

CLEAN ENERGY CHOICE PROGRAM FOR NEW BUILDINGS

Incentives

AT A GLANCE

The Clean Energy Choice Program for New Buildings encourages clean, efficient, and cost effective all-electric new buildings through incentives and local amendments to the California Energy Code. The proposed incentive package includes technical support, financial incentives, regulatory flexibility, and information sharing support.

CONTACT: Chris Read, Sustainability Manager, cread@slocity.org

Background

The Clean Energy Choice Program for New Buildings is a package of incentives and local amendments to the 2019 California Energy Code that encourages all-electric new buildings. Although all-electric new buildings are typically cost comparable or cheaper to build than new buildings with electricity *and* natural gas, stakeholders suggested that the City could facilitate a successful transition to all-electric new buildings by accompanying the regulations of the Clean Energy Choice Program for New Buildings with incentives and support. This idea was supported by the City of San Luis Obispo City Council who gave direction to staff to develop an incentive program.

The proposed program summarized in the Clean Energy Choice Incentive Program has been vetted with developers and stakeholders to ensure its effectiveness in supporting the construction of all-electric new buildings. The incentive package includes:

- Technical Support
- Financial Incentives
- Regulatory Flexibility
- Telling the Story



Technical Support

The City is establishing on-call professional design and consulting services with 4LEAF, Inc. to answer technical questions about the Clean Energy Choice Program for New Buildings. Together, the City and 4LEAF, Inc. will document procedures for evaluating all-electric buildings and publish educational materials including a compliance guide, webpage, and video. With these materials as a foundation, 4LEAF, Inc. will also provide a telephone hotline and Community Development Department counter “office hours” to support project applicants in interpreting the California Energy Code and designing all-electric new buildings.

Financial Incentives

Monterey Bay Community Power (MBCP) is currently developing a multi-year direct incentive program with an initial funding amount of \$1.2 million through the end of September 2020. More information is available at <https://www.mbcommunitypower.org/building-programs/>.

Regulatory Flexibility

The City is proposing limited-time regulatory flexibility to address design challenges that may arise during the initial transition period to all-electric buildings. The City is proposing an ordinance that will provide the Director of Community Development authority to grant minor allowances for certain site development standards when there are no practical ways to design a project to be all-electric and no other feasible alternatives will result in better implementation of Zoning Regulations or General Plan policies while allowing reasonable use of sites. This regulatory flexibility will require Planning Commission and City Council approval and is proposed to run from September 1, 2020 to December 31, 2022.

Telling the Story

For many in the community who have not been following California Public Utilities proceedings, California Energy Commission rulemaking processes, or the rapid advance of electric appliances and renewable energy technologies, the statewide movement to support all-electric new buildings may be unexpected. To address this issue, the City will develop and share educational materials about the environmental and operational benefits of all-electric new buildings. The City intends to provide initial materials in the Fall of 2020.

Ongoing Monitoring of Incentive Effectiveness

The City will continue to learn how it can best support the community as all-electric buildings become a more common building type and will re-evaluate the need to expand, remove, or add incentives to support successful projects as part of the 2022 California Energy Code Update Cycle.

More Information

More information about the Clean Energy Choice Program for New Buildings, including a program overview, applicability and exemptions, and greenhouse gas emissions, can be found at www.slocity.org/cleanenergychoice.

