



# HCR Clean Energy Initiative Clarifications and Frequently Asked Questions

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# HCR Clean Energy Initiative Clarifications and Frequently Asked Questions

## General

**Q: Is the Clean Energy Initiative for new construction buildings still available as a source?**

*A: The CEI Program for New Construction and non-historic Adaptive Reuse projects is now closed and is no longer accepting applications. The program is still open for Existing Buildings and historic Adaptive Reuse projects. Please reference the [training video on our CEI webpage](#) for more information.*

**Q: Will any of the Boost Eligibility options change with the release of the new CEI Term Sheets?**

*A: The updates include the closing of CEI funding for New Construction (include Boost funding) and non-historic Adaptive Reuse projects. The CEI Program will remain open for Existing Building and historic Adaptive Reuse projects. HCR Sustainability hosted webinars in early June to review the updates to the CEI program and new term sheets. The recorded webinar can be found on the CEI webpage under [“FAQ and Training Videos”](#).*

**Q: What roles does HCR expect sustainability consultants to fulfill to comply with HCR Sustainability Guidelines and apply for NYSERDA and/or HCR incentives?**

*A: Whichever consultant an applicant chooses would need to meet the qualifications laid out in the incentive pathway (NYSERDA), or third-party certification requirement. For example, the consultant may need to be qualified or hold certifications as a LEED AP if they are pursuing LEED or have the ability to do certain required commissioning (CEM).*

**Q: When do I apply for CEI funding?**

*A: All applicants interested in requesting CEI funds must do so at the time of their regular 9% or 4% application submission. As per the term sheet, CEI funds are only available to projects that are awarded either 9% LIHTC or awarded 4% HFA Tax-Exempt Bonds and Subsidy Only Financing, as listed in the term sheet.*

**Q: What is the role of the Technical Assistance Provider (TAP)?**

*A: The CEI assigned TAP for any awarded CEI project and will provide program compliance support for HCR, as well as support the development and design team if needed on finalizing design to ensure a high-performance building is achieved. The TAP should be seen as an additional resource to the full development team and is NOT responsible for certifications of third-party standards or performing any on site commissioning or testing for the project teams (but may be on site during those activities as needed or requested).*

**Q: When do the CEI funds get disbursed?**

*A: CEI funds will be disbursed alongside all other subsidy sources the agency deploys.*

**Q: Does HCR only accept whole building energy models (e.g. ASHARE or Wufi Plus) to demonstrate whole building energy costs?**

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*A: An applicant can default to a model that is compliant with the third-party certification and provide backup information, if it is detailed, and the assumptions and baseline values are visible (not hidden behind formulas) so the HCR team can evaluate and confirm feasibility. If the material that is submitted is not substantiated sufficiently, it may impact HCR's ability to award CEI funds.*

**Q: Is a copy of the CEI application ready? Will it require the same Excel tool as the pilot?**

*A: Applicants wanting to apply to CEI must apply through the regular 9% or 4% Application, which includes Attachment D6 and Exhibit D3 on the 9% side and tabs M-1 and M-2 on the 4% side. There is a specific portion of these attachments where the applicant should follow the full instructions and attach the requested material if interested in applying for CEI funds.*

**Q: For projects that receive a CEI approval, what deliverables are needed over the course of the program to verify certifications? And at what stages of the project life cycle?**

*A: Please review the term sheet for a list of required data sharing for any project awarded funds. The assigned Technical Assistance Provider will discuss during a kickoff award meeting the specific deliverables that will be required per project to show compliance during design completion and construction.*

**Q: What are the rules against pairing CEI awards with the new expanded federal 45L tax credit?**

*A: Any source should be listed and disclosed within the application, including tax credits. There is no specific restriction at this time on tax credits and CEI funds, other than full disclosure of sources, unless otherwise listed as ineligible on the CEI term sheet or disclosed in future clarifications.*

**Q: Can the HCR CEI funds be combined with NYSERDA's Buildings of Excellence competition award? Are there any restrictions on applying for other clean energy funds in addition to CEI?**

*A: HCR CEI Funds cannot be combined with NYSERDA's Buildings of Excellence demonstration construction incentives. Please refer to the CEI term sheet for a list of restrictions.*

**Q: Can a project use HCR CEI funding and NYSERDA's Charge Ready 2.0 incentive program?**

<https://www.nyserdera.ny.gov/All-Programs/ChargeNY/Charge-Electric/Charging-Station-Programs/Charge-Ready-NY>.

*A: The NYSERDA Charge Ready 2.0 program can be pursued along with CEI, as long as the project team can demonstrate that the total incentive amount does not exceed the CEI scope of work.*

**Q: Can a project use both HPD's Future Housing program and HCR's CEI program?**

*A: A project receiving Future Housing Initiative from HPD would not be eligible for CEI funding, and vice-versa.*

**Q: Which subsidy-only projects qualify for CEI and/or are required to follow the sustainability guidelines?**

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*A: Projects pursuing HFA subsidy-only programs must meet HCR's Sustainability Guidelines and are eligible to apply for CEI. Projects pursuing the Small Building Participation Loan Program (PLP) may apply for CEI, and if they are applying for CEI the projects must comply with the Sustainability Guidelines.*

**Q: Which subsidy only projects can apply for CEI funding?** Can ANCP rehab projects or projects pursuing funding through the AHOP program apply for CEI funding?

