

Program Design and Implementation Guide New Construction Electrification Program

1. Program Goal

Provide grant funds to incentivize housing developers and wildfire affected homeowners to build all-electric housing to scale market penetration of all-electric housing and improve the indoor air quality of homes in the 3CE service territories.

2. Target Market

- 2.1. Developer Incentive Track: The developer incentive track targets both affordable and market-rate housing developers across the 3CE service area.
- 2.2. Homeowner Rebuild Track: The homeowner rebuild track targets homeowners whose homes were destroyed during the 2020 wildfire season.

3. Recipient Eligibility

- 3.1. Developer Incentive Track: Affordable housing developers or market-rate housing developers who are planning new housing developments within active 3CE service territories are eligible to apply for Program Funding.
- 3.2. Homeowner Rebuild Track: Homeowners whose homes were red-tagged by Cal-fire during the 2020 wildfire season.

4. Project Eligibility

- 4.1. Developer Incentive Track¹
 - 4.1.1. Housing development must be contained within 3CE's service area.
 - 4.1.1.1. Active communities include the counties of Monterey, San Benito and Santa Cruz, Santa Barbara (PGE Territory only) and the cities of Arroyo Grande, Del Rey Oaks, Capitola, Carmel, Gonzales, Greenfield, Grover Beach, Guadalupe, Hollister, Marina, Monterey, Morro Bay, Paso Robles, Pismo Beach, Pacific Grove, Salinas, Santa Maria, San Juan Bautista, San Luis Obispo, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad, Solvang, and Watsonville.
 - 4.1.2. Eligible housing developments include Multi-Unit Dwellings, Single Family Residences, and Accessory Dwelling Units.
 - 4.1.3. Housing projects must be built to all-electric standards for all energy utility needs including but not limited to water heating, space heating, and cooking appliances. Eligible project designs must show no fossil fuel infrastructure (i.e. Stub Out) on the building site.
 - 4.1.4. Developer must build a minimum of 2 units under one development.

¹ 3CE maintains the right to modify the program design, including the eligibility guidelines and award amounts as needed.

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4.1.5. Development units must enroll in 3CE electrical service once built.

4.2. Homeowner Rebuild Track¹

4.2.1. Homeowner must have been 3CE customer prior to disaster and enrolled in 3CE service when rebuild is complete.

4.2.2. Eligible housing developments include Multi-Unit Dwellings, Single Family Residences, and Accessory Dwelling Units.

4.2.3. Destroyed structure must have been red tagged by CalFire from 2020 wildfires.

4.2.4. Homeowner must enroll in 3CE electrical service once built.

4.2.5. Housing projects must be built to all-electric standards for all energy utility needs including but not limited to water heating, space heating, and cooking appliances.

4.2.6. House Rebuild must occur on the premise of the destroyed structure.

5. Funding Distribution

5.1. Developer Incentive Track

5.1.1. Grant awards will total \$2,075,000 and be distributed on a competitive basis.

5.1.2. Grant awards available to each applicant are based on the type of developer and the number of units that are built all-electric. Grant will be distributed as follows:

5.1.2.1. Affordable Housing Developers: \$2,500 per unit¹

5.1.2.2. Market Rate Developers: \$1,750 per unit¹

5.1.3. A minimum of 75% of funds (\$1,556,250) allocated for Affordable Housing Developers

5.1.4. A maximum funding amount of \$240,000.00 (10% of the total Program budget) may be awarded to any single project site. If there are multiple developers working together on a single project site, the maximum funding amount for that site is \$240,000¹.

5.1.5. There is no limit on the number of separate project applications a single developer/applicant may submit.

5.2. Homeowner Rebuild Track

5.2.1. The application will be open until funds are fully reserved.

5.2.2. Grant awards available to each applicant are based on the type of development and the number of units that are built all-electric. Grant will be distributed as follows:

5.2.2.1. Single Family Housing: **\$5,000 per unit¹**

5.2.2.2. Multi-Unit Dwellings and ADUs: **\$2,500 per unit¹**

5.2.3. Homeowners have the option to apply for Level 2 EV charging station incentives. Funding is available as follows:

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- 5.2.3.1. Single Family Residences or ADUs: \$600 per unit¹
- 5.2.3.2. Multi Family Residences: \$1,000 per unit¹
- 5.2.4. An applicant may apply for a maximum of one single family residence all-electric and EV incentive funding.
- 5.2.5. Funding availability and Program status will be updated on the 3CE website.

