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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 OAKLAND DIVISION

17 California Restaurant Association,
18 Plaintiff,

19 v.

20 City of Berkeley,
21 Defendant.

Case No. 4:19-CV-07668-YGR

**MOTION FOR LEAVE TO FILE
BRIEF OF PROPOSED AMICI
CURIAE
NATIONAL ASSOCIATION OF
HOME BUILDERS; NATIONAL
ASSOCIATION OF
MANUFACTURERS; AIR
CONDITIONING, HEATING, AND
REFRIGERATION INSTITUTE;
HEARTH, PATIO, & BARBECUE
ASSOCIATION**

Judge: Hon. Yvonne Gonzalez Rogers
Date: November 17, 2020
Time: 2:00pm

1 Dated: October 20, 2020

2
3 By: /s/ Shamus Flynn

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CERTIFICATE OF SERVICE

I certify that on October 20, 2020, I caused this document, the accompanying Brief, and Proposed Order, to be filed via the U.S. District Court for the Northern District of California's CM/ECF, which I understand caused service on all registered parties.

/s/ Shamus Flynn
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EXHIBIT 1

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INTEREST OF AMICI CURIAE

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2 Plaintiff California Restaurant Association (“Association”) challenges the City of Berkeley’s
3 (“City”) Natural Gas Infrastructure Ordinance (“Ordinance” or “Berkeley Ordinance”) as preempted
4 by the Energy Policy and Conservation Act (“Act”), 42 U.S.C. § 6201 *et seq.* Amici curiae are four
5 national trade associations representing members in the building, building supply, and related trades
6 who support smart policies that reduce greenhouse gas emissions. Amici curiae members
7 manufacture, use, and rely on products and equipment regulated by the Act. Because the Berkeley
8 Ordinance would prevent the use of certain products and equipment covered by the Act, this challenge
9 is important to Amici and its resolution will impact their members. Below are separate interest
10 statements from each amicus organization.

National Association of Home Builders

11
12 The National Association of Home Builders (“NAHB”) is a Washington, D.C.-based trade
13 association whose mission is “to protect the American Dream of housing opportunities for all, while
14 working to achieve professional success for its members who build communities, create jobs and
15 strengthen our economy.”¹ Founded in 1942, NAHB is a federation of more than 700 state and local
16 associations. About one-third of NAHB’s approximately 140,000 members are home builders or
17 remodelers; its builder members construct about 80 percent of all new homes built in the United States.
18 The remaining members are associates working in closely-related fields such as building products and
19 services. NAHB’s members collectively employ over 3.4 million people nationwide.

National Association of Manufacturers

20
21 The National Association of Manufacturers (“NAM”) is the largest manufacturing association
22 in the United States, representing small and large manufacturers in every industrial sector and in all
23 50 states. Manufacturing employs more than 12 million men and women, contributes roughly \$2.17
24 trillion to the U.S. economy annually, has the largest economic impact of any major sector, and
25 accounts for nearly three-quarters of private-sector research and development in the Nation. The NAM
26 is the voice of the manufacturing community and the leading advocate for a policy agenda that helps

27 ¹ NAHB’s mission statement is available at <https://www.nahb.org/Why-NAHB/About-NAHB> (last
28 visited October 20, 2020).

1 manufacturers compete in the global economy and create jobs across the United States. The NAM is
2 a 501(c)(6) nonprofit organization headquartered in Washington, D.C.

3 ***Air Conditioning, Heating, and Refrigeration Institute***

4 The Air Conditioning, Heating, and Refrigeration Institute (“AHRI”) is a North American
5 trade association of manufacturers of air conditioning, heating, and commercial refrigeration
6 equipment. AHRI aims to “be the advocate of North American HVACR and water heater
7 manufacturers and a global leader of the industry.”² AHRI’s 315 member companies manufacture
8 quality, efficient, and innovative residential and commercial air conditioning, space heating, water
9 heating, and commercial refrigeration equipment and components for sale in North America and
10 around the world, accounting for more than 90 percent of HVACR and water heating residential and
11 commercial equipment manufactured and sold in North America.

