



# 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

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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.

2

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
<a href="#">CPUC 2.3, Art. 16, Sec 399.30(j)</a>	Public utility with extraordinary hydroelectric resources	<a href="#">Hetch Hetchy Power</a>
<a href="#">CPRC 8.6 Sec 25741(a)</a> and <a href="#">CPUC 2.3, Art 16, Sec 399.16(b)(1) or (2)</a>	Community Choice Aggregators	<a href="#">CleanPowerSF SuperGreen</a>
	Investor-owned utilities	<a href="#">PG&amp;E Solar Choice*</a>
	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

SFE





# 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!

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