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CITY COUNCIL STAFF REPORT  
Meeting: July 15<sup>th</sup>, 2014

Subject

Study Session to provide direction on the preferred alternative for the Climate Action Plan (CAP) to be considered for environmental review and analysis.

Recommended Action

Staff recommends that the City Council:

- Review the Climate Action Plan (CAP) measure alternatives and provide direction on the preferred alternative to analyze in the environmental review.

Background

On March 18th, the City Council authorized staff to prepare a Climate Action Plan (CAP), which outlines a menu of actions to reduce municipal and communitywide greenhouse gas emissions (GHG) arising from the energy, transportation, water and solid waste sectors.

Cupertino's draft menu of actions was developed to achieve California's AB32-driven 15% reduction targets by first surveying state, national and international best practices to effectively mitigate emissions at the local level, and next reviewing those actions to gauge their current implementation status in our jurisdiction. This work was performed as part of a grant-funded regional initiative coordinated by Santa Clara County to develop emissions reduction strategies and source collaboration opportunities for the participating jurisdictions of Gilroy, Morgan Hill, Mountain View, Saratoga, San José, and the unincorporated County. Additional background on this regional project is provided in the Planning Commission Staff Report (Attachment A).

This staff report is focused on Planning Commission comments received at their study session on July 8, 2014. A detailed discussion of issues is provided in Attachment A (July 8, 2014 Planning Commission staff report). Attachments A-1, A-2, A-3, A-5 and A-6 provide a detailed summary of technical information and Attachment 4 provides a summary of public input, including general Planning Commission CAP comments not referenced below.

Planning Commission Study Session

The Planning Commission reviewed three proposed alternatives for the CAP at a July 8<sup>th</sup> Study Session.

The three alternative CAP programs were developed using the following three key considerations:

1. Achieve the minimum state-defined 15% reduction target,
2. Pursue a defined implementation strategy (e.g. voluntary vs. regulatory), and
3. Optimize associated staff and financial resources.

Comments from the Planning Commission are organized by general category and shared on each of the three alternatives below. Additional feedback gathered at their July 8<sup>th</sup> study session is provided in Attachment A-4.

- Alternative 1 – (E-5.1) Community Choice Aggregation (CCA) – 22% reduction potential  
A CCA allows cities and counties to aggregate the buying power of individual customers within a defined jurisdiction in order to secure alternative energy supply contracts on a community-wide basis.

Planning Commission Comments:

- Several Commissioners supported advancing with the forthcoming PG&E Green Options program in the near term to achieve 2020 targets while studying the potential of launching a local CCA to achieve longer-term (2035) goals, and
- Requested more information on cost and performance on implementation on CCAs.

- Alternative 2 – Enhanced Voluntary Outreach – 15.5% reduction potential

Alternative 2 focuses on voluntary retrofit programs and an aggressive outreach campaign to new building owners, as well as existing residents and businesses. This alternative also includes consideration of the development of a longer-term energy management and resiliency plan to consider the potential impacts of climate change on the community's energy security, as well as future consideration of some of the mandatory building regulations described in Alternative 3.

Planning Commission Comments:

- The majority of Commissioners supported the City advancing the expanded measures referenced above, paired with Alternative 2 actions listed here. The Commission noted that support of a voluntary approach, through new outreach, would require financial incentives, to extend current offerings, secure high program participation, and eliminate community and enforcement burdens attributed to mandatory compliance.
- Several Commissioners encouraged a heightened focus on transportation sector measures to mitigate intercity trips. Commissioners encouraged staff to expand bicycle and pedestrian improvements, community bike share and (electric) shuttle services, as well as school-focused transportation programs. One Commissioner asked that staff revisit transportation studies conducted in the past to see if a viable option to mitigate congestion and achieve CAP-related environmental benefits can be sourced from this work previously performed.
- One Commissioner also requested that the City focus on improving its own operations to reduce municipal emissions through transitioning its fleet to all electric, installing additional charging stations, and investing in water reuse, recycling and storage.

- **Alternative 3 – Mandatory Building Regulations – 16.2% reduction potential**

Alternative 3 expands the strategies included in Alternative 2 by recommending the adoption of several mandatory building regulations (see Attachment 3 for further description).

**Planning Commission Comments:**

- The majority of Commissioners voiced concerns over increasing local burdens for developers or the real estate community through the addition of new requirements.
- Though not all individual measures were reviewed by the Commission, numerous Commissioners noted support for solar-ready pre-wiring requirements.
- One Commissioner encouraged the consideration of more stringent requirements on large facilities that have a larger contribution to local resource consumption and emissions generation.
- Several Commissioners agreed that a regional approach to advance these mandatory measures would be more effective than the City pursuing them on its own, as was achieved with the City's recent Green Building Ordinance, Single Use Bag Ordinance and Foam Food Ware Ordinance. One Commissioner noted that he preferred these regulations continue to be set at the state level.

Staff will endeavor to provide responses to questions asked by the Planning Commission for the Council's consideration on July 15, 2014.

Next Steps & Timeline

Following Council direction on the preferred alternative to analyze, the City's CAP, the City's consultant will prepare the appropriate environmental review document per the schedule outlined in Attachment A-7. The CAP timeline will parallel that of the City's GPA and is expected to return to Council for adoption in October 2014.

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Attachments:

A – July 8<sup>th</sup>, 2014 Planning Commission Study Session Packet:

- 1 – Greenhouse Gas Emissions Inventories
- 2 – Neighboring CAPs and Targets
- 3 – Proposed CAP Measures and Actions
- 4 – Community Input Collected
- 5 – Existing City Actions
- 6 – Expanded & New City and Community Actions
- 7 – CAP Milestones Schedule