ENVIRONMENTAL QUALITY POLICY COMMITTEE
Friday, March 28, 2025
10:00 a.m. - 2:00 p.m.
Marriott Burbank Airport Hotel, Academy 3

AGENDA

I. Welcome and Introductions
Speakers: Chair Max Perrey, City of Mill Valley, Vice Mayor

II. General Briefing *Informational*

III. Public Comment

IV. Cal Cities Roundtables Updates (CEQA & Earthquakes) *Informational*
Cal Cities Staff

V. Public Safety Power Shutoff Presentation *Informational*
Southern California Edison (Fact Sheet Handout, Video)

VI. Key Disaster-Related Legislative Hearings Update *Informational*
Cal Cities Staff

VII. Bill Analyses *Action*
AB 61 (Pacheco): Electricity and natural gas: legislation imposing mandated programs and requirements: third-party review *(Attachment A)*
SB 491 (Laird): State Energy Resources Conservation and Development Commission: Chair: Report to the Legislature *(Attachment B)*
SB 915 (Petrie-Norris): Clean Energy Reliability Investment Plan *(Attachment C)*
AB 222 (Bauer-Kahan): Data Centers: Energy Usage Reporting and Modeling *(Attachment D)*
AB 306 (Schultz): Building regulations: state building standards. (*Attachment E*)

VIII. State Legislative and Regulatory Updates *Informational*
Cal Cities Staff

IX. Adjourn

Next Meeting – Virtually: Friday, June 13, 9:30 a.m. - 12:30 p.m.

Please find the priority bill list for the Cal Cities Environmental Quality portfolio.

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:
1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or
2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.
A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

Attachment A

ENVIRONMENTAL QUALITY POLICY COMMITTEE
Legislative Agenda

Staff: Melissa Sparks-Kranz, Legislative Affairs Lobbyist
Zack Cefalu, Legislative Affairs and Policy Analyst

1. **AB 61 (Pacheco) Electricity and natural gas: legislation imposing mandated program programs and requirements: third-party review**

Bill Summary:
This bill would require the Public Advocate's Office at the Public Utilities Commission to establish, by January 1, 2027, a program to analyze legislation, upon request of the Legislature, that would propose a mandated requirement or program that would affect electrical or gas ratepayers. The bill would require the office to develop and implement conflict-of-interest provisions that would prohibit a person from participating in an analysis for which the person knows or has reasons to know that the person has a material financial interest. The bill would establish the Energy Programs Benefit Fund in the State Treasury and continuously appropriate moneys in the fund to the office to support the work in providing the analyses.

Bill Description:
The bill would authorize the chair of the appropriate policy or fiscal committee or their staff, the Speaker of the Assembly or the President Pro Tempore of the Senate to initiate the request for a legislative analysis from the Office, upon establishing the program. The Legislature and the Office would be able to determine a mutually agreed upon timeline to complete the analyses. The bill would require the legislative analyses to include the best available data at the time of the analyses and relevant data related to all of the following:

- Whether the legislation will increase electricity or natural gas utility rates, and, if so, the analysis shall assess the potential costs to all categories of ratepayers.
- The potential benefits to all categories of ratepayers resulting from the legislation, with a specific focus on tangible benefits related to the safe, reliable delivery of electricity or natural gas including whether the legislation is directly related to, or necessary for, the delivery of safe, reliable electricity and natural gas utility service.
- Similar mandated programs or requirements applicable at the time of the analysis, the costs associated with those mandated programs or requirements, and if those mandated programs or requirements are consistent with the state's climate change policy requirements, including, but not limited to, reducing the emissions of greenhouse gases, the carbon neutrality targets and the California Renewables Portfolio Standard Program.
- All existing legislatively mandated programs applicable at the time of the analysis that are paid for by the ratepayers of electrical and gas corporations.

- The impacts of the legislation on jobs, the economy, and communities that are identified as disadvantaged communities (as defined in [Health and Safety Code Section 39711]) or low-income communities (as defined in [Health and Safety Code Section 39713]).
- Whether the legislation is the most cost-effective and appropriate means to achieve the desired outcomes, including costs and benefits beyond the electricity or natural gas market and nonmonetary benefits, such as improvements in environmental quality, public health, and climate stability. If nonmonetary societal benefits are noted, the written analysis shall clearly indicate how all Californians would benefit.
- Whether other funding sources besides ratepayers of electrical or gas corporations, such as the General Fund, environmental funds, or other low-income programs, such as CalFresh, could be more appropriately used for the mandated programs or requirements.