12 ***Hearth, Patio & Barbecue Association***

13 The Hearth, Patio & Barbecue Association (“HPBA”) is the principal trade association
14 representing the hearth products and barbecue industries in North America. HPBA’s members
15 include manufacturers, retailers, distributors, manufacturers’ representatives, service installation
16 firms, and other companies and individuals who have business interests related to the hearth, patio,
17 and barbecue industries.

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² AHRI’s mission statement is available at <http://www.ahrinet.org/about-us> (last visited October 20,
28 2020).

INTRODUCTION AND SUMMARY OF ARGUMENT

1
2 The question before this Court is whether the Berkeley Ordinance is a regulation “concerning”
3 the “energy efficiency” or “energy use” of a covered product under the Act. The answer to that
4 question is unequivocally yes. The City attempts to shift the Court’s focus by arguing that the
5 Ordinance is not preempted because it regulates the installation of natural gas infrastructure and does
6 not directly or expressly regulate the “energy efficiency” or “energy use” of a covered product. Motion
7 to Dismiss First Amended Complaint at 2, 14. But the City’s myopic argument has no basis in either
8 the Act, which broadly preempts any ordinance “concerning” the energy use of covered products, or
9 the Ordinance, which necessarily concerns the energy use of covered products. The Act defines
10 “energy use” as “the quantity of [electricity, or fossil fuels] directly consumed” by covered products
11 or industrial equipment “at the point of use.” 42 U.S.C. §§ 6291(4); 6311(4). By banning the
12 installation of natural gas connections in new construction, the Ordinance necessarily ensures that the
13 amount of fossil fuels consumed by a subset of covered products—gas appliances—is driven to zero.
14 The Ordinance therefore concerns the energy use of covered products and, as such, is expressly
15 preempted by the Act.
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18 The City’s truncated description of the Ordinance’s effects notwithstanding, the Ordinance has
19 far-reaching consequences—especially for Amici who are in the building, building supply, and related
20 trades. The Act’s preemption provisions were enacted, in part, to “reduce the regulatory and economic
21 burdens on the appliance manufacturing industry” and to “protect the appliance industry from having
22 to comply with a patchwork of numerous conflicting State requirements.” *See* S. Rep. No. 100-6, at
23 4 (1987); H.R. Rep. No. 100-11, at 24 (1987). The Berkeley Ordinance effectively prohibits use of a
24 whole subset of covered products within the City. Allowing the Ordinance to survive preemption
25 would thus create exactly the type of regulatory patchwork Congress intended to avoid, especially
26 given that many cities and municipalities have now followed in the City’s footsteps to adopt similar
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28

1 ordinances of their own.

2 And while the Association’s members are understandably most concerned about the use of gas
3 cooking appliances, Amici represent members who manufacture, sell, install, and use myriad types of
4 gas appliances, including dual fuel heat pumps, water heaters, boilers, and furnaces—most, but not
5 all, of which are federally covered products under the Act. Prohibiting the use of these appliances
6 constricts the livelihoods of Amici’s members—a devastating consequence for the many members
7 who are small and independently owned businesses. Accordingly, Amici respectfully urge the Court
8 to deny the City’s Motion to Dismiss.
9

10 ARGUMENT

11 I. The Act broadly and expressly preempts local and state ordinances that concern 12 the energy use of covered products or equipment.

13 To decide the Association’s claim challenging the Ordinance as preempted, the Court need
14 look no further than the plain language of the Act’s express preemption provisions. The parties agree
15 that the Association has asserted a facial challenge to the Berkeley Ordinance.³ Motion to Dismiss
16 First Amended Complaint at 5; Opposition to Motion to Dismiss First Amended Complaint at 13. In
17 cases where the challenger argues a local or state law is facially invalid because it is preempted by
18 federal law, the court must first look to the specific preemption language at issue. *See, e.g. Sprint*
19 *Telephony PCS, L.P. v. Cnty. of San Diego*, 543 F.3d 571, 575-79 (9th Cir. 2008) (beginning analysis
20 by analyzing the preemption provisions at issue and noting that “Sprint’s suit hinges on [that] statutory
21 text”). The Act contains two preemption provisions: one for consumer products, and one for
22 commercial and industrial products and equipment. Both expressly preempt local ordinances, such as
23 the Berkeley Ordinance, that concern the energy use of covered product or industrial equipment.

