

DOCKETED

Docket Number:	20-DECARB-01
Project Title:	Building Initiative for Low-Emissions Development (BUILD) Program
TN #:	239877
Document Title:	Self-Help Enterprises Comments on BUILD Program
Description:	N/A
Filer:	System
Organization:	Self-Help Enterprises
Submitter Role:	Applicant
Submission Date:	9/30/2021 9:57:49 AM
Docketed Date:	9/30/2021

*Comment Received From: Self-Help Enterprises
Submitted On: 9/30/2021
Docket Number: 20-DECARB-01*

Self-Help Enterprises comments on BUILD Program

Additional submitted attachment is included below.

Self-Help Enterprises (SHE) Comments on BUILD Program:

- **Eligibility**
 - (Applicant) Encourage a “newbie incentive” that is clear and compelling for AH developers that are building their first all-electric development in a community that has natural gas. (An all-electric project in a community without natural gas should not exclude a developer from this “newbie incentive”)
 - Minimum \$150,000 for first all-electric AH development project (with minimum 15 bedrooms),
 - or \$5000/bedroom (whichever is higher). Could tie this amount per bedroom to the highest possible \$/room incentive (Climate zone 16)
 - Note - Make clear an applicant/developer has not already completed an All-Electric project in a community with natural gas, and utilize CalCerts to verify if they have (An all-electric project in a community without natural gas should not exclude a developer from this “newbie incentive”)
 - (Property) Permitted mixed fuel projects should be allowed to participate if they switch to all-electric (might be unlikely to switch so late, but should be an option)
- **Ineligible building types**
 - Projects should be required to be at least 80% affordable, but allow 20% Market Rate units
- **Gas Utility Service Area**
 - Would like to see rural-set asides within each IOU so as to be on a more level playing field and not have to compete against LA/SoCal Projects who likely have more resources/denser projects. In addition, a 20% boost should be given to projects in a disadvantaged area per CalEnviroScreen.
- **Prevailing Wage**
 - Program should allow for a local government partner to be a co-applicant (similar to the Infill Infrastructure Grant program operated by HCD) and receive funds, and then loan the incentive to the project as a below market rate loan. This will assist some projects because the Limited Partnership owner is a taxable entity and may not be able to receive grants directly.
- **Incentives Based GHG Emissions**
 - Increase first-year incentive to \$300/MT (or something higher than \$150/MT) to attract new all-electric developers and move the market quickly).
- **Solar/VNEM**
 - **Feedback requested by the BUILD program:** Given the likely need for increased efficiency and PV needed in many climate zones to meet the statutory required Modeled Resident Utility Costs:
 - How can developers demonstrate the PV benefit is provided to the residents?
 - Require at least 80% of the solar generation be allocated to residential loads
 - In areas where VNEM is unavailable, how would PV allocation affect you?
 - Projects that individually send electricity to tenant meters without VNEM raise installation costs by 5-10%
 - How does CUAC factor into raising rents (related to solar)?
 - Projects should be allowed to use CUAC. CUAC factors in all of the systems and the solar, and size the UA to be reflective of actual consumption (i.e. actual cost) to the resident. Engineered utility allowed like CUAC should be encouraged in this program.

- SHE supports allowing the solar PV system be off site as long as the developer can demonstrate the PV benefit is provided to residents.
- **Incentive Structure**
 - **Feedback requested by the BUILD program:** Are the incentive amounts set appropriately? Should the CEC consider incentivizing other equipment?
 - The amounts for the kicker incentives may help offset over 100% of the equipment costs, but they would not cover the cost of the necessary infrastructure (specifically, energy storage and EV charging stations)
 - An additional transformer is often necessary to support all electric projects (especially PV and EV charging stations) and can be cost prohibitive. SHE supports additional funding for upgrading electric panel and/or new transformers
<https://www.utilitydive.com/news/residential-electric-panels-represent-a-nearly-100b-roadblock-to-full-el/605829/>
- **Liquidated damages if no good faith effort to proceed with project**
 - Liquidated damages are unnecessary.
 - SHE supports the ability to transfer the incentive to another project.
- **Participation Process/Timing**
 - Coordinate sending BUILD reservation/award letters ahead of construction financing/TCAC application deadlines – For example, if we assume BUILD opens Q1 of 2022, BUILD as leverage would likely miss the AHSC round where it is most compatible with design decisions.
 - Please clarify how long the review process would take and how long it will take to make decisions.
 - SHE recommends the reservation approval is valid for 24 months, then an additional 24 months for construction of the project (to allow time to assemble the funding and close/commence construction)
 - Funding should be provided within 30 days of Certificate of Occupancy and completion of HERS/Inspection verification reports.
 - SHE supports adding an upfront phased payment to cover predevelopment costs (which could be used as leverage in other funding applications and help ensure the project moves forward)
- **BUILD Calculator**
 - **Feedback requested by the BUILD program:** Is the BUILD Calculator helpful, or would stakeholders prefer to simply submit their own custom models consistent with the Program statutory requirement and established methodologies?
 - SHE requests the opportunity to have industry sustainability consultants test this tool before it is finalized, because they often find issues during implementation that are problematic.
- **Technical Assistance**
 - Thank you for including Technical Assistance !
- **Other/Miscellaneous**
 - SHE requests BUILD not require leveraged funds as part of the application because the biggest hurdle to starting a project is having funds in the first place.