6. Application Process

6.1. Developer Incentive Track

- 6.1.1. To apply, developers must submit an online application form and upload supporting documentation. The application will require details about the anticipated project: Project name, location, number of units, type of development, construction schedule, and relevant documents showing intent to build all-electric (see below)
- 6.1.2. At the time of application, developer must provide at least one document indicating intent to build an all-electric project. Acceptable documents include:
 - Architect's plans with confirmation letter from the architect describing how the building meets the all-electric requirement and citing relevant pages.
 - Confirmation letter from the electrical engineer describing how the building design plans meets the all-electric requirement
- 6.1.3. Upon application approval, 3CE Finance staff will be notified and instructed to reserve funds in the name of the recipient to be held in a 3CE account until project completion and payout.
- 6.1.4. Once funds have been reserved, Energy Programs staff will send a Letter of Intent (LOI) to recipients of the award (see Appendix A for LOI template).
- 6.1.5. Funds will be reserved for a maximum of 3.5 years after the date of issuance of the LOI.
- 6.1.6. Once the approved project is complete, the developer will receive funds (check payable to developer) upon meeting the following conditions:
 - 6.1.6.1. 3CE staff confirms the building/s are enrolled in 3CE electricity service.
 - 6.1.6.2. Developer submits the following documents indicating that the development was completed as an all-electric building.
 - Certificate of Occupancy -OR- Notice of Completion
 - AND-
 - Inspection report showing that all electrical work has been completed and no gas lines have been installed
- 6.1.7. Applicants may submit one letter requesting an extension of reserved grant funds, for up to one year. The letter must provide a description of a good faith effort towards completing the approved project.

6.2. Homeowner Rebuild Track

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- 6.2.1. To apply, homeowners must submit an online application form and upload supporting documentation. The application will require details about the anticipated project: Proof of Cal-fire red tagging, location, number of units, type of development, construction schedule and relevant documents showing intent to build all-electric and Level 2 EV charger, if applicable (See section 6.2.2).
- 6.2.2. At the time of application, homeowner must provide at least one document indicating intent to build an all-electric project. Acceptable documents include:
 - Architect's plans with confirmation letter from the architect describing how the building meets the all-electric requirement; and is designed to include a level 2 charger, if applicable.
 - Confirmation letter from the electrical engineer describing how the building design plans meets the all-electric requirement and is designed to include a level 2 charger, if applicable.
- 6.2.3. Upon application approval, 3CE Finance staff will be notified and instructed to reserve funds in the name of the recipient to be held in a 3CE account until project completion and payout.
- 6.2.4. Once funds have been reserved, Energy Programs staff will send a Letter of Intent (LOI) to recipients of the award (see Appendix A for LOI template).
- 6.2.5. Funds will be reserved for a maximum of 2.5 years after the date of issuance of the LOI.
- 6.2.6. Once the approved project is complete, the homeowner will receive funds (check payable to homeowner) upon meeting the following conditions:
 - 6.2.6.1. 3CE staff confirms the building/s are enrolled in 3CE electricity service.
 - 6.2.6.2. Homeowner submits documentation (i.e. building permit card) indicating final approval has been issued in accordance with the building permit process, as required by local ordinance.
 - 6.2.6.3. If funds were requested for a Level 2 Charger, homeowner must also present documentation showing proof of installation of level 2 home EV charger.
- 6.2.7. Applicants may submit one letter requesting an extension of reserved grant funds, for up to one year. The letter must provide a description of a good faith effort towards completing the approved project.

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7. Analysis

Table 1: Developer Incentive Allocation by County

County	Total Developer Incentives Available ¹	Minimum Number of Units Incentivized ²	Incentive Percentage Allocation
Monterey County	\$669,418	268	32%
San Benito County	\$116,501	47	6%
San Luis Obispo County	\$258,686	103	12%
Santa Barbara County ³	\$470,346	188	23%
Santa Cruz County	\$560,050	224	27%
Total	\$2,075,000	830	100%

[1] Based on share residential energy load

[2] Assumes all units are affordable housing units, therefore receive \$2,500 incentive base incentive

[3] PG&E territory only, does not account for SCE territory

Table 2: Homeowner Rebuild Incentive Allocation by County

County	Total Homeowner Incentives Available ^{1, 2}	Min. Number of Projects Incentivized	No. Project Percentage Allocation	\$ Kicker EV Charging Funding
Monterey County	\$18,750	4	15%	\$2,250
Santa Cruz County	\$106,250	21	85%	\$12,750
Total	\$125,000	25	100%	\$15,000

[1] Based on percentage of total number of homes lost in 2020 wildfires

[2] Subject to change depending on level of participation

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