

July 20th, 2022



Protecting Marin Since 1934

Mayor and City Council
City Hall
26 Corte Madera Avenue
Mill Valley, CA 94941
cityclerk@cityofmillvalley.org

Dear Honorable City Council Members:

Marin Conservation League supports a robust coordinated effort by Marin County and its towns, cities, and agencies to accelerate building electrification. As the Marin County Grand Jury noted in its June 6, 2022 report, *Electrifying Marin's Buildings: A Countywide Approach*, ". . . [t]he timely reduction of greenhouse gas emissions from Marin County's building sector will require in-depth, comprehensive and coordinated planning."

In framing your required response to the Grand Jury, we urge you to commit to its recommendations R1 and R2 to adopt a reach code banning natural gas in new buildings and incentivizing electrification when renovating existing buildings. The countywide model ordinance now being finalized by the County and other jurisdictions enables each body to implement these recommendations by the January 1, 2023 target suggested by the Grand Jury.

In addition, we urge your continued participation with towns and cities countywide to implement recommendation R3 to develop a comprehensive Countywide Building Electrification Plan by January 1, 2024 in order to accomplish electrification of all existing buildings as rapidly as feasible. In addition to the excellent strategies for existing buildings suggested by the Grand Jury, we offer additional approaches below (items 3.a-f).

It's critical that Marin jurisdictions immediately enact a model ordinance that requires that all new buildings be all-electric, strongly incentivizes electric space and water heating in major renovations, and puts Marin firmly on track to accelerate electrification of existing buildings and eliminate installations of gas appliances altogether by 2035.

Why is timely action so important? It will 1) reduce public health and safety risks, 2) avoid stranded assets and exposure to rising fossil fuel prices, and 3) combat climate change.

Reduce Public Health and Safety Risks

Methane, a potent greenhouse gas (GHG) is the principal component of natural gas. It also poses numerous health and safety risks. Eliminating natural gas use in buildings reduces a major fire risk following earthquakes and removes a very dangerous combustion source for structure fires and explosions. Ending natural gas appliance use eliminates their release of toxic combustion byproducts into our homes and businesses that have long term health impacts, especially for children and the elderly. These toxic byproducts include carbon monoxide, nitrogen dioxide,

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carbon dioxide, formaldehyde, and fine particulate matter. Health impacts include much higher rates of asthma in children.

Avoid Stranded Assets and Exposure to Rising Fossil Fuel Prices

Since underground gas piping installed today will last 30-50 years, this infrastructure will become obsolete well before the end of its useful life, representing a wasteful cost that will be passed on to ratepayers in our utility bills. Buildings typically last more than 50 years and if constructed with gas infrastructure those buildings will need to be retrofitted as society moves to phase out natural gas. PG&E acknowledges that we are moving toward all-electric buildings and supports that shift, including phasing out current CPUC subsidies for gas lines and appliances in new residential construction.

All-electric new buildings, by avoiding the cost of installing exterior and interior gas piping, have lower capital costs than identical new buildings with both gas and electricity. They also will likely have lower energy costs, as prices for natural gas have risen sharply during the past year and are forecast to remain high in the future.

Combat Climate Change

The recent Intergovernmental Panel on Climate Change (IPCC) report makes it clear that we must accelerate the reduction in our GHG emissions if we are to meet our climate goals of reducing emissions 40% by 2030 (from 1990 levels) and below net zero by 2045. Approximately 25 percent of California's GHG emissions, and 34 percent of Marin emissions, come from the buildings in which we live and work. While the normal operation of gas appliances produces carbon dioxide, the methane in natural gas is an even more potent GHG than carbon dioxide, and significant leakage of methane directly to the atmosphere occurs during its production, distribution, storage, and even its use inside our buildings. With this leakage, natural gas is nearly as dirty a fuel as coal. Since appliances are typically replaced every 10-20 years, we must start now to assure their replacement with electric appliances in time to meet climate goals.

What Can Marin County Do?

