MINUTES

Eugene City Council Work Session Eugene, Oregon 97401

July 27, 2022 12:00 p.m.

Councilors Present: Claire Syrett, Matt Keating, Jennifer Yeh, Mike Clark, Randy Groves, Emily Semple, Alan Zelenka, Greg Evans

Mayor Vinis opened the July 27, 2022, work session of the Eugene City Council in hybrid format at 101 W. 10th Avenue, Suite 114, Eugene, OR 97401.

1. WORK SESSION: Building Electrification Follow-Up

City Manager Sarah Medary provided a short presentation regarding the Climate Recovery Ordinance and building electrification.

Council Discussion:

 Councilor Syrett – noted that she has been pushing Council to take action on decarbonization and recognizes that there are some councilors who would like to wait until after the next Good Company report to take any action; noted that she intends to withdraw the motion on the table and separate the motion into two motions for residential and commercial individually; stated the reason for putting the motion forward is to give the public confidence that there will be further discussion; formally withdrew the motion on the table from the July 25, 2022 work session.

MOTION: Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to draft an ordinance prohibiting natural gas and other fossil fuel infrastructure in all low-rise residential buildings for which permits are submitted after June 30, 2023, and schedule a public hearing on the ordinance in the fall.

Council Discussion:

- Councilor Clark stated that everyone agrees that Eugene is in a housing crisis; noted he is interested in hearing more reports from Good Company, EWEB and NW Natural about successful ways to plan decarbonization; voiced a concern that developers will not build homes in the community if this ordinance passes; stated he would prefer dual fuel options that have been previously suggested; stated he is concerned that this will create a backlash from residents and set back decarbonization efforts.
- Councilor Zelenka asked if there will be two separate motions; asked if the decarbonization pathway motions will be put forth; noted that he would prefer options be brought back regarding end use limitations; noted that there are commercially available electric options for space and water heating as well as

pool heating; noted that cooktops and fireplaces are a very small fraction of a percent of the current emissions.

MOTION TO AMEND: Councilor Zelenka, seconded by Councilor Groves, moved to amend the motion to add after June 30, 2023, "including options for limitations on end uses".

Council Discussion:

- Councilor Zelenka clarified that his intention with the motion is to provide flexibility and potentially limit end uses such as space and water heating.
- Mayor Vinis asked staff to clarify if the original motion by Councilor Syrett would fall within the City of Eugene building code authority and not need state approval; asked staff to clarify if the proposed amendment to the motion would still fit within that local authority or require state approval.
- Councilor Syrett stated she is not supportive of the proposed amendment; noted that
 a more targeted approach can be determined at a later date; noted that she would like
 to avoid a path that requires a state exemption; stated that she has concern regarding
 the equity of limiting or prohibiting end use; noted it would be difficult to enforce
 limiting end uses.
- Councilor Yeh stated that there have been studies of natural gas appliances that show they leak when not in use and can be hazardous to air quality and health.
- Councilor Clark asked the City Manager how much the City of Eugene paid for the report from Good Company; noted that it appears that Council is setting aside the work and information in the report from Good Company; noted that he wants to see final reports and have further work sessions on the topic before creating ordinances.
- Councilor Zelenka stated that it is not clear that Council has the local authority to take the steps being discussed without state approval; noted he would like to have one ordinance with mutually exclusive options for different types of bans and then allow the public to comment on them; noted that the National Fire Protection Agency shows that electric cooking fires have a higher death and injury rate than gas cooktops; stated he would like the option to consider limiting end use of fossil fuels rather than an outright ban.
- Councilor Keating noted that the proposed amendment is not straightforward and can be confusing; urged his colleagues to vote against the amendment.

VOTE ON MOTION TO AMEND: FAILED 3:5, opposed by councilors Clark, Keating, Semple, Syrett, and Yeh

 Councilor Groves – noted that he is in favor of waiting to get the report from Good Company on commercial and industrial before making any decisions in that area; stated his support for ensuring that there is a public process and engagement on this issue; noted that Council has had to discuss and make decisions on a lot of emotionally charged topics recently and the community has a finite level of tolerance on these issues; stated that he would like Council to explore items such as vehicle emissions testing as a way of reducing carbon emissions; noted concern over the level of impact this ban could have for little overall benefit.

