

Regulations for the "Use of 100% **Renewable Energy** Required for On-site **Electricity Demands in Nonresidential** Buildings of 50,000 Square Feet or More" **Ordinance**

Barry Hooper

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SAN FRANCISCO

ENVIRONMENT

DEPARTMENT

Ordinance



Applicability

Non-residential occupancies

(A, B, E, I, M, R-1, and S)

Buildings of 50,000 sq ft gross floor area with 10,000 sq ft or more of interior space that is heated or cooled





Key Components of the Ordinance

1

All electricity used in non-residential existing buildings must be generated from 100% greenhouse-gas free or renewable sources.

7

The ordinance applies to large commercial buildings and phases-in based on gross floor area.

3

To comply, subscribe to a product such as: CleanPowerSF Supergreen, PG&E Solar Choice, SFPUC Hetch Hetchy Power, qualifying Direct Access provider, *or* on-site generation from 100% GHG free or renewable energy resources.



How the Ordinance Defines Renewable Energy

San Francisco's definition of "GHG-Free or Renewable" incorporates State of California regulations.

Regulation	Describes	Qualifying Products
CPUC 2.3, Art. 16, Sec 399.30(j)	Public utility with extraordinary hydroelectric resources	<u>Hetch Hetchy Power</u>
<u>CPRC 8.6 Sec 25741(a)</u> and <u>CPUC 2.3, Art 16, Sec 399.16(b)(1)</u> <u>or (2)</u>	Community Choice Aggregators	CleanPowerSF SuperGreen
	Investor-owned utilities	PG&E Solar Choice*
	Direct Access Providers	Based on Contract



Important Particulars

On-site Generation is not required

- Photovoltaics are consistent with the definition of renewable energy.
- Battery storage does not contribute to compliance.

Pre-existing Agreements

Long-term energy contracts executed and dated prior to December 31, 2019, are not affected during contract term.

Electricity only

The ordinance does not regulate sources of gas or steam.





Timeline

Gross Floor Area	Deadline
≥500k square feet	12/31/2022
250-500k square feet	12/31/2024
50-250k square feet	12/31/2030





Responsibility

The ordinance applies to:

- All electricity used in the building
- Both owners and tenants





Proposed Regulations



Definitions (D.)

Annual Statement of Sources of Electricity

Direct Access Provider

Load Serving Entity





How renewable energy can be obtained (E.)

Options

- Utility, CCA, Direct Access, or on-site renewable generation
- Must be connected to California grid

Excludes

- Temporary backup
- Cogeneration leased or purchased before December 31, 2019





Qualifying products (F.)

Options recognized based on

- CEC Power Content Label and ongoing public commitment by Load Serving Entity
- Direct Access contract (PCC1 or PCC2)
 - Power contributing to RPS can only account for CA RPS minimum
 - Provider provides annual report to SFE
 - WREGIS REC records (if requested)





Documentation of compliance (G.)

Building Owner

- Annual Statement of Sources of Energy
- Notify tenants of requirement
- Accept data from tenants if they comply
- Contact info for non-compliant tenants
- No owner penalty if tenants do not comply





Tenant documentation of compliance (G. & H.)

Tenants with utility accounts

- Must comply
- Report to Building Owner, not direct to SFE
- Can report for entire building where appropriate





Verification (I.)

For up to two years after a report is due, SFE can

- Review bills & similar documentation, or
- Accept review by a licensed PE
 (such as during an EBO energy audit)





Penalties (J.)

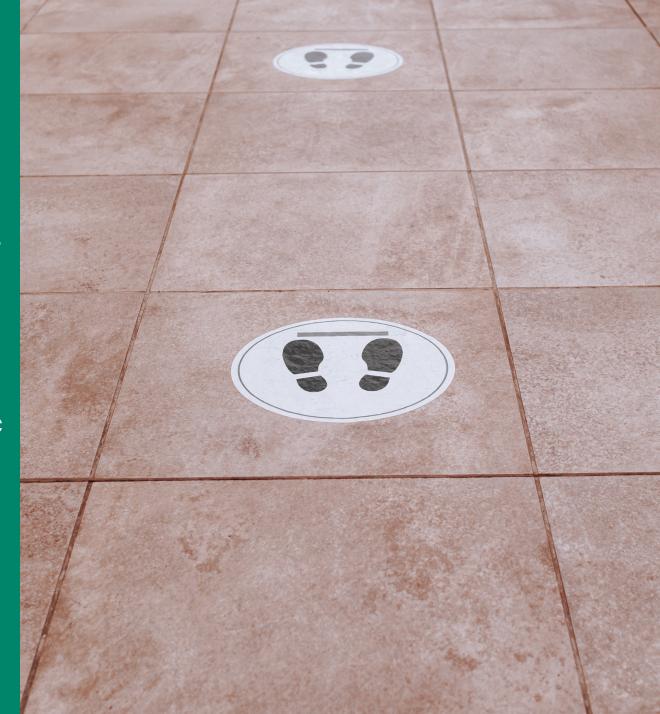
Penalties apply to the utility account holder that is not in compliance





Waiting lists (K.)

- Allows time to establish new service
- Placement on a waiting list is sufficient for compliance if no other programs are open for enrollment
- Excludes situations where:
 - Enrollment would require physical improvements
 - Cost of participation exceeds PG&E basic service by 5% or more based on Joint Rate Comparison





Thank you!

Barry Hooper
Barry.e.Hooper@sfgov.org
San Francisco Environment Department
SFEnvironment.org



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