INITIAL STATEMENT OF REASONS FOR PROPOSED BUILDING STANDARDS OF THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT REGARDING THE 2025 CALIFORNIA ELECTRICAL CODE, CALIFORNIA CODE OF REGULATIONS, TITLE 24, PART 3 (HCD 01/23)

The Administrative Procedure Act (APA) requires that an Initial Statement of Reasons be available to the public upon request when rulemaking action is being undertaken. The following information required by the APA pertains to this particular rulemaking action:

STATEMENT OF SPECIFIC PURPOSE, PROBLEM, RATIONALE and BENEFITS

Government Code Section 11346.2(b)(1) requires a statement of specific purpose of each adoption, amendment, or repeal and the problem the agency intends to address and the rationale for the determination by the agency that each adoption, amendment, or repeal is reasonably necessary to carry out the purpose and address the problem for which it is proposed. The statement shall enumerate the benefits anticipated from the regulatory action, including the benefits or goals provided in the authorizing statute.

California Health and Safety Code (HSC), section 17921(a), directs the Department of Housing and Community Development (HCD) to propose adoption, amendment, or repeal of building standards for the protection and benefit of public health, safety, and general welfare. HCD has determined the proposed amendments herein, impacting the 2025 California Electrical Code (CEC) within the California Code of Regulations (CCR), title 24, part 3, are necessary to meet HCD's mandate in HSC, section 17922(a).

The 2025 CEC proposal is based on the 2023 National Electrical Code (NEC), which will be effective on January 1, 2026. Specific rationale for this proposed rulemaking is provided within the respective items herein.

ITEM 1

Article 89 General Code Provisions

HCD proposes to bring forward existing California Amendments in Article 89 from the 2022 CEC for adoption into the 2025 CEC with modifications as follows:

89.101.1 Title.

Rationale: HCD proposes to bring forward Article 89 from the 2022 CEC into the 2025 CEC with an update to the year of the NEC being adopted in section 89.101.1.

CAC Recommendation:

Approve.

Agency Response:

Article 90 Introduction

HCD proposes to adopt Article 90 from the 2023 National Electrical Code (NEC) and bring forward existing California amendments from the 2022 CEC into the 2025 CEC without modification.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 3

Chapter 1 General

HCD proposes to adopt Chapter 1 from the 2023 NEC and bring forward existing California amendments from the 2022 CEC into the 2025 CEC with the following modifications:

Building.

Rationale: HCD proposes to adopt the definition of Building and bring forward existing California amendment with changes. The existing amendment, in the Exception number 3, is revised to include missing text and to align with other parts of Title 24. The existing note is revised to correct for pluralization. There is no intended change in regulatory effect.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 4

Chapter 2 Wiring and Protection

HCD proposes to adopt Chapter 2 from the 2023 NEC and bring forward existing California amendments from the 2022 CEC into the 2025 CEC with the following modification:

210.8 Ground-Fault Circuit-Interrupter Protection for Personnel.

Rationale: HCD proposes to adopt the above referenced section with a new California amendment. The amendment will remove the September 1, 2026, expiration date from Exception No. 2. There have been reported issues (nuisance tripping) with heating, ventilation, and air conditioning (HVAC) equipment incompatibility with ground fault circuit interrupters (GFCI). HCD is proposing to leave this exception in the 2025 CEC until the expiration of the 2025 CEC.

CAC Recommendation:

Approve.

