dwelling unit up to 16 square feet of new skylight area with a maximum U-factor of 0.55 and a maximum SHGC of 0.30.

Exception 3 to Section 150.1(c)3A For fenestration containing chromogenic type glazing:

- i. The lower-rated labeled U-factor and SHGC shall be used with automatic controls to modulate the amount of solar gain and light transmitted into the space in multiple steps in response to daylight levels or solar intensity;
- ii. Chromogenic glazing shall be considered separately from other fenestration; and

- iii. Area-weighted averaging with other fenestration that is not chromatic shall not be permitted and shall be determined in accordance with Section 110.6(a).

EXCEPTION 4 to Section 150.1(c)3A: For dwelling units containing unrated site-built fenestration that meets the maximum area restriction, the U-factor and SHGC can be determined in accordance with the Nonresidential Reference Appendix NA6 or use default values in Table 110.6-A and Table 110.6-B.

- B. The maximum total fenestration area shall not exceed the percentage of conditioned floor area, CFA, as indicated in TABLE 150.1-A. Total fenestration includes skylights and west-facing glazing.
 - C. The maximum west-facing fenestration area shall not exceed the percentage of conditioned floor area as indicated in TABLE 150.1-A. West-facing fenestration area includes skylights tilted in any direction when the pitch is less than 1:12.
4. **Shading.** Where Table 150.1-A requires a maximum SHGC, the requirements shall be met by one of the following:
- A. Complying with the required SHGC pursuant to Section 150.1(c)3A; or
 - B. An exterior operable shading louver or other exterior shading device that meets the required SHGC; or
 - C. A combination of Items A and B to achieve the same performance as achieved in Section 150.1(c)3A.
 - D. For south-facing glazing only, optimal overhangs shall be installed so that the south-facing glazing is fully shaded at solar noon on August 21 and substantially exposed to direct sunlight at solar noon on December 21.
 - E. Exterior shading devices must be permanently secured with attachments or fasteners that are not intended for removal.

Exception to Section 150.1(c)4E: Where the California Building Code (CBC) requires emergency egress or where compliance would conflict with health and safety regulations.

5. **Doors.** Installed swinging door products separating conditioned space from outside or adjacent unconditioned space, but not including glazed door products, shall have an area-weighted average U-factor no greater than the applicable door value in Table 150.1-A and shall be determined in accordance with Section 110.6(a)2. Glazed door products are treated as fenestration products in Sections 150.1(c)3 and 150.1(c)4.

Exception to Section 150.1(c)5: Swinging doors between the garage and conditioned space that are required to have fire protection are not required to meet the applicable door value in Table 150.1-A.

6. **Heating system type.** Heating system types shall be installed as required in Table 150.1-A. For climate zones 3, 4, 13 and 14, the space conditioning system shall be a heat pump, or shall meet the performance compliance requirements of Section 150.1(b)1.

Exception to Section 150.1(c)6: A supplemental heating unit may be installed in a space served directly or indirectly by a primary heating system, provided that the unit thermal capacity does not exceed 2 kW or 7,000 Btu/hr and is controlled by a time-limiting device not exceeding 30 minutes.

7. **Space heating and space cooling.** All space heating and space cooling equipment shall comply with minimum Appliance Efficiency Regulations as specified in Sections 110.0 through 110.2 and meet all applicable requirements of Sections 150.0 and 150.1(c)7A.

A. **Refrigerant charge.** When refrigerant charge verification or fault indicator display is shown as required by Table 150.1-A, the system shall comply with either Section 150.1(c)7Ai or 150.1(c)7Aii:

- i. air-cooled air conditioners and air-source heat pumps, including but not limited to ducted split systems, ducted packaged systems, small duct high velocity systems, and mini-split systems, shall comply with subsections a, b and c, unless the system is of a type that cannot be verified using the specified procedures:
 - a. Have measurement access holes (MAH) installed according to the specifications in Reference Residential Appendix Section RA3.2.2.3; and

Exception to Section 150.1(c)7Aia: Systems that cannot conform to the specifications for hole location in Reference Residential Appendix Figure RA3.2-1, shall not be required to provide holes as described in Figure RA3.2-1.