24 The express preemption provision in the Act’s consumer standards states that “no State
25 regulation concerning the energy efficiency, energy use, or water use of such covered product shall be
26

27 ³ A facial challenge asserts that the challenged law is unlawful “in all its applications.” *Morrison v.*
28 *Peterson*, 809 F.3d 1059, 1064 (9th Cir. 2015) (citation omitted). The challenger “must establish
that no set of circumstances exists under which the Act would be valid.” *Id.* (citation omitted).

1 effective with respect to such product” unless the regulation falls within certain enumerated
2 conditions.⁴ 42 U.S.C. § 6297(c). The express preemption provision in the Act’s commercial
3 standards similarly states that it “supercede[s] any State or local regulation concerning the energy
4 efficiency or energy use of a product for which a standard is prescribed or established” in the federal
5 statute. *Id.* § 6316(b)(2)(A). For consumer products, “energy use” is defined as “the quantity of
6 energy directly consumed by a consumer product at point of use.” *Id.* § 6291(4). For commercial and
7 industrial standards, “energy use” is likewise defined as “the quantity of energy directly consumed by
8 an article of industrial equipment at the point of use.” *Id.* § 6311(4). For all standards, “energy” is
9 defined as “electricity, or fossil fuels.” *Id.* §§ 6311(7), 6291(3). Covered products and equipment are
10 listed in 42 U.S.C. §§ 6292, 6311 and include dual fuel heat pumps, water heaters, boilers, and
11 furnaces, among other appliances. The Act also contains an express exception from preemption for
12 regulations that are (1) contained in the state or locality’s building code and (2) meet all of the seven
13 conditions codified in 42 U.S.C. § 6297(f)(3).

14 “The plain language of the [Act’s] preemption statute makes clear that Congress intended the
15 preemption to be broad in scope.” *Air Conditioning, Heating and Refrigeration Inst. v. City of*
16 *Albuquerque*, 835 F. Supp. 2d 1133, 1136 (D.N.M. 2010). In particular, “the use of the word
17 ‘concerning’ suggests that Congress intended the preemption provision to be expansive.” *Id.* (citation
18 omitted). The Oxford English Dictionary defines “concerning” as “[t]o refer to or relate to; to be
19 about.”⁵ The inclusion of this broad term confirms that the Act does not require that a local or state
20 ordinance directly “regulate” the energy use of covered products or equipment to be preempted. Nor
21 does it require that a local or state ordinance expressly ban covered products or equipment to be
22 preempted.

23 The expansiveness of this preemption language is underscored by contrasting it with the
24 narrow preemption language at issue in *Sprint Telephony PCS, L.P. v. City of San Diego*, which the
25 City cites as “illustrative of the unique burdens imposed on facial challenges.” Motion to Dismiss

26 ⁴ Under 42 U.S.C. § 6297(a)(2)(A), the definition of “State regulation” includes laws, regulations, or
27 other requirements of States *and* their political subdivisions.

⁵ OXFORD ENGLISH DICTIONARY, *Concern* (Oct. 20, 2020)

28 <https://www.oed.com/view/Entry/38153?rskey=D6AeEH&result=1&isAdvanced=false#eid>

1 First Amended Complaint at 23 (internal quotations omitted). *Sprint*, however, is easily distinguished,
2 and in fact strengthens the conclusion that the Act’s preemption provisions are comprehensive in
3 scope.