The bill would hold the officers, directors, employees, subcontractors, agents, and expert partners harmless for any claim arising out of the analysis produced and to avoid conflicts of interest the Office would be required to develop and implement a conflict-of-interest provision to prohibit a person who has material financial interest or has an agreement with another person or organization that would be affect by the legislation from participating in conducting an analysis.

The bill would establish the Energy Programs Benefit Fund in the State Treasury to support the work of the Office as required by the bill. The bill would include a sunset provision on these requirements as of January 1, 2032.

Key definitions in the bill include:

- "Electrical or gas corporation" means an electrical corporation (as defined in [Public Utilities Code Section 218]), or a gas corporation (as defined in [Public Utilities Code Section 222]), with more than 100,000 service connections.
- "Mandated program or requirement" means any of the following:
    - A new requirement imposed on an electrical or gas corporation.
    - A new program that would be paid for by the ratepayers of an electrical or gas corporation.
    - A revision to an existing requirement imposed on an electrical or gas corporation or an existing program paid for by the ratepayers of an electrical or gas corporation.
- "Office" means the Public Advocate's Office of the Public Utilities Commission.

Background:

The bill includes legislative intent language clarifying the following purpose of the bill, including that:

- There are an increasing number of proposals that mandate certain programs be paid by ratepayers of electrical and gas corporations.
- Many of the proposals would potentially result in positive outcomes that would be in the public interest.

- Those proposals providing benefits may also contribute to the cost and affordability of electricity and natural gas service.

Further, the bill clarifies that it is the intent of the Legislature should then enact this bill that all of the following would be upheld, including to:

- Promote affordable electricity and natural gas utility rates while also addressing the critical climate issues of the time, including the requirements for renewable and zero-carbon electricity and economywide decarbonization in law.
- Preemptively address the issue that electricity and natural gas utility rates are increasing.
- Analyze the estimated costs and efficacy of a new program or requirement imposed under proposed legislation that would be paid for by ratepayers of electrical and gas corporations to ensure the cost impact and potential benefits may be fully weighed and carefully considered before enacting the legislation.

It is important to note that the bill establishes a new program that is consistent with the existing purpose of the office. The general mission of the office is to advocate for the lowest possible bills for customers of California's regulated utilities consistent with safety, reliability, and the state's climate goals. The office was created in 1984 and they are the only state entity charged with helping ensure Californians are represented at the California Public Utilities Commission and in other forums. They recommend solutions and alternatives in utility customer best interests for decision-makers to consider when making policy and investment decisions on how to advance the state's energy, water and communications goals.

The office includes analysts, engineers, auditors, and lawyers who work on affordability, accessibility and equity issues related to utility services. Their goals include:

- proposing creative ways to lower utility bills
- helping transition to a clean energy future at the lowest possible cost
- identifying new ways to maintain grid reliability
- ensuring that utilities are safely and efficiently maintaining their systems
- assisting with prioritizing access and affordability to essential broadband and water services, especially in underserved or unserved areas

Existing Cal Cities Policy:
The following are included in Cal Cities' Existing Policies:
<u>Energy and Utilities</u>
Cal Cities supports the prohibition of passing through the costs of fines and penalties incurred by electrical and gas corporations to ratepayers.

<u>Energy Prices and Rates</u>
Cal Cities is concerned about the impacts of escalating energy prices on the overall economic health of our state, including city budgets. Although at this time Cal Cities will not get involved in individual bills dealing with technical aspects of pricing, Cal Cities believes that any solution to address the short- and long-term energy price situation should meet several key criteria.

- *Cal Cities believes energy prices should encourage conservation and reward those who reduce energy use (i.e., tiered rates).*
- *Cal Cities is concerned about the impacts of escalating energy prices on low-income residents and small businesses. Cal Cities supports energy pricing structures and other mechanisms to soften the impacts on this segment of our community.*
- *In designing rates, the state should be aware of the operational constraints of some businesses and thus their potential inability to take advantage of conservation pricing. Thus, the state should provide other incentives to conserve to businesses that cannot take advantage of other options.*

Fiscal Impact:
The fiscal impact related to the implementation of AB 61 would fall on the Legislature to appropriated funding into the Energy Programs Benefit Fund to support the state staff (PYs) that would be dedicated to completing these analyses, upon their request. A better understanding of the fiscal impact will be available once the bill is heard in Appropriations Committee.

