



August 29, 2019

City Council
City of San Luis Obispo
990 Palm St., San Luis Obispo, CA 93401

Subject: Clean energy choice policy and implementation measures

Dear Mayor Harmon and Council Members,

We would like to take this opportunity to share our comments regarding the proposed Clean energy choice policy and implementation measures.

We first want to reiterate our support for your ambitious target of being Carbon Neutral by 2035 as moving toward a carbon free future makes both environmental and economic sense.

Since language was first released on July 22, our taskforce of volunteers with extensive experience in green building, land use planning, and architecture, has been working hard to provide productive, practical and experience-based feedback in a very tight timeframe. We continued to use the criteria of **efficacy** (achieves substantial GHG reduction), **clarity** (easy to understand and implement) and **inspiration** (encourages creativity and going beyond the bare minimum to reduce GHG's).

We appreciate staff's responsiveness to our initial concerns including simplifying the code, considering incentives, and fees based on usage, not a flat rate.

There are a few areas new to this draft where we would like to see changes or clarification:

Incentives | While we appreciate the staff has included the consideration of incentives in this draft, we would like to reiterate the importance of incentives and encourage the Council to make implementation of any piece of the 'Energy Choice Policy' package contingent upon the simultaneous implementation of a meaningful incentives package. We need to make sure they are true incentives (instead of fallacy or disincentives) for all electric buildings. Some "true" incentives could include:

- Up-zoning or density bonuses of parcels
- Free induction ranges or electric water heaters in new buildings
- Reduced minimum parking standards
- Reduced energy rates for fossil free projects through Monterey Bay Community Power
- A meaningful guaranteed fast-track with specific turnaround times through the permitting process (i.e. 5-7 day turnaround)

Public Exceptions | The City should lead by example. Public facilities should not be exempted from this code, offset requirements or fees. Resilience is important to all buildings and those that need to include backup systems can do so without using natural gas.

Fees | request that an estimate of how much money the fees will generate be included in the discussion. It is challenging to give feedback on the appropriateness of a fee or the corresponding program without a sense of the scale.

Workforce Development | Currently, we do not have the local workforce to evaluate energy budgets and outside contractors are relied upon for timely completion of that work. A tactical plan for focused education and training needs to be a key part of this program.

Code Language | The Code currently refers to 'heat pump' technology in a number of places. We believe that the type of technology should be left to contractors to decide and the language should instead be 'electric' to allow for innovation of more efficient products outside heat pump technology.

We understand that the state process is driving the short turnaround time for the Reach Code and are advocating that, if you move to approve the code updates, that they be contingent on the approval of an implementation plan for the Clean Energy Choice Policy including meaningful incentives including up zoning, comprehensive permit streamlining, parking reductions and building height allowances to encourage all-electric development.

As Bronwyn Barry, president of the North American Passive House Network, discussed at a recent SLO Climate Coalition event, the most effective Reach Code would be one where you reward and inspire innovation, not mandate minimum compliance; incentives are the tool through which we can manifest the most meaningful building decarbonization and be an example for others.

Thank you for your continued efforts to include the business community, we look forward to working with you and your team throughout this process.

Sincerely,

A handwritten signature in black ink that reads "Jim Dantona". The signature is written in a cursive style with a large, looped initial "J".

Jim Dantona
President/CEO
San Luis Obispo Chamber of Commerce