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CEC-70 (Revised 2/2021)

***IN THE MATTER OF:******Building Initiative for Low-Emissions Development
Program (Senate Bill 1477, 2018)***

Docket No. 20-DECARB-01

NOTICE OF AVAILABILITY AND REQUEST FOR
COMMENTRE: Building Initiative for Low-Emissions
Development Program

Notice of Availability and Request for Comments on Proposed Final Guidelines for the Building Initiative for Low-Emissions Development Program

Introduction

The Proposed Final Guidelines for the Building Initiative for Low-Emissions Development (BUILD) Program (Proposed Final BUILD Guidelines) are now available for review and comment. The BUILD Guidelines establish the rules for program participation including eligibility requirements, participation process, and incentive structure. The Proposed Final BUILD Guidelines are available on the [BUILD Program webpage](https://www.energy.ca.gov/programs-and-topics/programs/building-initiative-low-emissions-development-program) at <https://www.energy.ca.gov/programs-and-topics/programs/building-initiative-low-emissions-development-program> and through the [BUILD docket page](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-DECARB-01) at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=20-DECARB-01>.

Background

Senate Bill (SB) 1477 (Stern, Chapter 378, Statutes of 2018) authorized two building decarbonization programs encouraging the development and deployment of near-zero-emission building technologies: the BUILD Program and the Technology and Equipment for Clean Heating (TECH) Initiative.¹ BUILD is a residential building decarbonization program providing technical assistance and incentives to encourage adoption of advanced building design and near-zero-emission technologies in new low-income residential buildings. The California Public Utilities Commission (CPUC) approved the BUILD Implementation Plan on April 15, 2021, which served as a framing document for developing program guidelines. The Preliminary Program Design was published on the BUILD docket on September 14, 2021 and presented at a public workshop on September 15, 2021. Public comments were received and incorporated into the Draft BUILD Program Guidelines which were made available on December 1, 2021 and presented at a public workshop on December 6, 2021. The Proposed Final BUILD Guidelines contain revisions based on

¹ BUILD and TECH are further governed by the California Public Utilities Commission (CPUC) Decision 23-03-027, which also established CEC as the program administrator for BUILD. The TECH Initiative is being implemented by Energy Solutions and additional information can be found on the [TECH website](https://energy-solution.com/tech/) at <https://energy-solution.com/tech/>.

public comment, consultation with the CPUC and the CPUC's program evaluator, additional industry research, typographical corrections, and other minor changes.

The Proposed Final BUILD Guidelines designate modifications from the prior draft with dark red underlined text for insertions and strike-through text for deletions. Both insertions and edits are also indicated with bracketed notations as follows: [begin inserted text] xxx [end inserted text], [begin deleted text] xxx [end deleted text].

Modifications to the Guidelines

Modifications in the Proposed Final BUILD Guidelines as compared to the Draft BUILD Program Guidelines are described below.

- **New Adopter Design Award:** Increase the New Adopter Design Award from \$25,000 to \$100,000 per applicant and increase in the total funding pool from \$1 million to \$2 million.
- **BUILD Incentive Cap:** Decrease in the total incentive award cap per eligible applicant from \$3 million to \$2 million.
- **Project Eligibility (Eligible Buildings).** Clarify that eligible buildings include planned newly constructed buildings, to recognize the phases in project development and incentive payments.
- **Incentive Application Process & Project Eligibility:**
 - Provide clarity on the participation process by changing the name of Step 1 from incentive reservation to design reservation.
 - Expand project eligibility allowing applicants to apply for a BUILD incentive at Step 2 (construction reservation), prior to issuance of a temporary or final certificate of occupancy; this option is in addition to the process of applying at the Step 1 (design reservation).
 - Allow incentive values to decrease or increase at Step 3 (project completion), subject to funding availability.
- **Technical Assistance Limits:** Streamline technical assistance services by establishing a 300-hour maximum cap per eligible applicant over the program, instead of limiting the number of projects that can be assisted per eligible applicant.
- **Program Eligibility:** Expand the Home Energy Rating System (HERS) Rater-provided certificates of installation to include the Residential Certificates of Compliance (CF1R-PDF-01E), Installation (CFR2) and Verification (CFR3), and the Nonresidential Certificates of Compliance (NRCC-PRF-01-E), Installation (NRCI), and Verification (NRCV).
- **Modeled Resident Utility Costs and Incremental Photovoltaic (PV):** Clarify the incremental PV incentive provided to mid- and high-rise multifamily projects as \$3/watt when PV is not required by California Energy Code,² \$1.30/watt when PV is required by the California Energy Code, and that PV incentives will not exceed the applicants' PV costs.
- **Specific Equipment for Kicker Incentives-Table 4.1:** Amend the Grid Flexibility Kicker to \$100 per CTA-2045 module and further identify Smart Electric Vehicle Supply Equipment as "Smart EVSE."
- **BUILD Project Completion Required Documentation-Final Incentive Amount Calculation and Statement of Project Participation Benefits:**
 - Allow acceptance of either a temporary or final certificate of occupancy at project completion, subject to specified limitations.