- Councilor Semple asked to clarify what the term "low-rise residential buildings" . includes; asked staff to confirm that including other taller buildings would make the ordinance more complicated; asked to clarify if infrastructure includes piping into the house or just the piping that runs through the street; asked if Council will have a work session to review the ordinance before a public hearing; stated she would like to see public outreach beyond a public hearing to reach more people; noted that there has been a lot of testimony over the years in favor of a fossil-free Eugene; noted that the amount of emissions saved by acting now versus acting after the reports are received would be insignificant; stated concern over creating an ordinance that would have to be revamped to meet state law; stated she would like Council to make a statement with this ordinance but feels that it is best to wait until the reports from Good Company, EWEB and NW Natural are in, and then have a public hearing; noted she would like the focus to move back to weatherization and incentives for more climate-friendly appliance upgrades; stated she supports the goal of the motion but will not vote in favor at this time.
- Councilor Keating noted that he will support the motion; stated that 83 percent of
 new homes built are built with natural gas; noted that there will be engagement in the
 fall for the commercial and industrial carbon reduction options; stated that there is a
 need to act for the health of the community and residential action is the easiest; urged
 his colleagues to vote in favor of the motion.
- Councilor Evans asked staff if they know what is currently planned for residential developments and subdivisions; asked staff how the motion will impact those planned developments; asked to confirm that projects that are already scheduled to move forward would be grandfathered in.
- Councilor Syrett noted that there are studies that show that building an all-electric house or low-rise residential building does not increase the cost of the building and lowers the long-term cost; stated that Council will hear the report for commercial and industrial in the fall and the residential information is already available; stated that the Climate Recovery Ordinance received a lot of public comment and input; noted there is a lot of public support for this action.
- Mayor Vinis noted that the majority of Eugene residents want action on climate change; stated that the goal is to change the energy source in buildings over time and move to renewable resources; stated it is important for Council to support clean energy solutions and the long-term impacts.
- Councilor Semple asked when the reports from EWEB and NW Natural are expected; noted that education efforts can be made while waiting for the reports; stated that she is willing to wait to make decision if the end date is the same either way.
- Councilor Zelenka noted that whether or not electrification is cost-effective depends on the cost of both electric and natural gas; noted that there are cost-effective options for space and water heating that are currently available; stated that being rigid without options will not serve Council well in the long run, politically speaking; asked the City Manager how she will approach the direction from Council and if Council will have the opportunity to review the draft ordinance prior to a public hearing; asked Councilor Syrett if she would modify the ordinance to request that the ordinance be brought back to council and then schedule a public hearing.

- Councilor Yeh noted the reason she supports this motion because having an ordinance drafted often increases public engagement; noted that the ordinance can be modified later if needed.
- Councilor Clark stated that the significant issue is that this could impact future housing developments and whether new housing is built; noted that the majority of residents are concerned about climate change however it is at the bottom of their list of concerns.
- Councilor Semple noted that because there is a work session before an ordinance is approved, she will support the motion.
- Councilor Evans asked to clarify that the vote will be on the original motion; asked if there is room to amend the motion to insert a work session on the language of the motion prior to the draft ordinance.

VOTE ON MAIN MOTION: PASSED 5:3, opposed by councilors Clark, Evans, and Groves

MOTION: Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to schedule a work session in the fall to discuss prohibiting natural gas and other fossil fuel infrastructure in all new commercial buildings including as part of that work session a potential waiver process for buildings or uses that may not have feasible access to electric-only options, including a discussion of applicability to certain building types.

Council Discussion:

- Councilor Syrett recognized that a conversation is desired by the City Manager, Mayor and other Council members; noted that this motion is to show to the public that Council intends to come back to the issue and signal their commitment to move forward on the Climate Recovery Ordinance goals.
- Councilor Clark noted that the wisest route is to include as much input as possible; stated that the motion appears overly prescriptive without public input; noted concern that there is not enough public support to begin taking actions at this time; stated his concern that acting too soon will set back climate change goals.
- Councilor Zelenka asked if types of buildings could be included in the motion as a friendly amendment; stated he believes a waiver system will be cumbersome and difficult to manage.
- Councilor Evans stated his concern is making sure that there is significant input and representation from impacted industries to help clarify what the exemption or waiver process should look like; asked if Council can legally exempt or target types of businesses that will be exempted or waivered.
- Councilor Semple asked if existing businesses wanting to expand or add another location would be limited by the ordinance or grandfathered in; asked staff to clarify the difference between building type or business type.
- Councilor Groves noted that he would like to involve local business and industry to
 minimize the impact on them; stated he is in favor of more input and public
 engagement; stated he would rather incentivize the process than mandate it; noted that
 he is not comfortable with the direction that Council is heading with this issue.

- Councilor Keating stated that he has no choice for what energy source to use in his
 rented housing; stated that Council has a choice to make a difference with this motion;
 stated he looks forward to engagement with local business and industry in the future to
 develop this process; noted that the action today would schedule a work session that
 will also include Good Company's report on business and industry.
- Councilor Syrett noted that the motion does not limit the number of questions that councilors can raise about how the ordinance is done; noted that Good Company is having conversations with local business and industry about decarbonization; noted that NW Natural incentivizes developers to install natural gas in new buildings.
- Councilor Zelenka stated that the report from Good Company will show that there is a specific type of building or business that produces the majority of greenhouse gases; stated concern over loss of businesses and jobs in Eugene as a result of this ban; asked how to tell what is financially and technically feasible for waivers.