Staff Comments:
AB 61 by Assemblymember Pacheco is intended to provide oversight of potential legislative bills impacts on ratepayers by establishing a third-party review within the office, who represents ratepayers on utility issues.

Cal Cities Environmental Quality Policy Committee has expressed interest in weighing in legislation related to energy affordability in previous meetings. While Cal Cities has some existing policy related to prohibiting fines and penalties from being passed onto ratepayers and general policy on concerns around escalating energy costs, AB 61 provides an opportunity for Cal Cities to weigh in more generally around the transparency of the cost of energy programs through the analyses that the office would complete, as proposed in the bill.

Cities, including the 40 cities that are publicly owned utilities that contribute to 25 percent of the state's electricity demand, are not regulated entities by the Public Utilities Commission. However, AB 61 proposes to establish a framework for greater analysis to occur on pending legislation on behalf of the public, 75 precent of whom are served by energy utilities regulated by the Commission. Cal Cities recognizes that city officials often have to respond to their constituents about energy cost and affordability in their communities. Greater public analysis of pending legislation on energy and gas related programs could provide additional information and make relevant data more readily available for city officials to better respond to inquiries in their communities and to engage with their energy and gas providers.

Support:
Unknown at this time

Opposition:
Unknown at this time

Staff Recommendation:
Staff recommends the Committee should discuss if they would like to recommend a position on this bill.

Committee Recommendation:

Board Action:

Attachment B

ENVIRONMENTAL QUALITY POLICY COMMITTEE
Legislative Agenda

Staff: Melissa Sparks-Kranz, Legislative Advocate
Zack Cefalu, Legislative Affairs and Policy Analyst

1. SB 491 (Laird) State Energy Resources Conservation and Development Commission: Chair: Report to the Legislature

Bill Summary:
This bill would require the chair of the California Energy Commission (commission) to appear annually and report to the Legislature on the activities of the commission.

Bill Description:
Current law establishes the commission, consisting of five members, and outlines its responsibilities concerning California's energy usage and planning. The bill would require the Chair of the commission to appear annually before the Legislature. The bill specifically would require the Chair to report to the appropriate policy committees in the Legislature to provide updates on specific activities from the previous year as well as the agency's plans to carry out the following responsibilities:

- Research, development, and demonstration
- Building and appliance efficiency standards
- Electricity and natural gas demand forecasts
- Siting of thermal powerplants
- Implementation of the California Renewables Portfolio Standard Program
- Transportation fuels and alternative fuel vehicles

Further, the Chair would be required to report on all activities taken, including the successes and the challenges encountered, by Commission in the previous year as well as the processes taken by the Commission to gather input from Californians across diverse regions of the state to solicit public input in their efforts.

Background:
The commission, formally known as the Energy Resources Conservation and Development Commission, was created in 1975 in response to the energy crisis of the early 1970's. The commission is a division of the California Natural Resources Agency. The commission's core responsibilities include advancing state energy policy, achieving energy efficiency, investing in energy innovation, developing renewable energy, transforming transportation, overseeing energy infrastructure, and preparing for energy emergencies. The commission's research and programs remain critical to the state's plans of achieving 100% clean energy and carbon neutrality.

The commission consists of five members including one chair and one vice chair, all of whom are appointed by the Governor. Each commissioner serves a five-year term, and each commissioner must come from and represent a specific area of expertise, these being: law, environment, economics, science/engineering, and the public at large.

Existing law outlines the responsibilities to direct the public advisor, executive director, and other staff of the commission in the performance of their duties. The commission is the primary energy policy and planning agency in the state and the commission implements California Energy Code.

The Public Utilities Commission is required to prepare an annual report to the Legislature on its activities and performance and appear before appropriate policy committee to present this report.