1. Stop adding more natural gas infrastructure immediately by enacting an ordinance mandating that new residential and commercial construction be all-electric. Marin already is seeing applications for thousands of new units to address the affordable housing crisis and to meet our Regional Housing Needs Allocation (RHNA) requirements. The countywide model ordinance now being finalized needs to be adopted by all Marin's towns and cities, so we have uniform standards that are easier for the construction industry to understand and follow.
2. At the same time, enact reach code ordinances countywide that require or strongly encourage a shift now from gas to electrical appliances during significant building renovations, as much of the construction in Marin takes the form of renovating existing

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structures. Space and hot water heaters have a useful life of 10-20 years and we must avoid locking in their emissions for that period of time. Because significant renovation projects frequently already involve upgrades to electrical panels and wiring, changing to electrical appliances as part of a renovation should not involve significant additional costs for those upgrades.

3. Complete a countywide Building Electrification Plan by July 1, 2023 to accelerate the electrification of our existing buildings, in accordance with recommendation R3 and findings F4-F6 of the Marin Civil Grand Jury report. A coalition of stakeholders collaborating on the plan should include: MCE Clean Energy, PG&E, local jurisdiction stakeholders, building societies, labor unions, and community/environmental advocacy groups. This plan should address single family and multi-family residences as well as commercial buildings, include strategies to make sure building electrification takes place in an equitable manner, and contain strong incentives to replace old gas space and water heaters with high efficiency heat pump space and water heaters, on or before completion of their life cycle.

Marin Conservation League recognizes that any plan for shifting existing buildings from gas appliances to electrical appliances must address a series of challenges, especially since such replacement often occurs on a short time-line when an existing appliance fails. However, countywide programs can and must meet these challenges in a number of ways. We suggest that the plan include at least the following elements.

- a. Educate the public on the benefits and cost savings of operating electric appliances, the meaningful rebate programs that are currently¹ available, resources to help consumers identify qualified contractors, and prudent lifecycle planning for replacement of old equipment. Work with home energy assessment providers to include such information in their programs. Work with suppliers and manufacturers to improve availability of electrical appliances and consumer education.
- b. Require that at time of sale, building inspections identify the remaining useful life of existing gas appliances and the estimated cost of any necessary electrical service upgrades, so that potential buyers know what is required to make buildings “electric ready” and how soon after purchase they may need to replace their gas appliances with more efficient electric appliances.
- c. Require replacement of gas space heaters, water heaters, and other appliances with electric within five years of a building's purchase, and prohibit installation of gas appliances in all existing buildings after 2035.

¹ Currently the best source for available rebates from state and local sources can be found at <https://www.bayren.org/rebates-financing>.

- d. Provide and facilitate rebates for purchase and installation costs of electrical appliances, including any necessary electric panel upgrades, so they are no more expensive than gas appliances. Apply incentives at the point of purchase whenever possible. Consider tax rebates and property assessed clean energy (PACE) or other financing options to help achieve such price parity.
- e. In addition to the existing incentives from MCE, PG&E, Bay Area Regional Energy Network (BayREN), Electrify Marin, and local governments, take steps to increase incentives by having the countywide building electrification plan coalition submit comprehensive, innovative, ambitious multi-stakeholder proposals to obtain large-scale funding from state and federal sources.
- f. Address any special challenges to electrification of multi-family dwelling units or single-family homes in lower-income areas. Prioritize funding for building electrification in lower-income areas; such a focus will increase the potential success of grant applications, and (regardless of grants) is the right thing to do.

Thank you for your commitment to this important countywide means of mitigating climate change within the diminishing timeframe we confront.

Sincerely,



Robert Miller
President, Marin Conservation League
Chair, MCL Climate Action Working Group



Ken Strong
Member, MCL Climate Action Working Group

Bill Carney
Member, MCL Climate Action Working Group

ccs:

Al Piombo, City Manager
Patrick Kelly, Director of Planning & Building
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