- b. System airflow rate in accordance with subsection I or II shall be confirmed through field verification and diagnostic testing in accordance with all applicable procedures specified in Reference Residential Appendix Section RA3. 3 or an approved alternative procedure as specified by Section RA1; and
 - I. For small duct high velocity systems the system airflow rate shall be greater than or equal to 250 cfm per ton; or
 - II. For all other air-cooled air conditioner or air-source heat pump systems the system airflow rate shall be greater than or equal to 350 cfm per ton.

Exception to Section 150.1(c)7Aib: Standard ducted systems without zoning dampers may comply with the minimum airflow rate by meeting the applicable requirements in Table-150.0-B or 150.0-C as confirmed by field verification and diagnostic testing in accordance with the procedures in Reference Residential Appendix Section RA3.1.4.4 and RA3.1.4.5. The design clean-filter pressure drop requirements of Section 150.0(m)12D for the system air filter device(s) shall conform to the requirements given in Tables 150.0-B and 150.0-C.

- c. The installer shall charge the system according to manufacturer's specifications. Refrigerant charge shall be verified according to one of the following options, as applicable:
 - I. The installer and rater shall perform the standard charge procedure as specified by Reference Residential Appendix Section RA3.2.2, or an approved alternative procedure as specified by Section RA1; or

- II. The system shall be equipped with a fault indicator display (FID) device that meets the specifications of Reference Joint Appendix JA6. The installer shall verify the refrigerant charge and FID device in accordance with the procedures in Reference Residential Appendix Section RA3.4.2. The HERS Rater shall verify FID device in accordance with the procedures in Section RA3.4.2; or
- III. The installer shall perform the weigh-in charging procedure as specified by Reference Residential Appendix Section RA3.2.3.1 provided the system is of a type that can be verified using the Section RA3.2.2 standard charge verification procedure and Section RA3.3 airflow rate verification procedure or approved alternatives in Section RA1. The HERS Rater shall verify the charge using Sections RA3.2.2 and RA3.3 or approved alternatives in Section RA1.

Exception 1 to Section 150.1(c)7Aic: When the outdoor temperature is less than 55°F and the installer utilizes the weigh-in charging procedure in Reference Residential Appendix Section RA3.2.3.1 to verify the refrigerant charge, the installer may elect to utilize the HERS Rater verification procedure in Reference Residential Appendix Section RA3.2.3.2. If the HERS Rater verification procedure in Section RA3.2.3.2 is used for compliance, the system's thermostat shall conform to the specifications in Section 110.12. Ducted systems shall comply with minimum system airflow rate requirement in Section 150.1(c)7Aib.

- ii. Air-cooled air conditioners and air-source heat pumps, including but not limited to ducted split systems, ducted packaged systems, small duct high velocity systems and mini-split systems, which are of a type that cannot comply with the requirements of Section 150.1(c)7Ai shall comply with Subsections a and b, as applicable.

- a. The installer shall confirm the refrigerant charge using the weigh-in charging procedure specified in Reference Residential Appendix Section RA3.2.3.1, as verified by a HERS Rater according to the procedures specified in Reference Residential Appendix Section RA3.2.3.2; and
- b. Systems that utilize forced air ducts shall comply with the minimum system airflow rate requirement in Section 150.1(c)7Aib provided the system is of a type that can be verified using the procedures in Section RA3.3 or an approved alternative procedure in Section RA1.

Exception to Section 150.1(c)7A: Packaged systems for which the manufacturer has verified correct system refrigerant charge prior to shipment from the factory are not required to have refrigerant charge confirmed through field verification and diagnostic testing. The installer of these packaged systems shall certify on the Certificate of Installation that the packaged system was pre-charged at the factory and has not been altered in a way that would affect the charge. Ducted systems shall comply with minimum system airflow rate requirements in Section 150.1(c)7Aib, provided that the system is of a type that can be verified using the procedure specified in Section RA3.3 or an approved alternative in Section RA1.

8. **Domestic water-heating systems.** Water-heating systems shall meet the requirements of A, B, C, or shall meet the performance compliance requirements of Section 150.1(b)1. For recirculation distribution systems, only demand recirculation systems with manual on/off control as specified in the Reference Appendix RA4.4.9 shall be used:

- A. A single 240 volt heat pump water heater (HPWH). The storage tank shall be located in the garage or conditioned space. In addition, meet the following:
 - i. A compact hot water distribution system as specified in the Reference Appendix RA4.4.6 in climate zone 1 and 16; and
 - ii. A drain water heat recovery system that is field verified as specified in the Reference Appendix RA3.6.9 in climate zone 16.