The California Energy Commission's role has expanded, particularly in the last several decades, to helping ensure California's energy infrastructure can meet the needs of the population by analyzing trends in energy consumption, establishing energy efficiency standards, working towards a clean energy future, and planning and development of energy resources. All of these are significant tasks critical to the health and operations of the state's energy activities and yet there is no current required annual presentation to the Legislature on progress being made.

Existing Cal Cities Policy:
Cal Cities has various existing policy on more technical aspects of energy and utilities issues, but we do not have specific policy encouraging the state to present to the Legislature from a transparency and accountability perspective.

Fiscal Impact:
Fiscal impacts on the bill will be known once the bill moves through Appropriations Committee but are likely minor and absorbable for the commission.

Staff Comments:
The Legislature has been focused on energy and utility-related issues. The bill aims to provide greater transparency and accountability from the commission by having the Chair present annually.

Support:
Unknown at this time.

Opposition:
Unknown at this time.

Staff Recommendation:
Staff recommends the Committee should discuss if they would like to recommend a position on this bill.

Committee Recommendation:

Board Action:

Attachment C

ENVIRONMENTAL QUALITY POLICY COMMITTEE
Legislative Agenda

Staff: Melissa Sparks-Kranz, Legislative Advocate
Zack Cefalu, Legislative Affairs and Policy Analyst

1. **AB 915 (Petrie-Norris) Clean Energy Reliability Investment Plan.**

Bill Summary:
The bill would propose an appropriation from the General Fund for the 2025–26 fiscal year for the Clean Energy Reliability Investment Plan (CERIP).

Bill Description:
The bill would require $900 million to be appropriated from the General Fund to the California Energy Commission (commission) for the 2025–26 fiscal year to be allocated for the CERIP as local grants to increase investment in clean energy infrastructure.

Background:
Existing Law established the CERIP to support programs and projects that accelerate the deployment of clean energy resources, support demand response, assist ratepayers, and increase energy reliability. The CERIP was required by SB 846 (2022) for the commission to develop a $1 billion investment plan for clean energy resources. To date only $100 million of those funds have been allocated by the Legislature.

The Public Utilities Commission has issued several recent decisions in 2024 and 2023 identifying that local governments will be siting over 19 gigawatts (GWs) of solar, 7 GWs of terrestrial wind, and over 15 GWs of storage within the next decade. This bill would further support additional investment in clean energy infrastructure development.

Existing Cal Cities Policy:
Cal Cities has relevant existing policy that states generally:
Cal Cities believes that statewide climate bonds should be comprehensive and include funding for capital infrastructure projects.

Fiscal Impact:
The fiscal impact would be significant based on the bill's intent to appropriate $900 million from the General Fund.

Staff Comments:
While the appropriation of $900 million from the General Fund is significant, AB 915 is authorized by Assemblymember Petrie-Norris, who is the Chair of the Assembly Utilities and Energy Committee. The total amount may be reduced to not fill the entire funding gap as the bill moves forward. This could be done as part of the May Revise budget negotiations,

given her leadership role as committee chair. Cal Cities has general policy related to climate bond funding to support capital infrastructure, but AB 915 would provide an opportunity for Cal Cities to weigh in on clean energy investments specifically.

Support:
Unknown at this time.

Opposition:
Unknown at this time.

Staff Recommendation:
Staff recommends the Committee should discuss if they would like to recommend a position on this bill.

Committee Recommendation:

Board Action:

Attachment D

ENVIRONMENTAL QUALITY POLICY COMMITTEE
Legislative Agenda

Staff: Melissa Sparks-Kranz, Legislative Advocate
Zack Cefalu, Legislative Affairs and Policy Analyst

1. AB 222 (Bauer-Kahan): Data Centers: Energy Usage Reporting and Modeling

Bill Summary:
This bill would provide transparency around energy usage by requiring reporting standards on energy usage for data centers, creating the adoption of energy efficiency standards for data centers, and preventing the costs of constructing data centers from being passed onto ratepayers.

Bill Description:
This bill would require data centers that provide computing power or resources for the purpose of developing an artificial intelligence (AI) covered model to estimate the total energy used to develop the AI covered model and report that estimate to the developer. Before using the computing resources, a developer would be required to inform the data center of their intent to develop an AI covered model.