VOTE: PASSED 7:1, opposed by Councilor Clark

MOTION: Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to bring back a revision to the Climate Action Plan that formalizes as a City goal the electrification of residential and, as feasible, commercial buildings by 2035 and industrial buildings by 2050.

Council Discussion:

- Councilor Syrett noted this motion will ensure that the decarbonization work is done and has a timeline for completion; noted she intends to make another motion for a public engagement process that relates to this issue.
- Councilor Groves stated that he is against legislative mandates in this situation.
- Councilor Zelenka asked if electrification is the right term to use in the motion; noted that there are more ways to get to zero carbon emissions; suggested a friendly amendment to the motion to clarify this.
- Councilor Keating asked if establishing these goals and revising the Climate Action Plan would prevent future efforts to incentivize decarbonization.
- Councilor Groves stated he would be more interested in this if incentives were an option.
- Councilor Clark stated he is concerned about mandating changes and would prefer incentivizing decarbonization.
- Councilor Evans asked to have the motion restated as amended; stated he would also prefer to have an incentive clause built into the motion.
- Councilor Yeh stated that this motion is only setting a goal, not specifying action or stating how to reach the goals.

MOTION RESTATED AS AMENDED AND VOTE: Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to bring back a revision to the Climate Action Plan that formalizes as a City goal the decarbonization of residential and, as feasible, commercial buildings by 2035 and industrial buildings by 2050. **VOTE: PASSED 6:2,** opposed by councilors Clark and Groves **MOTION:** Councilor Syrett, seconded by Councilor Keating, moved to direct the City Manager to return to Council in the fall with a proposal for engaging the community in developing a plan for the transition of buildings to be decarbonized that has at its foundation social, environmental, and economic equity with the emphasis on engagement of historically marginalized communities and their representatives.

- Councilor Zelenka asked for a friendly amendment toadd "as soon as practicable, have the City Manager engage commercial business community in an outreach process to discuss and solicit their input on an electrification ordinance"; stated that the suggested amendment is to target short-term electrification of commercial businesses to have input prior to a fall work session; noted that he will make a separate motion for this.
- Councilor Groves asked for the motion to be restated.
- Councilor Semple stated that the business community is considered part of the community and does not need to be called out separately; noted that the term "non-fossil fuel" is clearer than decarbonization.
- Councilor Groves asked how to handle the issue that generating electricity is partially created by burning fossil fuels.

VOTE: PASSED 6:2, opposed by councilors Clark and Groves

MOTION: Councilor Zelenka, seconded by Councilor Keating, moved to direct the City Manager to, as soon as practicable, engage the commercial business community on a potential electrification ordinance and do an outreach process to discuss and solicit their input.

Council Discussion:

- Councilor Zelenka noted this is related to the electrification process not the long-term decarbonization goals and is a more urgent matter; stated that he would like to engage the community that would potentially be regulated.
- Councilor Semple stated she feels this motion is unnecessary.
- Councilor Yeh noted that engagement processes take a lot of effort and funding; noted concern that the motion calls for work to be done before the report comes back from Good Company; asked Councilor Zelenka if this motion would mean having a work session prior to the engagement process; noted it makes more sense to have the work session and decide then what steps should be taken for engagement.
- Councilor Syrett asked for the City Manger's thoughts and opinions on the proposed engagement process; noted appreciation for the signal this motion would send to business community; noted concern for the time and resources that this would take.
- Councilor Zelenka stated he is fearful that a no vote will appear as if Council does not care about the business community's input; stated he would like to reword the motion to state "direct the City Manager to engage the commercial business community on a potential electrification ordinance and do an outreach process to discuss and solicit their input."

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- Councilor Semple asked how much the engagement process will cost; noted that there is limited time and funding for this process.
- Councilor Groves stated that it is critically important to signal to the business community that their opinions are important.
- Councilor Keating stated he has been critical of tactics that appear to delay action in the past; noted that he welcomes the opportunity to create conversations to address engagement issues and send a signal to the business community.
- Councilor Yeh stated that Council has done a good job engaging the business community in the past; noted that she does not want the people to think that Council values the business community input more than the input of individual residents.
- Councilor Keating asked how many businesses Good Company has had conversations with in creating its report.
- Councilor Zelenka noted that the motion being considered is about building electrification not the long-term decarbonization goal.

Councilor Clark exited the work session.

MOTION (RESTATED) AND VOTE: Councilor Zelenka, seconded by Councilor Keating, moved that prior to the drafting of an electrification ordinance the City Manager engage the business community with an outreach process to discuss and solicit their input. **VOTE: PASSED 7:0,** Councilor Clark absent

Mayor Vinis adjourned the meeting at 1:49 p.m.

Respectfully submitted,

Katie LaSala City Recorder

(Recorded by Sara McKinney) Webcast of meeting available <u>here</u>.

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