

DOCKETED

Docket Number:	22-BSTD-05
Project Title:	2022 California Utility Allowance Calculator
TN #:	247435
Document Title:	Presentation of California Utility Allowance Calculator (CUAC) Workshop
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Organization:	Association for Energy Affordability
Submitter Role:	Public
Submission Date:	11/14/2022 8:53:06 AM
Docketed Date:	11/14/2022

CUAC and TCAC Program Process

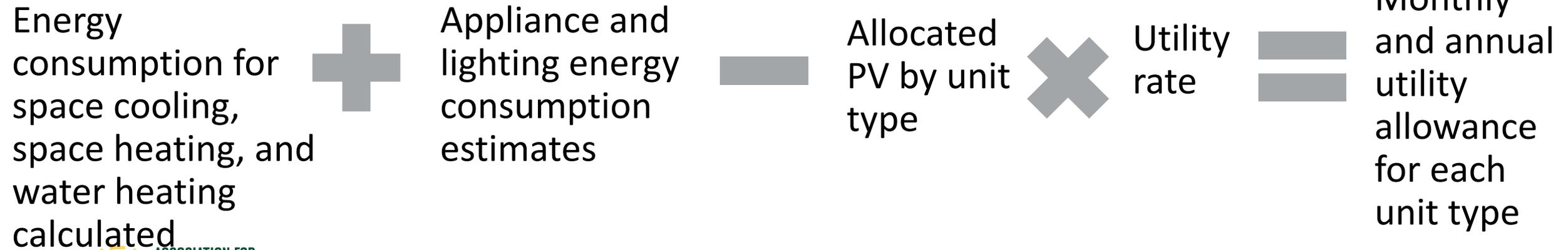
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November 8, 2022

Utility Allowances

- Gross rent = 30% of AMI or tenants' actual income (rent + utility costs)
- Net rent (what developers collect from tenants) is gross rent minus the tenant's utility cost estimate
- Options for determining UA in California
 - PHA's standard Utility Allowances (SUAs)
 - Project Specific UAs: California Utility Allowance Calculator (CUAC)
 - Allowed by new 2008 IRS policy at request of CTAC
 - **Intent to encourage investment in tenant benefitting efficiency, renewables, and electric appliances**



Summary: UA Options in California

	Standard PHA Schedule	Project Specific UA - CUAC
Source	Public Housing Authority	CEA Energy Consultant
Analysis	PHA: Average Historical Consumption	Developer: engineering model
Tool	Look up table by end use	Engineering calculation (CUAC)
Basis/Reference	PHA Existing housing stock	Specific building
Developer Effort	None	Hire Consultant
Advantages for EE/PV projects	Avoids analysis cost Easy to use	Most accurate Accounts for EE and PV Results in lower utility costs and therefore higher rents
Disadvantages	Over-estimates utility costs for new construction Does not account for PV or EE	Higher cost for analysis/ review
Example	\$117 - 175	\$10

Who is referencing CUAC?

California funding sources implicitly or explicitly encouraged the use of the CUAC to design and fund “Zero Net Energy” affordable housing

- **CTCAC** accepts the CUAC on new construction with or without tenant-serving PV, but rehabilitation projects must provide tenant-serving solar arrays to use the CUAC.
- **Housing and Community Development (HCD) HOME** grants require the CUAC.
- **HCD’s Affordable Housing Sustainable Communities** accepts the CUAC.
- **United States Department of Agriculture Rural Development** accepts the CUAC, but absent the CUAC the USDA requires utility allowances to be based on actual bills.

Some HUD funding sources do not allow use of CUAC

Process to Ensure Benefits Acheived

CUAC must meet all IRS requirements for an energy consumption mode

Oversight: TCAC has oversight over CUAC for LIHTC

Requirements: Defined in Regulations.

Consultant: Author must be CABEC CEA and field verifier must be HERS Rater

Review: Quality assurance review at placed in service

Application Stage

- Submit original UA estimate using CUAC
- Title 24 and PV analysis
- LIHTC application
- Consultant meets TCAC requirements
- TCAC staff review
- No fee

Placed in Service

- Print new original
- Verification documentation: As built drawings and specifications, HERS reports, bill of lading, photos, interconnection agreements, CARE rate eligibility and simulation model
- Consultant meets TCAC requirements
- 3rd party review + fee

Annual Update

- Updated UA using CUAC with new utility rates
- Documentation of no change to details/ appliances OR new CUAC with changes incorporated
- Consultant meets TCAC requirements
- No fee

Quality Control Review

Key Aspects in Review

- Model inputs and build out match plans and specifications
- Units are appropriately accounted for
- Correct assumptions about appliances and efficiency measures
- Appropriate verification data supporting compliance
- Utility location and tariff choices
- Consultant qualifications

Review will be streamlined with inclusion of CUAC in CBECC

- Outside calculations are minimized
- Updates can occur on regular basis
- Reduced required documentation to be submitted

Thank You!

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