- B. A single 240 volt HPWH that meets the requirements of NEEA Advanced Water Heater Specification Tier 3 or higher. In addition, for Climate Zone 16, a drain water heat recovery system that is field verified as specified in the Reference Appendix RA3.6.9 and the storage tank shall be located in the garage or conditioned space.
- C. A solar water-heating system with electric backup meeting the installation criteria specified in Reference Residential Appendix RA4 and with a minimum annual solar savings fraction of 0.7.

Exception 1 to Section 150.1(c)8: For climate zones 3, 4, 13 and 14, a gas or propane instantaneous water heater with an input of 200,000 Btu per hour or less and no storage tank may be installed.

NOTE: The space conditioning system shall be a heat pump as specified in Section 150.1(c)6.

Exception 2 to Section 150.1(c)8: An instantaneous electric water heater with point of use distribution as specified in RA4.4.5 may be installed for new dwelling units with a conditioned floor area of 500 square feet or less.

Exception 3 to Section 150.1(c)8A and B: A 120V HPWH may be installed in place of a 240V HPWH for new dwelling unit with one bedroom or less.

- 9. **Space conditioning distribution systems.** All space conditioning systems shall meet all applicable requirements of A or B below:
 - A. High performance attics. Air handlers or ducts are allowed to be in ventilated attic spaces when the roof and ceiling insulation level meet Option B in Table 150.1-A. Duct insulation levels shall meet the requirements in Table 150.1-A.
 - B. Duct and air handlers located in conditioned space. Duct systems and air handlers of HVAC systems shall be located in conditioned space, and confirmed by field verification and diagnostic testing to meet the criterion of Reference Residential Appendix Section RA3.1.4.3.8. Duct insulation levels shall meet the requirements in Table 150.1-A.

Note: Gas heating appliances installed in conditioned spaces must meet the combustion air requirements of the California Mechanical Code Chapter 7, as applicable.

10. **Central fan integrated ventilation systems.** Central forced air system fans used to provide outside air, shall have an air-handling unit fan efficacy less than or equal to the maximum W/cfm specified in A, B, or C. The airflow rate and fan efficacy requirements in this section shall be confirmed through field verification and diagnostic testing in accordance with all applicable procedures specified in Reference Residential Appendix RA3.3. Central Fan integrated ventilation systems shall be certified to the Energy Commission as intermittent ventilation systems as specified in Reference Residential Appendix RA3.7.4.2.
- A. 0.45 W/cfm for gas furnace air-handling units.
 - B. 0.58 W/cfm for air-handling units that are not gas furnaces.
 - C. 0.62 W/cfm for small duct high velocity air-handling units.

Exception to Section 150.1(c)10A: Gas furnace air-handling units manufactured prior to July 3, 2019 shall comply with a fan efficacy value less than or equal to 0.58 w/cfm as confirmed by field verification and diagnostic testing in accordance with the procedures given in Reference Residential Appendix RA3.3.

11. **Roofing products.** All roofing products shall meet the requirements of Section 110.8 and the applicable requirements of Subsection A or B:
- A. Single-family residential buildings with steep-sloped roofs in climate zones 10 through 15 shall have a minimum aged solar reflectance of 0.20 and a minimum thermal emittance of 0.75, or a minimum SRI of 16.
 - B. Single-family residential buildings with low-sloped roofs; in climate zones 13 and 15 shall have a minimum aged solar reflectance of 0.63 and a minimum thermal emittance of 0.75 or a minimum SRI of 75.

Exception 1 to Section 150.1(c)11: Building integrated photovoltaic panels and building integrated solar thermal panels are exempt from the minimum requirements for aged solar reflectance and thermal emittance or SRI.

Exception 2 to Section 150.1(c)11: Roof constructions with a weight of at least 25 lb/ft² are exempt from the minimum

requirements for aged solar reflectance and thermal emittance or SRI.

12. **Ventilation cooling.** Single- family homes shall comply with the Whole-house fan (WHF) requirements shown in Table 150.1-A. When a WHF is required, comply with Subsections A, B and C below.
 - A. Have installed one or more WHFs whose total airflow cfm is equal to or greater than 1.5 cfm/ft² of conditioned floor area. Airflow cfm for WHF's shall be determined based on the airflow listed in the Home Ventilating Institute Certified Products Directory.
 - B. Have at least 1 square foot of attic vent free area for each 750 cfm of rated whole-house fan airflow cfm, or if the manufacturer has specified a greater free vent area, the manufacturers' free vent area specifications.

