



Council Agenda Correspondence

DATE: July 5, 2022

TO: Mayor and Council

FROM: Greg Hermann, Deputy City Manager
Chris Read, Sustainability Manager

VIA: Derek Johnson, City Manager

SUBJECT: ITEM 6b - INTRODUCTION OF TWO ORDINANCES SUPPORTING THE CLEAN ENERGY FOR NEW BUILDINGS PROGRAM

Staff received a comment regarding the proposed technical exemption for process loads (see Item 6b, Attachment A, Section 8.10.050.A.b) in a newly constructed industrial or manufacturing facility. The comment expressed concern that the proposed process for allowing Natural Gas Infrastructure when a tenant is not known at time of building permit application may have unintended consequences on their newly constructed industrial or manufacturing facility. As a proposed solution, the comment suggested removing the requirement that an exemption be provided "pending review of initial tenant occupancy."

Staff Reply: *The intent of the proposed language in 8.10.050.A.b is to ensure that an exemption issued for process load would be narrow and to otherwise require projects to electrify end uses and not be used to also install Natural Gas Infrastructure for domestic hot water, HVAC, or other non-process load appliances. However, staff agrees with the public comment that the proposed language may lead to uncertainty in some instances when a future tenant's specific needs that might warrant an exemption are not yet known.*

The draft Ordinance provided in Attachment A of the Council Agenda Report already has a process in place to support electrification of viable end uses in projects that have exemptions for specific end uses (See Section 8.10.050.C). With this process in place, should Council support amending the exemption as requested, staff would recommend amending Section 8.10.050.A.b as follows:

b. Process Loads in a Newly Constructed Manufacturing and Industrial Facility. For a Manufacturing and Industrial facilities facility with unknown future tenants, an exemptions may be provided that allows the extension of Natural Gas Infrastructure into the building at time of construction to support future Process Loads. ~~pending review of initial tenant occupancy.~~

Staff will be prepared to address this item and answer any questions at the Public Hearing on July 5, 2022.