Before using an AI covered model or system commercially or making it available to a third party, a developer would be required to request the energy usage data from all data centers involved in development and estimate and publish on the developer's internet website the total energy, in megawatthours, used to develop the covered model. The bill would require that energy data must be publicly accessible, available, and comprehensible.

The bill would require operators of data centers to report to the California Energy Commission to report the following related to energy consumption and performance data:

- Total annual energy consumption, including electricity usage from grid and non-grid sources, peak factors, and load profiles
- Energy usage effectiveness or equivalent energy efficiency metrics
- The percentage of energy supplied by renewable or carbon-free resources
- Annual energy consumption resulting from the development of covered models
- Any other information deemed necessary by the commission to assess grid impacts

The bill would require the commission to include the reported data in their Integrated Energy Policy Report. The bill would require the commission to adopt energy efficiency performance standards for data centers through regulations on or before January 1, 2027. The bill would require the energy efficiency performance standards to do all of the following:

- Prioritize cost effectiveness, technological feasibility, and alignment with California's greenhouse gas emission reduction targets
- Consider best practices for energy usage effectiveness, energy management systems, and the use of renewable energy resources
- Require new data centers and substantial alterations to existing data centers to incorporate load-management and load-shifting capabilities, including the ability to participate in demand response programs

The bill would require the Public Utilities Commission (PUC) to determine whether the costs and expenses are just and reasonable from the construction of a new data center or a substantial alteration to an existing data center.

The bill would require the PUC to minimize the shifting of costs attributable to the construction or alteration of the data center to ratepayers who do not directly benefit from the data center.

Key definitions in AB 222 include the following:

- "Artificial intelligence" or "AI" means an engineered or machine-based system that varies in its level of autonomy and that can, for explicit or implicit objectives, infer from the input it receives how to generate outputs that can influence physical or virtual environments.
- "Data center" means a facility that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data.
    - "Data center" does not include a facility with an annual energy consumption of 10 megawatthours or less.
- "Developer" means a person, partnership, state or local government agency, or corporation that designs, codes, trains, or otherwise produces a covered model.

Background:
The Author's fact sheet states that the rapid development of the AI industry is fueling a boom in data center construction in California. These facilities, which house the servers and hardware needed to train and operate AI, require vast amounts of electricity.

Large AI models require a tremendous amount of energy to develop. At the same time, the rapid expansion of the AI industry is driving the widespread construction of energy-intensive data centers across the state. The increase in energy demand due to AI, paired with grid infrastructure expansion necessitated by the construction and expansion of data centers, threaten to increase energy costs for Californians.

According to a recent article in the Los Angeles Times shared by Assemblymember Bauer-Kahan the article states:

In Santa Clara — the heart of Silicon Valley — electric rates are rising as the municipal utility spends heavily on transmission lines and other infrastructure to accommodate the voracious power demand from more than 50 data centers, which now consume 60% of *the city's electricity. And earlier this year, Pacific Gas & Electric told investors that its customers have proposed more than two dozen data centers, requiring 3.5 gigawatts of power — the output of three new nuclear reactors.*

AB 222 would require both Commission and the PUC to have a role in oversight and transparency related to data centers and AI development. The commission helps ensure California's energy infrastructure is ready to meet the needs of its population and economy by analyzing trends in energy consumption and forecasting future demand. The commission also establishes energy efficiency standards for appliances, buildings, and industrial processes, with the goal of reducing energy waste, lowering greenhouse gas emissions, and promoting sustainability. These efforts support California's transition to a cleaner, more resilient energy system while helping Californians save on energy costs. The construction of energy-intensive data centers often requires an expansion of grid infrastructure to accommodate increased energy demand. Therefore, the California Public Utilities Commission (CPUC) is proposed to have greater oversight on the costs of electricity production and infrastructure upgrades and prevent shifts to ratepayers who do not directly benefit from those data centers.

Existing Cal Cities Policy:
Cal Cities has various Energy and Utilities existing policy, including general policy related to:

<u>Energy Efficiency:</u>
Cal Cities supports effective leveraging of energy efficiency programs tailored to address local needs and concerns.

<u>Consumer Protection:</u>
Cal Cities supports complete transparency of all energy procurement practices, stranded costs, and departing load charges.

Cal Cities does not have any existing policy related to energy usage of data centers.