4 **First**, the preemption challenge in *Sprint* arose under a statute that has a much narrower
5 preemption provision than the Act’s preemption provision. In *Sprint*, a wireless services provider
6 asserted that a county ordinance was preempted by the federal Telecommunications Act. 543 F.3d at
7 573. The relevant preemption provision provided that “[n]o State or local statute or regulation, or
8 other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any
9 entity to provide any interstate or intrastate telecommunications service.” *Id.* at 576. Under a plain
10 reading of this provision, a local ordinance would only be preempted if it *prohibits or effectively*
11 *prohibits* the provision of wireless services. By contrast, a local ordinance is preempted under the Act
12 if it merely *concerns* the energy use of covered products or equipment—no prohibition, effective or
13 otherwise, is necessary.⁶

14 **Second**, in *Sprint*, the challenged ordinance merely established “guidelines for the placement,
15 design and processing of wireless telecommunications facilities in all zones with the County of San
16 Diego.” *Id.* at 574. The *Sprint* Court held that this ordinance was not preempted by the
17 Telecommunication Act’s narrow preemption provision because it was not “an outright ban on
18 wireless facilities” and did not “effectively prohibit[] the provision of wireless facilities.” *Id.* at 579.
19 The ordinance only imposed additional siting and design requirements for wireless facilities, which
20 the challenger could not demonstrate would effectively prohibit its provision of wireless services. *Id.*
21 at 574, 579-80.

22 **Third**, *Sprint* does not support the City’s argument that “the availability of a discretionary
23

24 ⁶ Berkeley also cites *Puente Arizona v. Arpaio*, 821 F.3d 1098 (9th Cir. 2016), as an example of a
25 court considering federal preemption in a facial challenge. However, *Puente* did not involve an
26 express preemption provision. An immigrant advocacy group challenged Arizona laws prohibiting
27 the use of a false identity to obtain employment. The group “argued that the federal Immigration
28 Reform and Control Act established a ‘comprehensive framework’ for regulating the employment of
unauthorized aliens and, therefore Arizona’s employment-related identity theft laws were facially
preempted.” *Id.* at 1102. The challenger in *Puente* was thus asking the court to find field preemption,
which is a much harder task to demonstrate than express preemption. *Id.* at 1102-04.

1 permitting process” in an ordinance defeats a facial preemption claim. Motion to Dismiss First
2 Amended Complaint at 16. This argument fails to account for the actual text of the Act’s preemption
3 provisions: the Act preempts a local ordinance that *concerns* the energy use of covered products and
4 equipment—categorically and regardless of any discretionary exemptions to the application of the
5 ordinance. The existence of exemptions could change whether a local ordinance would *prohibit* an
6 action in every circumstance, as in *Sprint*. But it cannot change whether an ordinance *concerns* the
7 energy use of covered products and is therefore preempted. Stated differently, there is no set of
8 circumstances in which a local ordinance that concerns the energy use of covered products and
9 equipment is not preempted by the Act without satisfying the statutory criteria to qualify for one of
10 the Act’s preemption exceptions.

11 Nor does *Building Industry Ass’n of Washington v. Washington State Building Code Council*,
12 683 F.3d 1144 (9th Cir. 2012) support the City’s argument, as it is not an example of a court “rejecting
13 [an] express EPCA preemption claim.” Motion to Dismiss First Amended Complaint at 13. Indeed,
14 the *Building Industry Ass’n of Washington* Court recognized that the Act contains an express
15 preemption provision but nonetheless held that Washington met the specifically enumerated criteria
16 to qualify for the preemption exception. *Bldg. Indus. Ass’n of Wash.*, 683 F.3d at 1145. The Act’s
17 legislative history indicates that under this exception, Congress intended “achieving the waiver [to be]
18 difficult” and that waiver of the Act’s preemption provision should not be granted if the “State
19 regulation is likely to result in the unavailability in the States of a product type or of products of a
20 particular performance class.” S. Rep. No. 100-6, at 2 (1987). The fact that the Act contains a safe
21 harbor provision that is so difficult to meet underscores, again, just how broad Congress intended the
22 express preemption to be. Indeed, there would be no need for such a safe harbor provision if Congress
23 did not intend for the Act’s preemption to be expansive.

24 In sum, the plain language of the Act preempts any state or local regulation *concerning* the
25 energy use of a covered product, and this Court should reject any attempt to reframe the statutory
26 language to say otherwise.