Exception to Section 150.1(c)12B: WHFs that are directly vented to the outside.
 - C. Provide homeowners who have WHFs with a one page "How to operate your whole-house fan" informational sheet.

Exception to section 150.1(c)12: New dwelling units with a conditioned floor area of 500 square feet or less shall not be required to comply with the WHF requirements.
13. **HVAC system bypass ducts.** Bypass ducts that deliver conditioned supply air directly to the space conditioning system return duct airflow shall not be used.
14. **Photovoltaic requirements.** All single-family residential buildings shall have a newly installed photovoltaic (PV) system or newly installed PV modules meeting the minimum qualification requirements specified in Joint Appendix JA11. The annual electrical output of the PV system shall be no less than the smaller of a PV system size determined using Equation 150.1-C, or the maximum PV system size that can be installed on the building's Solar Access Roof Area (SARA).
 - A. SARA includes the area of the building's roof space capable of structurally supporting a PV system, and the area of all roof space on covered parking areas, carports, and all other newly constructed structures on the site that are compatible with supporting a PV system per Title 24, Part 2, Section 1511.2.

B. SARA does NOT include:

- i. Any roof area that has less than 70 percent annual solar access. Annual solar access is determined by dividing the total annual solar insolation, accounting for shading obstructions, by the total annual solar insolation if the same areas were unshaded by obstructions. For steep slope roofs only shading from existing permanent natural or manmade obstructions that are external to the dwelling, including but not limited to trees, hills, and adjacent structures, shall be considered for annual solar access calculations. For low slope roofs, all obstructions including those that are external to the dwelling unit, and obstructions that are part of the building design and elevation features shall be considered for the annual solar access calculations.
- ii. Occupied roof areas as specified by CBC Section 503.1.4.
- iii. Roof area that is otherwise not available due to compliance with other building code requirements if confirmed by the Executive Director.

EQUATION 150.1-C ANNUAL PHOTOVOLTAIC ELECTRICAL OUTPUT

$$kW_{PV} = (CFA \times A)/1000 + (N_{DU} \times B)$$

WHERE:

kW_{PV} = kW_{dc} size of the PV system

CFA = Conditioned floor area

N_{DU} = Number of dwelling units

A = CFA adjustment factor from Table 150.1-C

B = Dwelling unit adjustment factor from Table 150.1-C

Exception 1 to Section 150.1(c)14: For steep slope roofs, SARA shall not consider roof areas with a northerly azimuth that lies between 300 degrees and 90 degrees from true north. No PV system is required if the SARA is less than 80 contiguous square feet.

Exception 2 to Section 150.1(c)14: No PV system is required when the minimum PV system size specified by section 150.1(c)14 is less than 1.8 kWdc.

Exception 3 to Section 150.1(c)14: Buildings with enforcement-authority-approved roof designs, where the enforcement authority determines it is not possible for the PV system, including panels, modules and components and supports and attachments to the roof structure, to meet the requirements of the American Society of Civil Engineers (ASCE), Standard 7-16, Chapter 7, Snow Loads.

Exception 4 to Section 150.1(c)14: For buildings that are approved by the local planning department prior to January 1, 2020 with mandatory conditions for approval:

- a. Shading from roof designs and configurations for steep-sloped roofs, which are required by the mandatory conditions for approval, shall be considered for the annual solar access calculations; and
- b. Roof areas that are not allowed by the mandatory conditions for approval to have PVs, shall not be considered in determining the SARA.

EXCEPTION 5 to Section 150.1(c)14: PV system sizes determined using Equation 150.1-C may be reduced by 25 percent if installed in conjunction with a battery storage system. The battery storage system shall meet the qualification requirements specified in Joint Appendix JA12 and have a minimum usable capacity of 7.5 kWh

Tables 150.1-A - 150.1C are adopted without modification:

TABLE 150.1-A COMPONENT PACKAGE – Single-Family Standard Building Design

Single-Family				Climate Zone															
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Building Envelope Insulation																			
Building Envelope	Roofs/Ceilings	Option B (meets § 150.1(c)9A)	Below Roof Deck Insulation ^{1,2}	NR	NR	NR	R 19	NR	NR	NR	R 19	R 19	R 19	R 19	R 19	R 19	R 19	R 19	
			Ceiling Insulation	R 38	R 38	R 30	R 38	R 30	R 30	R 30	R 38	R 38	R 38	R 38	R 38	R 38	R 38	R 38	R 38
			Radiant Barrier	NR	REQ	REQ	NR	REQ	REQ	REQ	NR	NR	NR	NR	NR	NR	NR	NR	NR
		Option C (meets § 150.1(c)9A)	Ceiling Insulation	R 38	R 30	R 30	R 30	R 30	R 30	R 30	R 30	R 30	R 30	R 38	R 38	R 38	R 38	R 38	R 38

			Radiant Barrier	NR	REQ	REQ	NR	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	NR
			Framed ³	U 0.048	U 0.048	U 0.048	U 0.048	U 0.048	U 0.065	U 0.065	U 0.048	U 0.048	U 0.048	U 0.048	U 0.048	U 0.048	U 0.048	U 0.048
		Above Grade	Mass Wall Interior ^{4,5}	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.059 R 17
			Mass Wall Exterior ^{4,5}	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.125 R 8.0	U 0.077 R 13
		Below Grade	Below Grade Interior ⁶	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.077 R 13	U 0.067 R 15
			Below Grade Exterior ⁶	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.200 R 5.0	U 0.100 R 10	U 0.100 R 10	U 0.053 R 19

TABLE 150.1-A COMPONENT PACKAGE – Single- Family Standard Building Design (continued)

			Climate Zone																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Building Envelope	Floors	Slab Perimeter	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	U-0.58 R-7.0
		Raised	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19	U-0.037 R-19
		Concrete Raised	U-0.092 R-8.0	U-0.092 R-8.0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.269 R-0	U-0.092 R-8.0	U-0.138 R-4.0	U-0.092 R-8.0	U-0.092 R-8.0	U-0.138 R-4.0	U-0.092 R-8.0	U-0.092 R-8.0
		Quality Insulation Installation (QII)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Roofing Product	Low-Sloped	Aged Solar Reflectance	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	0.63	NR	0.63	NR
			Thermal Emittance	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	0.75	NR	0.75	NR
		Step-Sloped	Aged Solar Reflectance	NR	NR	NR	NR	NR	NR	NR	NR	NR	0.20	0.20	0.20	0.20	0.20	0.20	NR
			Thermal Emittance	NR	NR	NR	NR	NR	NR	NR	NR	NR	0.75	0.75	0.75	0.75	0.75	0.75	NR
	Fenestration	Maximum U-factor		0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
		Maximum SHGC		NR	0.23	NR	0.23	NR	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	NR
		Maximum Total Area		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
		Maximum West Facing Area		NR	5%	NR	5%	NR	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Door	Maximum U-factor		0.200-0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	

TABLE 150.1-A COMPONENT PACKAGE – Single- Family Standard Building Design (continued)

			Climate Zone																
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
HVAC System	Space Heating g	Electric-Resistance Allowed		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	
		If gas, AFUE		MIN	MIN	NA	NA	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	NA	NA	MIN	MIN
		If Heat Pump, HSPF ² / HSPF2		MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN
	Space Cooling g	SEER/SEER2		MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	MIN	
		Refrigerant Charge Verification or Fault Indicator Display		NR	REQ	NR	NR	NR	NR	NR	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	NR
		Whole-house fan ⁴		NR	NR	NR	NR	NR	NR	NR	NR	REQ	REQ	REQ	REQ	REQ	REQ	NR	NR
	Central System Air Handlers		Central Fan Integrated Ventilation System Fan Efficacy		REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	
	Ducts ^a	Roof/Ceiling Option B	Duct Insulation	R-8	R-8	R-6	R-8	R-6	R-6	R-6	R-8	R-8	R-8	R-8	R-8	R-8	R-8	R-8	R-8
			\$150.1(c)9A	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
		Roof/Ceiling Option C	Duct Insulation	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6	R-6
\$150.1(c)9B			REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	REQ	
Water Heating	All Buildings			System Shall meet Section 150.1(c)8															

Footnote requirements to TABLE 150.1-A:

1. Install the specified R-value with an air space present between the roofing and the roof deck, such as standard installation of concrete or clay tile.

