

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: CHRISTABEL SORIA MENDOZA, MANAGEMENT ANALYST I

DATE: DECEMBER 18, 2024

SUBJECT: FIRST READING OF ELECTRIC READINESS ORDINANCE (REACH CODE) TO AMEND SECTION 15.19.030 OF THE ATHERTON MUNICIPAL CODE

CEQA: Adoption of the Ordinance is not subject environmental review under the California Environmental Quality Act (CEQA) in that it is categorically exempt under the CEQA Guidelines, Section 15308, Actions by Regulatory Agencies to Protect the Environment.

RECOMMENDATION

Staff recommends that the City Council introduce for 1st Reading and Waive Future Reading of an ordinance that would amend Chapter 15.19 of the Atherton Municipal Code to align with the 2022 California Green Building Standards Code, incorporating local modifications that enhance electric-ready requirements for new construction and major alterations.

BACKGROUND

The Town adopted the 2022 California Green Building Standards Code (CALGreen), as outlined in Chapter 15.19 of the Atherton Municipal Code, which regulates construction practices to improve public health, safety, and general welfare by promoting sustainable building practices. The current code integrates environmentally responsible standards, including energy efficiency measures, and applies to all new residential buildings and major alterations within the Town.

The City Council expressed support for local amendments that promote electric readiness in new homes and renovations, ensuring readiness for future electrification. This aligns with State and regional goals to reduce reliance on natural gas and transition to all-electric buildings, as outlined in the Town's Climate Action Plan. The proposed ordinance builds on these objectives by clarifying electric readiness requirements and expanding coverage to include new appliances and infrastructure.

During the October 30, 2024, Study Session, the City Council reviewed proposed updates to the Reach Code, focusing on electric readiness requirements for new construction and major alterations. Staff made several key revisions to the draft ordinance following the City Council's discussion. The ordinance was updated to:

1. Clarify electric readiness requirements for new construction and major alterations, ensuring alignment with the upcoming 2025 California Codes.
2. Include electric readiness for new construction pool/spa installations, outdoor cooking, and indoor/outdoor fireplaces, with specific infrastructure requirements such as conduit-only installation for fireplaces, beyond what is required in the upcoming 2025 California Building Codes.
3. Address panel and service upgrade requirements.
4. Include circuit and physical space specifications for kitchen, laundry room, and utility room alterations, including modifying the trigger from any renovation involving these spaces, to being any alteration to the branch circuit wiring serving these appliances.

These revisions aim to make the implementation of the ordinance more economical, manageable for property owners, and in line with energy resilience goals, while ensuring clear and practical compliance guidelines.

ANALYSIS

Staff developed the proposed ordinance in response to Council direction on establishing electric readiness standards. The ordinance is modeled on the Electric Readiness Model Reach Code, created in collaboration with Peninsula Clean Energy (PCE) and Silicon Valley Clean Energy (SVCE). Its primary goal is to ensure that new residential construction and major alterations are equipped with the necessary electrical infrastructure to support future electric appliances, including heat pumps, electric water heaters, electric cooktops, and electric clothes dryers. However, the ordinance was refined to address the Council's direction.

As revised, the ordinance incorporates best practices that are both practical and supportive of the Town's goal to meet Statewide electrification mandates. It emphasizes cost efficiency by encouraging electrical readiness at key trigger points, which is significantly less expensive than future retrofitting costs. This approach avoids the need for immediate appliance replacements, reducing potential disruptions and providing homeowners with more flexibility. By preparing for electrification, homeowners can make informed choices at the time of appliance replacement without requiring additional infrastructure upgrades.

No specific dollar threshold for renovations triggering electric readiness requirements is included in the proposed ordinance. Instead, the focus is on key points during construction and major alterations where electrical readiness is most economical to implement. This strategy ensures that infrastructure is installed early, minimizing the need for costly retrofits in the future.

Attachment 2 outlines requirements for new construction and major alterations to ensure electric readiness. It specifies that new single-family and multi-family dwellings must include infrastructure capable of supporting future electric systems, such as heat pump space heaters and electric equivalents for gas-powered appliances like pool heaters, saunas, fireplaces, outdoor cooking, and heating systems. These provisions include dedicated outlets, conduit, reserved breaker space in electrical panels, and labeling for future electric appliances. By incorporating these updates, the ordinance minimizes retrofitting costs, ensures compliance with future electrification mandates, and makes upgrades both feasible and economical for homeowners.

Table 1 below lists the requirements for electrification under new construction.

Table 1: Electric Readiness Requirements for New Construction

Project Type	Construction Scenario	Requirement
Heat Pump Space Heater	Gas furnace installation	Construction drawings must include a designated exterior location with proper drainage to accommodate a future heat pump compressor unit, in alignment with pending 2025 Energy Code.
Electric Readiness for Gas Appliances	Installation of pool/spa heaters, saunas, fireplaces, and outdoor cooking.	Include conduit, physical space, receptacle/junction box, and reserved circuit breakers for future electric equipment equivalents, and physical space for appliances not covered by the pending 2025 Energy Code.