Fiscal Impact:
Fiscal impacts are unclear at this time; however, they are likely to include significant state costs for the Commission to develop and adopt energy efficiency standards and reporting regulations and the PUC to provide additional cost oversight resulting from data center construction.

AB 222 would require key actions related to data center development and the growing use of AI. The bill would require:

- Developers of AI models to disclose the amount of energy consumed during the training of large models
- The commission to adopt energy efficiency standards and reporting regulations for data centers
- The PUC to minimize costs to ratepayers resulting from the construction of new data centers.

AB 222 provides an opportunity for cities to consider the nexus between energy planning and land use decision-making of local governments. The growing energy demand on the grid from data centers as AI proliferates will be an important factor for cities, including publicly owned utilities, counties, and investor-owned utilities to account for when determining sites within communities where new or expanding data centers could be located. While the state costs for regulation and oversight might be significant, AB 222 offers greater transparency and publicly accessible information on the energy usage of data centers, which could be beneficial for California's future in terms of grid reliability.

Support:
Unknown at this time.

Opposition:
Unknown at this time.

Staff Recommendation:
Staff recommends the Committee should discuss if they would like to recommend a position on this bill.

Committee Recommendation:

Board Action:

LEAGUE OF CALIFORNIA CITIES

Attachment E

ENVIRONMENTAL QUALITY POLICY COMMITTEE
Legislative Agenda

Staff: Brady Guertin, Legislative Affairs Lobbyist
Waleed Hojeij, Legislative Affairs and Policy Analyst

1. AB 306 (Schultz) Building regulations: state building standards.

Bill Summary:
This measure would put a six-year moratorium on state and local building standards unless the regulations address a small set of specific issues beginning in June 2025 and ending in June 2031.

Bill Description:
Specifically, AB 306 would:

- Impose a six-year moratorium from June 1, 2025, until June 1, 2031, on adopting or modifying state and local building standards affecting residential units.
- The following building standards would be exempt from the law:
  - Emergency standards to protect health and safety.
    Building standards related to home hardening and are proposed for adoption by the Office of the State Fire Marshal.
  - Addressing single-exit, single-stairway apartment homes.
  - Address adaptive reuse residential projects.
  - Address water efficiency in new buildings.

- Prohibits a local agency from making changes or modifications to building standards affecting residential units, including green building standards unless the following conditions are met:
  - The changes or modifications are substantially equivalent to changes or modifications previously filed by the local government that were in effect as of January 1, 2025.
  - The California Building Standards Commission deems those changes or modifications necessary as emergency standards to protect health and safety.
  - The changes or modifications are related to home hardening.
  - The building standards relate to home hardening and are proposed for adoption by a fire protection district pursuant to existing provisions governing the proposal of new standards by fire protection districts.

Background: Title 24 of California's Code of Regulations, also known as the California Building Standards Code, is adopted every three years by multiple state agencies and focuses on what regulations construction must comply with to get a permit approved for a residential development project. The standards in Title 24 cover a variety of issues, including health and safety regulations for new and existing construction, green residential building standards such as solar energy system requirements or electric vehicle charging stations, and other necessary standards that developments must follow to promote public health and safety in the built environment. Local governments are tasked with adopting the building codes locally and may pass more stringent regulations than state law if the local government chooses. These local standards or "reach codes" must get approval from the California Building Standards Commission before implementation.

Building standards undergo a rigorous public review process at the state level every three years, including 18 months of public hearings, feedback, and discussion with the public and construction industry experts. The experts involved in the rulemaking process include developers, engineers, architects, building officials, and other experts in building design and construction. In addition to robust public feedback and review, standards must have a cost-benefit analysis before approval to ensure they are feasible and not overly burdensome to development. Local governments adopt these regulations locally and can go further than the minimum regulations to address local climactic, geographic, or topographic conditions.

After standards are adopted at the state and local level, local building departments and their staff review new development projects for compliance with the most recent California Building Code regulations. These services are provided through inspection and service fees that can be no more than the cost of providing the service locally.

According to the author of AB 306, "This moratorium will bring more certainty to the home construction industry and help stem further construction cost increases, given the demand surge from the volume of homes and apartments that will need to be rebuilt in Los Angeles. Freezing the codes affecting residential construction will prevent further cost increases for new homes and apartments. Pausing further changes will also allow the current contractor workforce and local building officials to absorb the newest code requirements and have certainty that they will remain in place for six years such that they will not have to take time to relearn and reconfigure certain practices every 18-to-36 months."

