

Joint Sustainability Committee

RECOMMENDATION 20230726-XXX

Date: September 27, 2023

Subject: Priorities for accelerating implementation of the Austin Climate Equity Plan

Motioned By:

Seconded By:

Recommendation

The Joint Sustainability Committee recommends that additional emphasis be placed on implementing the strategies in the Austin Climate Equity Plan, to give our community a chance to meet the goals of the plan. The committee recommends that the City Council, city management, and appropriate city departments start work immediately to implement the following list of strategies identified as priorities.

Sustainable Buildings Recommendations:

1. City Council should (after appropriate stakeholder engagement by Austin Energy and Development Services) adopt the 2024 International Energy Conservation Code (IECC), with a local amendment to require space for a heat pump hot water heater, as quickly as possible. [Sustainable Buildings Goal 1, Strategies 1 and 3]
2. City Council should update the Energy Conservation Audit and Disclosure Ordinance (ECAD) to require energy efficiency upgrades to multifamily and commercial buildings that perform poorly on energy audits. [Sustainable Buildings Goal 1, Strategies 1 & 3]
3. City Council should create a density bonus (that stacks on top of Affordability Unlocked bonus and other bonus programs) to incentivize the use of the Passive House standard and/or Living Building Challenge standard. [Sustainable Buildings Goal 1, Strategies 1 and 3]
4. City Council should establish a policy to explicitly promote or incentivize the Passive House and/or Living Building Challenge standards throughout the City of Austin RFP and building funding scoring metrics (stating preference for and/or adding points to scoring for meeting these standards). [Sustainable Buildings Goal 1, Strategies 1 and 3]
5. Austin Energy should create a pilot program, possibly utilizing funds from Austin Energy's Energy Efficiency Services fee or grants, to demonstrate the efficacy of certified Passive House and/or Living Building Challenge multifamily projects. Recommend funding \$3,000 per unit for first 1000 Low Income Housing Tax Credit (LIHTC) units to certify and create a report detailing construction cost increases vis a vis utility savings and other benefits. [Sustainable Buildings Goal 1, Strategies 1 and 3]
6. Austin Energy should split the Austin Energy Green Building (AEGB) program into one track that applies to Smart Housing and a "standard" track for all other development.

Allocate funding and staff to administer these programs. Create incentives and/or provide a density bonus for Smart Housing to meet the requirements of the “standard” AEGB program. [Sustainable Buildings Goal 1, Strategies 1 and 3]

7. Austin Energy should work with relevant commissions and stakeholders to update Austin Energy’s Green Choice program to address current energy needs, such as load-matching renewable energy and improving grid resilience through energy storage. [Sustainable Buildings Goal 1, Strategy 3]

Rationale:

The Joint Sustainability Committee (JSC) is charged with advising city staff and City Council on implementation of the Austin Climate Equity Plan (ACEP). The JSC created three working groups to evaluate progress in implementing the strategies in each section of the plan. While some progress is being made, and we applaud the work that is being done by staff in several departments in alignment with the goals and strategies of the ACEP, there are many programs and policies that need addressing to implement the plan on the intended timeline. The plan was drafted with 2030 goals and strategies that were to be implemented by 2025. That leaves just over two years to at least get each strategy started. Given the accelerating state of the climate crisis and the fact that the IPCC says that the planet is on track for catastrophic climate change, we urge the City Council, city management, and all departments to work to implement the changes called for in the plan with urgency.

Our working groups have identified a list of strategies we recommend as a first round of priorities to start on now. This is just a subset of the many strategies that still need to be implemented in the plan. These strategies are being highlighted for different reasons, often for some combination of:

- Providing significant reduction in greenhouse gas emissions
- Improving equity in our community
- Improve community resilience
- Addressing sectors that have received little or no attention

Sustainable Building Recommendations Rational

1. The 2024 International Energy Conservation Code (IECC) will result in more efficient residential and commercial building and will establish initial standards for electric-ready and EV-ready construction. These are important improvements that are called for in the Austin Climate Equity Plan and will reduce greenhouse gas emissions. Constructing buildings that are efficient and allow for electrification is more cost effective than retrofitting them later. This is a low-cost option for the city because builders would make the investments. It will also ultimately reduce costs for building owners and occupants.

2. The Energy Conservation Audit and Disclosure Ordinance (ECAD) is a good first step to raise awareness about the efficiency of buildings, but with high demand for housing and commercial real estate, disclosure of this information isn't sufficient to result in improvements to buildings. It's time to follow the lead of other cities, such as [Washington D.C.](#), and require improvements when energy efficiency deficiencies are identified. This is a medium-cost option for the city because property owners would make the investments, likely with the help of existing incentives from Austin Energy. There are opportunities to create programs for affordable housing where they can receive technical and financial assistance to complete needed projects. Large initiatives like this can attract funding from the Inflation Reduction Act to address administration costs and needed financial assistance to building owners.
3. It will increase climate resiliency, reduce costs for building owners and occupants, and greatly decrease carbon emissions in the building sector. Passive House and the Living Building Challenge are robust energy efficiency standards. A bonus program that incentivizes builders to meet these more robust standards will benefit building occupants and help meet energy efficiency goals set in the Austin Climate Equity Plan and the Austin Energy Resource, Generation and Climate Protection Plan. This is a low-cost option for the city because builders would make the investments. It will also ultimately reduce costs for building owners and occupants.
4. The City of Austin should ensure that the highest energy efficiency and sustainable buildings standards are met for any project funded by the city. The Passive House and Living Building Challenge standards are robust standards that the city should require for public projects.
5. Passive House and Living Building Challenge certified buildings provide safe, resilient housing options that use significantly less energy, especially at peak demand times and their initial costs are marginal. These buildings are being incentivized and even mandated in many cities and states across the continent. The pilot program we are recommending is intended to provide proof of concept examples and is modeled on a successful program in Massachusetts that has led to Passive House recently being adopted as code minimum for all multifamily projects above 12,000 sf.
6. Austin's Smart Housing program requires some buildings to achieve at least a three-star rating through the Austin Energy Green Building (AEGB) program. Because this is interpreted as a mandatory code by the city legal department, there are certain improvements - especially around excluding unhealthy and unsustainable building materials and fossil fuel use - that aren't being made to the AEGB standards, out of concern that they may be prohibited by state law that applies to mandatory codes. There is much more freedom with voluntary codes, so splitting AEGB into two tracks - one that applies only to Smart Housing and one that is for all other builders who want to voluntarily meet the standard - will allow for the latter track to be improved without the same restrictions. These important programs need adequate funding and staffing to continue their success.

7. Austin Energy's Green Choice program served an important need for many years by providing funding for additional wind energy contracts. Now, funds collected by program participants are used to slightly decrease the Power Supply Adjustment (PSA) fee. While specific wind projects are still designated as supplying Green Choice Participants, new projects aren't procured based on program participation because Austin Energy already has such a large amount of wind generation in its portfolio. The current need is for renewable energy that is available at the times when Austin Energy customers are using energy, so purchasing or contracting for load-matching renewable energy and energy storage resources would be a good use of Green Choice funds. Addition of these dispatchable resources will enable Austin Energy to retire its coal and natural gas power plants and remain financially strong.

Vote

For:

Against:

Abstain:

Absent:

Attest: *[Staff or board member can sign]*