1 **II. The Berkeley Ordinance concerns energy use of covered products and is thus**
2 **preempted.**

3 The Act preempts the Berkeley Ordinance because the Ordinance concerns the energy use of
4 covered products and equipment. Signed into law on August 6, 2019, the Ordinance amends Title 12
5 of Berkeley Municipal Code, adding “Natural Gas Infrastructure shall be prohibited in Newly
6 Constructed Buildings” effective January 1, 2020. The Ordinance defines Natural Gas Infrastructure
7 as “fuel gas piping, other than service pipe, in or in connection with a building, structure or within the
8 property lines of premises, extending from the point of delivery at the gas meter.”

9 On its face, the Ordinance expressly prohibits natural gas infrastructure in new buildings. But
10 by doing so, it necessarily and inexorably also prohibits the energy use (i.e., fossil fuel use) of covered
11 products in new buildings. That is, because the Ordinance prohibits new gas hookups, it necessarily
12 reduces the quantity of natural gas consumed by covered products to zero. If there are no gas hookups,
13 there can be no use of gas appliances. Thus, the Ordinance concerns not only natural gas infrastructure,
14 but also the energy use of covered products.
15

16 Importantly, the City does not dispute that the Berkeley Ordinance will impact the quantity of
17 natural gas (“fossil fuel”) used by covered products and equipment where it applies. *See* 42 U.S.C.
18 §§ 6291(4); 6311(4) (energy use is “the quantity of [electricity, or fossil fuels] directly consumed” by
19 covered products or industrial equipment “at the point of use.”) Instead, the City argues that its
20 Ordinance only regulates natural gas infrastructure, not covered products and equipment. Motion to
21 Dismiss First Amended Complaint at 14. The City essentially argues that the Ordinance would have
22 to directly or expressly regulate covered products and equipment for the Act to preempt it. Not so.
23 The Act does not state that a regulation is preempted only if it directly or expressly regulates the energy
24 use of covered products and equipment. Instead, it broadly states that a regulation is preempted if it
25 *concerns* the energy use of covered products and equipment and should not be interpreted to mean
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1 otherwise. *See Microsoft Corp. v. C.I.R.*, 311 F.3d 1178, 1186 (9th Cir. 2002) (internal quotations
2 omitted) (it is well settled that courts “may not add terms or provisions where Congress has omitted
3 them”).

4 If Congress had intended the Act to preempt only state and local ordinances that directly and
5 expressly regulate the energy use of covered products and equipment, it would have said so.⁷ The
6 City’s interpretation would not only require the Court to depart from the statutory text, but it would
7 also enable a major end run around the Act’s preemption provisions. A state or local government
8 desiring to ban or otherwise affect the energy use of covered products could escape preemption simply
9 by carefully avoiding express language. That result would directly conflict with legislative intent as
10 reflected by the preemption statutes’ recognized broad scope.

11 The City also argues that the Ordinance survives preemption because it contains two
12 exceptions that allow for a “discretionary permitting process that provides the ability to ensure
13 compliance with federal law.” Motion to Dismiss First Amended Complaint at 4, 17. Whether the
14 Berkeley Ordinance has exceptions and whether the Associations’ members could meet the exceptions
15 are irrelevant to the Court’s analysis of whether the Ordinance is preempted. The Ordinance concerns
16 energy use regardless of whether it has exceptions and irrespective of whether Association members
17 could meet those exceptions. Under the Act, the Berkeley Ordinance does not need to prohibit the
18 energy use of covered products to be preempted in all circumstances; it merely has to *concern* the
19 energy use of covered products, which it does.
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23 Because the Berkeley Ordinance falls squarely within the Act’s express preemption provisions
24 and the City does not contend that the Ordinance falls within the Act’s narrow safe harbor from
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27 ⁷ “The first and most important canon of statutory construction is the presumption ‘that a legislature
28 says in a statute what it means and means in a statute what it says there.’” *In re Panang Grp. Co., Ltd.*, 901 F.3d 1046, 1056 (9th Cir. 2018) (citation omitted).

1 preemption,⁸ there are no circumstances under which the Ordinance would be valid. The Association’s
 2 facial challenge should therefore prevail. *See Morrison v. Peterson*, 809 F.3d 1059, 1064 (9th Cir.
 3 2015) (To successfully mount a facial challenge, the challenger “must establish that no set of
 4 circumstances exists under which the Act would be valid.”).

