



Office of the City Manager

September 9, 2024

To: Honorable Mayor and Members of the City Council
From: LaTanya Bellow, Interim City Manager
Re: U.S. Department of Energy Zero Codes Award

The City of Berkeley and the City and County of San Francisco have been jointly awarded \$19.9 million over nine years from the U.S. Department of Energy (DOE), to develop, implement, and enforce Building Performance Standards (BPS) for large multifamily and commercial buildings. Of the total amount, the City of Berkeley will receive approximately \$5.7 million over the grant period. The funding will also support the development of a model regional BPS policy, and the creation of new programs to ensure equity priority buildings have the necessary support to achieve any adopted BPS requirements.

The DOE [Latest and Zero Building Energy Codes Funding Opportunity](#)¹ provides funding to cities and states to develop, implement, and enforce the latest building energy codes, zero energy building codes, or equivalents. These include Building Performance Standards, which are policies that require existing buildings to meet certain performance levels over time. They provide building owners with discrete energy and/or greenhouse emissions reduction targets that align with a city's climate action goals, allowing building owners to plan and incorporate upgrades within their building's lifecycle. The DOE's Zero Codes funding will support Berkeley's efforts to reach climate action goals and equitably decarbonize existing buildings.

The primary goals of the award are:

1. Adopt, implement, and enforce BPS in Berkeley and San Francisco
2. Work with community partners to ensure equity priority building compliance with the BPS requirements
3. Collaborate on a model BPS based on San Francisco and Berkeley's efforts that could be adopted by cities across the Bay Area
4. Leverage existing regional expertise and infrastructure to support region-wide readiness for BPS adoption

¹ <https://www.energy.gov/articles/biden-harris-administration-announces-530-million-building-energy-efficiency-and>

The scope of the supportive programs for equity priority buildings will be developed through a community driven process. Equity priority buildings are likely to include building owners with less access to capital and less sophisticated building energy management systems, such as residential, religious worship, and public assembly buildings.

Before funding is issued, DOE and the applicants will undergo a negotiation process, and DOE may cancel negotiations and rescind the selection for any reason during that time. DOE announcement of awards is available at <https://www.energy.gov/scep/selection-summary-inflation-reduction-act-support-building-energy-codes-and-innovative-codes>.

In 2019, the Berkeley City Council declared a Climate Emergency and proposed a goal of becoming Fossil Fuel-Free City, and in 2021 the Council adopted a resolution to join the Cities Race to Zero Campaign, committing to reduce emissions 60.5% from 2018 levels by 2030. In order to reach these goals, further emissions reductions are needed from Berkeley's building sector.

Berkeley's Building Emissions Saving Ordinance (BESO) is the City's primary policy to reduce emissions from existing buildings. BESO requires Berkeley's large buildings to submit annual energy benchmarks and conduct compressive energy assessments every five years. The program promotes voluntary energy and electrification upgrades in buildings through energy information and disclosure. Over time, it has become evident that additional requirements, beyond voluntary actions, are needed to achieve Berkeley's emission reduction goals.

In 2020, Berkeley City Council amended BESO, directing staff to develop energy upgrade requirements, such as Building Performance Standards, for Council's consideration. Additionally, Berkeley's Existing Building Electrification Strategy (BEBES) identified Building Performance Standards as a primary policy strategy to equitably decarbonize Berkeley's existing buildings.

In early 2023, Berkeley joined the National Building Performance Standard Coalition to accelerate an equitable transition off fossil fuels. By joining the Coalition, Berkeley committed to inclusively design and implement equitable Building Performance Standards.

cc: Anne Cardwell, Deputy City Manager
Jenny Wong, City Auditor
Farimah Brown, City Attorney
Mark Numainville, City Clerk
Matthai Chakko, Assistant to the City Manager
Jordan Klein, Director, Planning and Development Department