2. R-values shown for below roof deck insulation are for wood-frame construction with insulation installed between the framing members. Alternatives including insulation above rafters or above roof deck shall comply with the performance standards.
3. Assembly U-factors for exterior framed walls can be met with cavity insulation alone or with continuous insulation alone, or with both cavity and continuous insulation that results in an assembly U-factor equal to or less than the U-factor shown. Use Reference Joint Appendices JA4 Table 4.3.1, 4.3.1(a), or Table 4.3.4 to determine alternative insulation products to be less than or equal to the required maximum U-factor.
4. Mass wall has a heat capacity greater than or equal to 7.0 Btu/h-ft².
5. "Interior" denotes insulation installed on the inside surface of the wall. "Exterior" denotes insulation installed on the exterior surface of the wall.
6. Below grade "interior" denotes insulation installed on the inside surface of the wall, and below grade "exterior" denotes insulation installed on the outside surface of the wall.
7. HSPF means heating seasonal performance factor.
8. When whole-house fans are required (REQ), only those whole-house fans that are listed in the Home Ventilating Institute Certified Products Directory may be installed. Compliance requires installation of one or more WHFs whose total airflow cfm is capable of meeting or exceeding a minimum 1.5 cfm/square foot of conditioned floor area as specified by Section 150.1(c)12.
9. A supplemental heating unit may be installed in a space served directly or indirectly by a primary heating system, provided that the unit thermal capacity does not exceed 2 kilowatts or 7,000 Btu/hr and is controlled by a time-limiting device not exceeding 30 minutes.
10. For duct and air handler location: REQ denotes location in conditioned space. When the table indicates ducts and air handlers are in conditioned space, a HERS verification is required as specified by Reference Residential Appendix RA3.1.4.3.8.

TABLE 150.1-B RESERVED

Table 150.1-C – CFA and Dwelling Unit Adjustment Factors

Climate Zone	A - CFA	B - Dwelling Units
1	0.793	1.27
2	0.621	1.22
3	0.628	1.12
4	0.586	1.21
5	0.585	1.06
6	0.594	1.23
7	0.572	1.15
8	0.586	1.37
9	0.613	1.36
10	0.627	1.41
11	0.836	1.44
12	0.613	1.40
13	0.894	1.51
14	0.741	1.26
15	1.56	1.47
16	0.59	1.22

SECTION 2. Where the provisions of this Ordinance note that a subsection is adopted without modification, the State of California Energy Standards, as may be amended, apply in the event of a conflict.

PASSED FOR PUBLICATION of title this _____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

Exhibit A: Cross-Reference for Supportive Findings and Code Section

- A. The San Francisco Bay area region is densely populated and located in an area of high seismic activities. The City is bounded by the Hayward and San Andreas faults capable of producing major earthquakes; and
- B. Gas appliances and associated piping located in the ground and in buildings increase the risk of explosion or fire if there is a structural failure due to a seismic event especially considering the City's number of older buildings and increasing density; and
- C. Severe seismic events could disrupt communications, damage gas mains, cause extensive electrical hazards, and place extreme demands on the limited and widely dispersed resources of the Fire Department, resulting in increased difficulty in meeting the fire and life safety needs of the community; and
- D. Solar infrastructure on buildings reduces the need for pipelines and electrical transmission lines; and
- E. The local geographic, topographic, and climatic conditions pose an increased hazard in acceleration, spread, magnitude, and severity of potential fires in the City, and may cause a delayed response from emergency responders, allowing further growth of the fire; and
- F. Over the next century, increasing levels of atmospheric greenhouse gases are expected to result in global temperature increases, causing a variety of local changes, including extreme weather conditions, sea level rise, more frequent heat waves, and extended periods of drought. Local geographic, topographic, and climatic conditions include increased risk of the following:
 - 1. Fires: In addition to the increased risk as a result of earthquakes, the City is surrounded by hills both within City limits or adjacent to them. The dry brush and steep terrain are particularly susceptible to wildfires. The City, through its Fire Department, has designated approximately 54.5 square miles of the City's 180 square miles of incorporated area as Wildland Urban Interface ("WUI"). These areas in the southwestern and southeastern areas of the City known as the Almaden Valley and East Foothills have heightened construction and regulatory standards to mitigate the spread of wildfires. In addition, wildfires located outside of the area in 2018 created a blanket of toxic smoke over the City, causing the worst air quality on record by the Bay Area Air Quality Management District for two (2) consecutive weeks; and