² Title 24, Part 6, of the California Code of Regulations

- Require applicants provide a narrative description of project and applicant BUILD program participation benefits as part of the final payment claim process.
- **Administration-Multiple Section Revisions:** Revise multiple Chapter 6 administrative sections to:
 - Clarify the guideline edition in effect when substantive or non-substantive changes coincide with a completed application submittal.
 - Acknowledge the potential for additional incentive layering restrictions.
 - Adjust the construction reservation time extension processes.
 - Clarify the administration of prevailing wage requirements.
 - Provide the CEC with the ability to establish a waitlist if incentive applications exceed available funding program.
 - Include additional state and federal contracting and certification provisions required by law in lieu of establishing a separate BUILD terms and conditions document, including compliance with non-discrimination, drug free workplace, Americans with Disabilities Act, and additional standard legal terms and conditions such as Workers Compensation Insurance, National Labor Relations Board Certification, and others.
- **Reference Documents:** Amend the references to include more recent documents from CPUC proceedings (Decision 21-11-002 and appendices).
- **Evaluation, Measurement and Verification (EM&V) Reporting Requirements:** Clarify the Evaluation, Measurement & Verification requirements applicable to BUILD applicants and projects that receive technical assistance and incentives under this version of the BUILD Guidelines.
- **Assignment of Incentives & Payment Claims:** Clarify incentive payments may be assigned to third-parties, and each payment is limited to one recipient.
- **Required and Eligible Technologies:**
 - Clarify installed technologies be eligible in the CEC's online Modernized Appliance Efficiency Database System.
 - Consolidate Tables B-1, B-2, and B-3 and add equipment specificity.
 - Clarify the approach to incorporate new technologies under the program.
- **Additions to Glossary:** Add and modify glossary definitions.
- **Additional Grammatical and Formatting Improvements:** Incorporate grammar, spelling, and formatting changes to improve document readability and accuracy.

Public Comment

The public is encouraged to review and comment on the Proposed Final BUILD Guidelines. Information gathered from public comments will be considered in development of the Final BUILD Guidelines, which staff anticipate will to be considered for adoption at a February 2022 CEC business meeting. Written comments are due to the Docket Unit by 5:00 p.m. **January 31, 2022.** Written comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC encourages use of its electronic commenting system. Visit the [e-commenting page](https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-DECARB-01) at <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=20-DECARB-01>, which links to the comment page for this docket. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document. All documents filed with the CEC shall

comply with Title 20 of the California Code of Regulations, Section 1208.1. The maximum file size allowed is 10 MB.

Written comments may be submitted by email. Include docket number **20-DECARB-01** and **Comments for Proposed Final Building Initiative for Low-Emissions Development Program Guidelines** in the subject line and email to docket@energy.ca.gov.

If preferred, a paper copy may be sent to:

California Energy Commission
Docket Unit, MS-4
Docket No. 20-DECARB-01
715 P Street
Sacramento, California 95814-5512

Public Advisor and Other CEC Contacts

The CEC's Public Advisor assists the public with participating in CEC proceedings. To request interpreting services or other reasonable accommodations or modifications, contact the Public Advisor at publicadvisor@energy.ca.gov or by phone at (916) 957-7910. Requests should be made as soon as possible but at least five days in advance. The CEC will work diligently to meet all requests based on the availability of service or resource needed.

Direct media inquiries to mediaoffice@energy.ca.gov or (916) 654-4989.

Direct technical subject inquiries to Larry Froess at larry.froess@energy.ca.gov or (916) 931-9761.

Direct general inquiries regarding the BUILD Program to Camille Remy-Obad, BUILD Supervisor, at BUILD@energy.ca.gov or (916) 639-0575.

Dated: Thursday, January 20, 2022, at Sacramento, California

Natalie Lee

Natalie Lee
Deputy Director, Renewable Energy Division

List Servers:
BUILD
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DCAG