

Program Design and Implementation Guide

New Construction Electrification Program

1. Description

- 1.1. Through a first come first served application process, the New Construction Electrification Program (NCEP) will provide affordable housing developers incentive funds to build all-electric housing. 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. Incentives will be provided on a per unit basis and will be provided “downstream” to developers upon successful completion of the project. The Program will be administered and implemented by CCCE staff.

2. Program Objectives

- Engage with housing developers regarding electrification and support the development of all-electric affordable housing
- Avoid future greenhouse gas emissions associated with energy use in buildings
- Improve indoor air quality for CCCE customers
- Expand electric appliance market

3. Program Term

- 3.1. October 1, 2021 – September 30, 2022 or until funds are fully reserved

4. Applicant Eligibility

- 4.1. Housing developers: Defined as a business entity (non-profit or commercial) whose core business is housing, real estate, and/or property development.
- 4.2. Private homeowners are not eligible to apply.

5. Project Eligibility

- 5.1. Projects must qualify as “Affordable Housing,” as designated by the Authority Having Jurisdiction's (AHJ) General Plan Housing Element.
- 5.2. Projects must be enrolled in CCCE electrical service upon completion and receipt of Certificate of Occupancy.
- 5.3. 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.
- 5.4. Eligible housing developments include Multi-Unit Dwellings, Single Family Residences, and Accessory Dwelling Units that are part of eligible and qualified affordable housing projects.
- 5.5. Developer must build a minimum of four (4) units under one development.

6. Incentives¹

6.1. Incentive Amounts

- 6.1.1. Incentive is set at \$2,500/unit
- 6.1.2. Total FY 21/22 Program Budget is \$1,500,000

6.2. Incentive Allocation by County

County	Budget Allocation *	% of Total
Monterey	\$ 509,000	34%
San Benito	\$ 73,000	5%
San Luis Obispo	\$ 193,000	13%
Santa Barbara (SCE & PGE)	\$ 460,000	31%
Santa Cruz	\$ 265,000	18%
Total	\$ 1,500,000	100%

* Based on share of total energy load by county

6.3. Incentive Distribution Process

- 6.3.1. Notwithstanding the incentive allocation by county detailed above, incentives will be distributed on a first come, first served basis.
- 6.3.2. A maximum funding amount of \$150,000.00 (10% of the total Program budget) may be awarded to any single project/development site. If there are multiple developers working together on a single development site, the maximum funding amount for the entire site is \$150,000. A project or development is defined as one parcel or multiple adjacent parcels.
- 6.3.3. There is no limit on the number of separate project applications a single developer/applicant may submit.
- 6.3.4. Upon full subscription/reservation of a counties’ budget allocation, additional applications for projects in said county will be put on a waitlist. If there are funds remaining in other county budget allocations at the end of the program term, applications on waitlist will receive incentive funding in the order placed on the waitlist.

7. Application Process

- 7.1. To apply, developers must submit an online application form and upload the required 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).
- 7.2. At the time of application, developers must provide at least one document indicating intent to build an all-electric project. Acceptable documents include:

¹ CCCE maintains the right to re-allocate funding by county for any reason and at any time.

- Plan set with confirmation letter from the architect describing how the building meets the all-electric requirement and citing relevant pages/schedules.
 - Confirmation letter from the electrical engineer describing how the building design plans meets the all-electric requirement.
- 7.3. Upon application approval, CCCE will reserve funds in the name of the recipient to be held in a CCCE account until project completion and payout.
- 7.4. Once funds have been reserved, Energy Programs staff will send a Letter of Intent (LOI) to recipients of the award.
- 7.5. Funds will be reserved for a maximum of 3.5 years after the date of issuance of the LOI.
- 7.6. Once the approved project is complete, the developer will receive funds (check payable to developer) upon meeting the following conditions:
- 7.6.1. CCCE staff confirms the building/s are or will be enrolled in CCCE electricity service.
 - 7.6.2. Developer submits the following documents indicating that the development was completed as an all-electric building.
 - Certificate of Occupancy -OR- Notice of Completion
-AND-
 - Written notice from the applicable Building Inspector confirming that no gas infrastructure was built throughout the building and construction site.
 - 7.6.3. Extension: Applicants may submit *one* letter requesting an extension of reserved grant funds. The letter must provide a description of a good faith effort and/or demonstrate substantial progress towards completing the approved project. Staff will review extension requests on a case-by-case basis and communicate regularly with developers to resolve.

CCCE NCEP Process Flow