For alterations and renovations that are already pulling a permit, the draft ordinance specifies minor additional requirements for electrical panel and service upgrades, kitchen and laundry room modifications, and utility room alterations. These provisions ensure that electrical systems are prepared for future electrification without unnecessary upgrades, while offering flexibility for homeowners. Additionally, the ordinance introduces clear definitions for utility rooms and clarifies the requirements for electric readiness in areas such as kitchen and utility room alterations, as well as alterations that require electrical permits.

Table 2 summarizes the electric readiness requirements for major alterations, including necessary upgrades to electrical panels, dedicated circuits for appliances, and space allocation for future electric systems. These requirements ensure that alterations accommodate future electrification, reducing the need for costly retrofits.

Table 2: Electric Readiness Requirements for Major Alterations

Project Type	Construction Scenario	Requirement
Electrical Panel & Service Upgrades	Major alteration requiring an upgrade to the electrical panel and/or utility service.	Ensure that the upgraded electrical panel and/or utility service provide sufficient capacity to supply full-rated amperage for all electric appliances , determined in accordance with the California Electric Code (CEC).
Kitchen Alterations	Kitchen remodel where the circuit serving the gas range or gas wall-mounted oven is being moved or upgraded.	Install a dedicated 125-volt, 20-amp electrical outlet within 3 feet of the appliance, connected to a 120/240-volt, 3-wire circuit rated for 50 amps . Label any unused wires as "spare" and ensure they're safely isolated. Also, reserve space in the electrical panel for a future circuit breaker, labeled "Future Use."
Clothes Dryer Alterations	Laundry room remodel where the circuit serving the gas clothes dryer is being moved or altered.	Install a dedicated 125-volt, 20-amp electrical outlet within 3 feet of the dryer, connected to a 120/240-volt, 3-wire circuit rated for 30 amps . Label the unused wires as "spare" and make sure they're safely isolated. Also, reserve space in the electrical panel for a future circuit breaker, labeled "Future Use."
Utility Room Alterations	Altering rooms that are dedicated to storing water or space heating systems.	Provide space and electrical components (e.g., dedicated outlets, reserved breaker space) for future electric appliances, such as heat pump water heaters or space heaters, including provisions for natural drainage where applicable. Exception: If making space for a heat pump water heater requires moving walls or partitions outside of the alteration's scope, the electric readiness components are not required.

Staff presented the proposed revisions to the Builder's Roundtable on Monday, December 2, 2024. The group emphasized the need for clear requirements, particularly for alterations, renovations, and their exceptions. They suggested clarifying that Section 4.106.5.1.2 (e) does not apply to water heaters and refining Section 4.106.5.2 Exception 1 to state: '...to the extent allowable under the existing proposed electrical capacity.' These suggestions and concerns have been incorporated into the ordinance as revised to improve clarity and address feasibility. Additionally, they expressed concerns about cost-effectiveness, noting that the requirements could become expensive.

Council's feedback is requested on the proposed revisions to finalize the ordinance for second reading and adoption at a future public hearing.

CONCLUSION

The proposed ordinance amendments, centered around electric readiness, provide a practical approach to prepare new construction and major alterations for future electrification, in line with evolving state and regional decarbonization policies. By addressing infrastructure needs at the earliest and most cost-effective stages, the Town positions itself to meet upcoming mandates while minimizing long-term retrofit costs for homeowners. The inclusion of additional electric-ready requirements for outdoor gas appliances aligns with the Town's broader sustainability and public health goals.

These measures will help ensure that Atherton is well-prepared for the state's transition to cleaner, all-electric buildings, offering flexibility for residents and developers while promoting healthier, more energy-efficient homes.

FISCAL IMPACT

The adoption of the Reach Code Ordinance will have minimal fiscal and resource impacts on the Town. Costs associated with implementing the new ordinance will include staff training, the development of updated informational materials, and public outreach efforts to inform residents and developers of the new requirements. These expenses are expected to be modest and can be absorbed within the Town's existing budget allocations. No additional funding or resources are anticipated to be necessary for the successful implementation of the ordinance.

GOAL ALIGNMENT

This report and its contents are in alignment with the following Council Policy Goals:

- Goal D – Enhance Environmental Sustainability
- Goal F – Be Forward-Thinking, Well-Managed and Well-Planned

POLICY FOCUS

The ordinance aims to ensure that new construction and major alterations are prepared for future electrification, minimizing retrofit costs for homeowners and supporting the Town's sustainability and public health goals. The Council's feedback and direction is needed regarding the proposed electric readiness standards, which will align with state and regional electrification efforts. A second reading will be scheduled in early 2025, at which time the Council will vote on the ordinance.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically.

ATTACHMENTS

1. Existing Ch. 15.19 Green Building Code of the Atherton Municipal Code
2. Proposed Ordinance Language to Revise Section 15.19.030