Agency Response:

Chapter 3 Wiring Methods and Materials, Article 394.12 Uses Not Permitted

HCD proposes to adopt Chapter 3 from the 2023 NEC and bring forward existing California amendments from the 2022 CEC into the 2025 CEC with the following modification:

394.12 Uses Not Permitted.

Rationale: HCD proposes to continue adoption of the above referenced section with an existing California amendment with changes. The change adds "HCD 2" to the banner for this section as it applies to permanent buildings in mobilehome parks and special occupancy parks.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 6

Chapter 4 Equipment for General Use

HCD proposes to adopt Chapter 4 (except Article 425) from the 2023 NEC and bring forward California amendments from the 2022 CEC into the 2025 CEC with the following modifications:

406.12 Tamper-Resistant Receptacles.

Rationale: HCD proposes to adopt the above referenced section with a proposed new California amendment. The amendment eliminates conflicts with United States Code (U.S.C.), federal regulations, and California Health and Safety Code (i.e., U.S.C.: title 42, section 5403(d)); and HSC, section 18909(g)). Mobilehomes and manufactured homes are preempted and are not subject to building standards.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 7

Chapter 5 Special Occupancies

HCD proposes to adopt Chapter 5, (only Articles 518, 545, and 590) from the 2023 NEC into the 2025 CEC without amendment.

CAC Recommendation:

Approve.

Agency Response:

Chapter 6 Special Equipment

HCD proposes to adopt Chapter 6 (only Articles 600, 620, 625, 626, 646, 680, 682, 690, 691, 692, and 694) from the 2023 NEC and bring forward existing California amendments from the 2022 CEC into the 2025 CEC without modification.

CAC Recommendation:

Approve.

Agency Response:

Disagree. Upon further review, HCD has withdrawn its proposal to repeal the comma from Section *625.1.1*. The proposal to remove the comma is an editorial change that can be addressed during codification of the 2025 California Electrical Code. There is no change in regulatory effect.

ITEM 9

Chapter 7 Special Conditions

HCD proposes to adopt Chapter 7 (except Articles 701 and 760) from the 2023 NEC into the 2025 CEC without amendment.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 10

Chapter 8 Communication Systems

HCD proposes to adopt the above referenced Chapter from the 2023 NEC into the 2025 CEC without amendment.

CAC Recommendation:

Approve.

Agency Response:

Accept.

ITEM 11

Chapter 9 Tables

HCD proposes to adopt Chapter 9 from the 2023 NEC into the 2025 CEC without amendment.

CAC Recommendation:

Approve.

Agency Response:

Informative Annexes

HCD proposes to not adopt the above referenced annexes A through K from the 2023 NEC. The Annexes are available for local enforcement agencies to adopt by ordinance.

CAC Recommendation:

Approve.

Agency Response:

Accept.

TECHNICAL, THEORETICAL, AND EMPIRICAL STUDY, REPORT, OR SIMILAR DOCUMENTS

Government Code Section 11346.2(b)(3) requires an identification of each technical, theoretical, and empirical study, report, or similar document, if any, upon which the agency relies in proposing the regulation(s).

2023 NEC, NFPA 70 2023. Published by the NFPA.

STATEMENT OF JUSTIFICATION FOR PRESCRIPTIVE STANDARDS

Government Code Section 11346.2(b)(1) requires a statement of the reasons why an agency believes any mandates for specific technologies or equipment or prescriptive standards are required.

HSC, section 17922, requires HCD to adopt by reference model building codes, e.g., NEC, which contains prescriptive standards. Prescriptive standards provide the following: explicit guidance for certain mandated requirements; consistent application and enforcement of building standards while also establishing clear design parameters; and ensure compliance with minimum health, safety, and welfare standards for owners, occupants, and guests.

Performance standards are permitted by state law; however, they must be demonstrated to the satisfaction of the proper enforcing agency.

CONSIDERATION OF REASONABLE ALTERNATIVES

Government Code Section 11346.2(b)(4)(A) requires a description of reasonable alternatives to the regulation and the agency's reasons for rejecting those alternatives. In the case of a regulation that would mandate the use of specific technologies or equipment or prescribe specific action or procedures, the imposition of performance standards shall be considered as an alternate. It is not the intent of this paragraph to require the agency to artificially construct alternatives or describe unreasonable alternatives.

None. There were no alternatives available to HCD. HCD is required by statute to adopt the most recent edition of this model code by reference. The proposed amendments are the only reasonable alternative for clarifying the 2025 CEC to accommodate California conditions.