5 **III. If allowed to stand, the Berkeley Ordinance would thwart the spirit of the Act.**

6 Since the City enacted the Berkeley Ordinance, other gas bans have been introduced or enacted
 7 throughout the country. These gas bans are local, typically applying to one town or city. Over thirty
 8 municipalities in California have enacted some variance of a gas ban, and over fifty cities and counties
 9 across the country are considering policies to compel all-electric new construction.⁹ If this continues,
 10 whether an appliance manufacturer or home builder could supply or use a certain appliance may differ
 11 from city to city, and even within a city—an especially daunting prospect to small and independently
 12 owned business. Allowing the Berkeley Ordinance to stand will lead to exactly the type of regulatory
 13 patchwork that the Act is intended to avoid.

14
 15
 16 Key to achieving Congress’s intent to create a nationwide comprehensive energy policy was
 17 vesting in the Department of Energy (“DOE”), not municipalities, the authority to make critical
 18 decisions about energy use and efficiency of covered products and equipment. Congress passed the
 19 Act to create a “comprehensive energy policy” and address “the serious economic and national security
 20 problems associated with our nation’s continued reliance on foreign energy resources,” in response to
 21 the oil crisis faced by the United States in the early 1970s. *Air Conditioning and Refrigeration Inst.*
 22 *v. Energy Res. Conservation and Dev. Comm’n*, 410 F.3d 492, 498 (9th Cir. 2005). As originally
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 25 ⁸ The City has not argued that the Ordinance falls within the exception to the preemption provisions
 26 set forth in 42 U.S.C. § 6297(f)(3), nor could it. This narrow safe harbor provision only applies to
 27 regulations contained in building codes; the Berkeley Ordinance is contained in Title 12 of the
 28 Berkeley Municipal Code, which governs “Health and Safety.” In addition, the City does not allege
 that the Ordinance meets one of the seven enumerated conditions set forth in Section 6297(f)(3).

⁹ Matt Gough, *California’s Cities Lead the Way to a Gas-Free Future*, Sierra Club (Oct. 7, 2020)
<https://www.sierraclub.org/articles/2020/10/californias-cities-lead-way-gas-free-future>

1 enacted, the Act permitted significant state involvement in appliance regulation. *Id.* at 499. However,
2 in 1987, Congress amended the Act to add the preemption provisions. The purpose of the amendment
3 was to “reduce the regulatory and economic burdens on the appliance manufacturing industry” and to
4 protect the appliance manufacturing industry from “a growing patchwork of differing State regulations
5 which would increasingly complicate their design, production, and marketing plans.” *See* S. Rep. No.
6 100-6, at 1, 4 (1987).
7

8 In executing its responsibility to establish energy standards, the DOE conducts an incredibly
9 complex analysis of factors that a municipality is unequipped and unable to perform. Such a complex
10 inquiry is necessary for the development of smart policies that reduce greenhouse gas emissions. For
11 example, the DOE must determine whether a standard is economically justified and in doing so must
12 consider: “the economic impacts of the standard on the manufacturers and on the consumers of the
13 products subject to such standard;” “the savings in operating costs throughout the estimated average
14 life of the covered product in the type (or class) compared to any increase in the price of, or in the
15 initial charges for, or maintenance expenses of, the covered products which are likely to result from
16 the imposition of the standard;” “the total projected amount of energy . . . savings likely to result
17 directly from the imposition of the standard;” “any lessening of the utility or the performance of the
18 covered products likely to result from the imposition of the standard;” “the impact of any lessening of
19 competition, as determined in writing by the Attorney General, that is likely to result from the
20 imposition of the standard;” “the need for national energy . . . conservation;” and any “other factors the
21 Secretary considers relevant.” 42 U.S.C. § 6295(o)(2)(B)(i).
22
23

24 The City has neither evaluated nor made a determination on these issues and cannot make them
25 on the requisite national scale. Nor is it meant to. The Act makes clear that these kinds of
26 determinations, with far-reaching impacts, are to be made on the federal level so that there can be a
27 comprehensive, nationwide policy that considers more than just one municipality’s aims.
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