2. Landslides: Extreme storms as a result of climate change increases the chance of rainfall-induced landslides; fire and drought may kill vegetation in the City's WUI, increasing runoff and the potential for landslides; and
 3. Drought: Prolonged periods of drought as a result of climate change may deplete reservoirs and the groundwater basin serving San José, as of 2021, Governor Newsom has include Santa Clara County in a statewide emergency declaration specifically for drought conditions, and local agencies, including the Santa Clara Valley Water District, Santa Clara County, and the City issued emergency proclamations regarding drought conditions; and
 4. Flooding: Extreme weather conditions such as sudden, prolonged rainfall as result of climate change could result in a spillover from local dams, including the Anderson Dam, which can result in flooding of local creeks which run through San José, such as the Coyote Creek; as the City experienced in 2017; and
 5. Sea Level Rise: Sea level rise as a result of climate change will have a dramatic local impact on the City. The City's Alviso area borders the southern end of the San Francisco Bay and is particularly vulnerable to sea level rise and is at an increased risk of flooding; and
 6. Heat: Increased heat as a result of climate change can have a local impact on the health, safety, and welfare of the City's population, especially those without resources to purchase air conditioning, the elderly, disabled, and children; and
- G. Failure to address and substantially reduce greenhouse gas emissions creates an increased risk to the health, safety, and welfare of the City residents, Council considers and adopts as findings the analysis contained in the staff report and prior reports to Council including those related to the declaration of a climate emergency and those for the September 17, 2019 City Council meeting; and
- H. Amendments to the California Codes have been adopted in the past by the City Council based on specific findings of local geographic, topographic and climatic conditions; and the Council hereby reaffirms such findings and confirms that the facts on which such findings were based continue to exist; and
- I. The provisions of this Ordinance establishing certain more restrictive standards than the California Codes will better serve to prevent or minimize structural damage resulting from local conditions; and

WHEREAS, the City Council hereby makes the additional following findings with respect to cost effectiveness of any amendments to the California Codes for which such findings are required:

- A. A March 24, 2023 Non-residential New Construction Reach Code Cost Effectiveness Study prepared by TRC Companies Inc., funded by California utility ratepayers and submitted to the California Energy Commission further supports and documents the cost-effectiveness of the Ordinance; and
- B. A February 23, 2023, 2022 Cost-Effectiveness Study: Multifamily New Construction prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, funded by California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and
- C. A September 12, 2022 Cost-Effectiveness Study: Single Family New Construction prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, funded by California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and
- D. An August 1, 2019 Low Rise Residential Reach Code Cost Effectiveness Study prepared by Frontier Energy, Inc. and Misti Bruceri & Associates, LLC, funded by California utility ratepayers and submitted to the California Energy Commission supports and documents the cost-effectiveness of the Ordinance; and
- E. A July 25, 2019 Non-residential New Construction Reach Code Cost Effectiveness Study prepared by TRC Advanced Energy and Energy Soft, funded by California utility ratepayers and submitted to the California Energy Commission further supports and documents the cost-effectiveness of the Ordinance; and
- F. This Ordinance's amendments to the Building Energy Efficiency Standards are in alignment with the cost effectiveness studies and therefore Council finds them to be cost-effective; and
- G. The Department of Energy sets the minimum efficiency standards for equipment and appliances; none of the provisions of this Ordinance change minimum efficiency standards, and the Ordinance meets the criteria in 42 USC Section 4297, and further
 - 1. The Ordinance permits a builder to select the items whose combined energy efficiency meets an overall building target; and

2. The Ordinance does not require covered appliances to exceed federal standards, the performance pathway allows different options in fuel types; and
3. The Ordinance offers options for compliance including appliances that exceed federal standards on a “one for one equivalency energy use or equivalent cost basis” and uses the source energy target values for all buildings; and
4. The Ordinance bases any baseline building design with covered products that do not exceed federal standards; and
5. The Ordinance offers at least one optional combination of items that does not exceed federal standards for any covered appliances; and
6. The Ordinance frames energy targets as a total for the entire building; and
7. The Ordinance uses the appropriate test procedures for determining energy consumption for covered products.

Base Code Amended	Supporting Findings
Energy Standards, Subchapter 8, Section 150.1	A - G