Existing Cal Cities Policy:

Building Standards

Cal Cities supports flexibility in the adoption and implementation of health and safety standards contained in the building codes. Statutes should maximize local control over standards applying to local conditions. Cal Cities opposes new standards imposed by statute rather than regulation. Cal Cities opposes attempts to have multiple state agencies develop specific or subject-related building standards. New building standards should be proposed through the California Standards Commission. Cal Cities supports authorizing cities to adopt independent occupancy standards to prevent overcrowding and associated health and safety hazards, including fire-related fatalities.

Green Building Guidelines

Cal Cities encourages state agencies to provide leadership in developing voluntary, model statewide residential green building guidelines that will provide information to local jurisdictions on how to evaluate and use different green building strategies. Additionally, Cal Cities encourages cities to adopt voluntary residential green building guidelines as a reference guide, to evaluate available green building programs and adopt those best suited for their communities, and to explore incentives to encourage green building by private developers of residential construction projects.

Energy and Water Conservation and Efficiency
Cal Cities encourages energy efficiency, water efficiency, and sustainable building practices in new and existing public, residential, and commercial buildings and facilities. This may include using the U.S. Green Building Council's LEED program or similar systems.

Fiscal Impact:
None

Staff Comments:
Historically, local governments and the state have exempted residential construction from building codes except when necessary to protect health and safety when rebuilding after a natural disaster such as a wildfire or flood. This measure would extend those protections statewide for all new construction during the next six years. Building codes add costs to development but also provide tools to help implement other state and local priorities, such as reducing greenhouse gas emissions, implementing new technological advancements, and responding to local climactic, geographic, or topographic conditions. It should be noted that the 2025 Building Code Regulations are currently working through the code adoption process this year. Local governments would be tasked with adopting the new regulations locally in January of next year under current law; however, should this bill get signed into law, local agencies would not need to adopt this year's regulations as the moratorium begins in June unless the new code proposals meet one of the exemptions listed in the measure.

Support:
American Planning Association, California Chapter
California Apartment Association
California Building Industry Association
California Housing Consortium
California Housing Partnership Corporation
Valley Industry and Commerce Association

Opposition:
350 Bay Area Action
350 Conejo / San Fernando Valley
350 Humboldt
350 Marin
350 Sacramento
350 Southland Legislative Alliance
Acterra: Action for A Healthy Planet
Active San Gabriel Valley
Ban Sup (single Use Plastic)
California building Officials
California Solar & Storage Association
California State Association of Electrical Workers
California State Pipe Trades Council
Carbon Free Palo Alto
Carbon Free Silicon Valley
Climate Action California

Climate Action Campaign
Climate Action Petaluma
Climate Reality Contra Costa County Policy Action Squad
Climate Reality Project San Diego
Climate Reality Project, California Coalition
Climate Reality Project, Los Angeles Chapter
Climate Reality Project, Orange County
Climate Reality Project, San Fernando Valley
Cool Petaluma
Design Avenues LLC
Elders Climate Action, NorCal and SoCal Chapters
Glendale Environmental Coalition
Greenbank Associates
Habitable Designs
Home Energy Analytics, INC.
Leading Change Consulting and Coaching
Marin Conservation League
Marin/Sonoma Building Electrification Squad
Mothers Out Front California
Mothers Out Front Silicon Valley
Natural Resources Defense Council
Negawatt Consulting
Peninsula Interfaith Climate Action
Project Green Home
Public Citizen
Resilient Palisades
San Diego Building Electrification Coalition
San Francisco Baykeeper
Sandiego350
Santa Cruz Climate Action Network
SoCal 350 Climate Action
Sonoma County Climate Activist Network
Sustainable San Mateo County
Third ACT SoCal
Transformative Wealth Management LLC
Trinity Respecting Earth and Environment (TREE)
U.S. Green Building Council - Los Angeles
Vector Green Power, LLC
Western States Council Sheet Metal, Air, Rail and Transportation

Staff Recommendation:
Staff recommends the committee discuss AB 306 and make a recommendation to the Board.

Committee Recommendation:

Board Action: