



Homes and Community Renewal

HCR Clean Energy Initiative Program *Demonstrating Cost Constraint Guidance*

This document provides clarification and best practice guidance on select requirements detailed in the HCR CEI Term Sheets. **This document does not replace the relevant requirements in the HCR Sustainability Guidelines or Term Sheets.**

Updated on 6/24/2024

Demonstrating Cost Constraint

Existing buildings requesting funding through the Clean Energy Initiative (CEI) program are required to demonstrate that the scope of work for requested funding (electrification of heating, electrification of domestic hot water, etc.) would have a gap in funding without CEI. For example, if a project applies for CEI funding to electrify space heating, the application must include documentation demonstrating that the cost of heat pumps, labor, and/or supporting electrical infrastructure would render the electrification of heating infeasible for the project without the funding provided by the CEI program.

To demonstrate a gap in funding, at a minimum, submit the following information with the CEI application.

- A description of each scope item the project is requesting CEI funding for along with itemized cost. Provide additional notes to explain costs where needed.
 - For each scope item, indicate the funding gap to achieve the CEI Goal pursued.
 - This cost breakdown can include hard costs (such as the new equipment and infrastructure to support that equipment) as well as soft costs such as increased consultant fees and design facilitation.
 - If the project is pursuing NYS Clean Heat funding or other allowable rebate incentives in addition to the CEI program, the cost breakdown must demonstrate that CEI funding plus allowable rebate incentives will not exceed 100% of the costs to perform the CEI scope of work.
- A brief narrative description summarizing the cost barriers to achieving the relevant stretch goal without CEI funding. This can include the information demonstrated by the cost breakdown and any other relevant context.