REASONABLE ALTERNATIVES THE AGENCY HAS IDENTIFIED THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

Government Code Section 11346.2(b)(4)(B) requires a description of any reasonable alternatives that have been identified or that have otherwise been identified and brought to the attention of the agency that would lessen any adverse impact on small business.

HCD is required by statute to adopt this model code by reference, however, HCD also has authority to propose additions and deletions to the model code pursuant to HSC, section 17922(a).

FACTS, EVIDENCE, DOCUMENTS, TESTIMONY, OR OTHER EVIDENCE OF NO SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

Government Code Section 11346.2(b)(5)(A) requires the facts, evidence, documents, testimony, or other evidence on which the agency relies to support an initial determination that the action will not have a significant adverse economic impact on business.

HCD has determined that this regulatory action would have no significant adverse economic impact on California business enterprises and individuals, including the ability of California businesses to compete with businesses in other states. HCD presented proposed building standards during the Code Advisory Committee (CAC) meetings held from March 25-26, 2024. The CAC provided a special technical review of the proposed building standards and the public was ensured an adequate opportunity to comment on major issues of concern related to the 2023 NEC.

ASSESSMENT OF EFFECT OF REGULATIONS UPON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

Government Code Sections 11346.2(b)(2) and 11346.3(b)(1)

The Department of Housing and Community Development has assessed whether and to what extent this proposal will affect the following:

- A. The creation or elimination of jobs within the State of California.

 These regulations will not affect the creation, or cause the elimination, of jobs within the State of California.
- B. The creation of new businesses or the elimination of existing businesses within the State of California.

These regulations will not affect the creation or the elimination of existing businesses within the State of California.

C. The expansion of businesses currently doing business within the State of California.

These regulations will not affect the expansion of businesses currently doing business within the State of California.

D. The benefits of the regulation to the health and welfare of California residents, worker safety, and the state's environment.

The adoption of the 2023 NEC by reference with California amendments will provide stakeholders with safe and efficient electrical installations while allowing for innovation, new technologies, and accommodation of specialized

requirements for the State of California. These regulations will also update and improve minimum existing building standards, which will provide increased protect of public health and safety, worker safety, and the environment.

ESTIMATED COST OF COMPLIANCE, ESTIMATED POTENTIAL BENEFITS, AND RELATED ASSUMPTIONS USED FOR BUILDING STANDARDS

Government Code Section 11346.2(b)(5)(B)(i) states if a proposed regulation is a building standard, the initial statement of reasons shall include the estimated cost of compliance, the estimated potential benefits, and the related assumptions used to determine the estimates.

No increased cost of compliance for those regulations that make only technical and nonsubstantive changes. Government Code, section 11346.2(b)(5)(B)(ii), provides that the model codes adopted pursuant to HSC, section 18928, shall be exempt from the requirements of Government Code, section 11346.2(b)(5)(B), unless upon request as specified. The purpose of this rulemaking is to adopt the 2023 NEC which is a model code setting forth requirements for electrical systems in structures. The potential benefits provide recognition and appropriate use of new technology and materials, clarity for the code users and local enforcement agencies, and may increase business due to the adoption of new building standards. As noted previously, protection of public health and safety, worker safety, and the environment.

DUPLICATION OR CONFLICTS WITH FEDERAL REGULATIONS

Government Code Section 11346.2(b)(6) requires a department, board, or commission within the Environmental Protection Agency, the Resources Agency, or the Office of the State Fire Marshal to describe its efforts, in connection with a proposed rulemaking action, to avoid unnecessary duplication or conflicts with federal regulations contained in the Code of Federal Regulations addressing the same issues. These agencies may adopt regulations different from these federal regulations upon a finding of one or more of the following justifications: (A) The differing state regulations are authorized by law and/or (B) The cost of differing state regulations is justified by the benefit to human health, public safety, public welfare, or the environment.

The regulations do not duplicate nor conflict with federal regulations. The State of California has preemptive authority to adopt more restrictive mandatory standards for the construction methods and materials addressed in these regulations.