*A: Currently only projects applying for and receiving funding through HFA Subsidy Programs or Small Building Participation Loan Program are eligible to apply for and receive CEI funding.*

**Q: Will a 4% LIHTC new construction projects that is in design and has already submitted a concept plan to HCR, no longer be able to get funding through CEI?**

*A: If the project already received a CEI award letter or the project team has confirmed with their HCR Underwriter that they will receive CEI funding, then they are still able to receive CEI funds under New Construction. Project teams should confirm with their HCR Underwriter.*

**Q: Does this mean that there is no funding for higher sustainability/energy performance for new construction at this time?**

*A: Through HCR, that is correct. There are programs for NC high efficiency and innovation through NYSERDA (for example: Empire Building Challenge) and we expect new term sheets to hit the market shortly from Climate United, and Power Forward groups (awardees under the \$14B federal Greenhouse Gas Reduction Fund).*

**Q: Where else are new construction funds available for "high performance buildings" and how can we qualify for those funds?**

*A: Funding is still available from NYSERDA and the joint utilities, such as Federal sources and the Greenhouse Gas Reduction Fund, NYSERDA's Buildings of Excellence program, NYSERDA's Heat Recovery Program, Clean Heat, and NYSun to name a few. There will also soon be funds available through the federal Greenhouse Gas Reduction Fund.*

**Q: Will there funding for New Construction through the Clean Energy Initiative in 2025?**

*A: As of right now, there will not be funding in 2025 for New Construction or non-historic Adaptive Reuse through the current CEI program. In 2026, more funds will be allocated from NYSERDA to HCR, but program design and details are still pending.*

**Q: How many 9% RFP cycles will there be in 2024?**

*A: The HCR 9% team announced in 2023 that they would be issuing one RFP per year under the 9% competitive program.*

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### **Q: Can a project leverage both HCR CEI and CFHF incentives?**

*A: CEI and CFHF funds cannot be layered together. CEI is a funding source that is applied with a project's financing or refinancing application. CFHF is a mid-cycle program that is targeted to electrification scopes only and is not meant to be paired with any other funding or financing sources, except for Weatherization.*

### **Q: If a project is receiving CEI funding, are they also eligible for NYSERDA funding such as Solar Tax Credit Equity, 45L Equity and NYSERD Solar Incentive?**

*A: Projects are allowed to pursue NYSERDA solar incentives in addition to CEI as those two sources do not fund the same scope of work. NYSERDA incentives that fund the same scope of work as CEI (electrification, enabling electrification work, and high-performance green building certification) cannot be pursued in addition to CEI. These incentives are specifically noted on the CEI term sheets. HPD's new electrification program, REDI, also cannot be combined with CEI.*

### **Q: Are projects no longer able to layer Clean Heat funds with NYSERDA programs such as the Clean Energy Initiative? What does this mean for current CEI projects in the pipeline?**

*A: Currently we are still looking to receive guidance from NYSERDA on when this change will go into effect, but CEI projects that have already applied for Clean Heat funds will likely be allowed to continue to use Clean Heat funds. Please refer to NYSERDA's Clean Heat website for latest information.*

*Moving forward, Clean Heat can only be used with CEI funds where CEI funds and Clean Heat funds are not used for the same measure. Any applicant looking to pursue Clean Heat funds must disclose this at the time of CEI application with details on which measures Clean Heat will fund, and which measures the proposed CEI funds will support.*

### **Q. Would Clean Energy Initiative funds be able to be layered with the upcoming HER/HEAR programs?**

*A: HCR anticipates that HER/HEAR can potentially be combined with CEI. HCR will provide guidance when available, please refer to HCR Sustainability website for further information.*

### **Q: Is CEI provided as a construction loan source or permanent loan source?**

*A: For HFA (4%) projects, CEI is available as a construction and permanent loan source. For HTFC (9%) projects, CEI is only available as a permanent loan source.*

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## Clarifications and Frequently Asked Questions

### Existing Building

**Q: The existing building CEI for electrification of heating includes the statement “Demonstrate existing envelope or envelope with planned improvements will comply with 2020 NYSECC prescriptive values”. Is a whole building UA alternative calculation allowed? Is blower door testing required to meet the prescriptive testing requirements of the 2020 NYSECC, or only envelope insulation levels?**

*A: Yes, whole building UA calculation is permitted. For the prescriptive testing requirements of 2020 NYSECC, HCR would accept blower door testing or a self-certified letter from an Engineer or Energy Manager documenting the existing conditions are in compliance with infiltration requirements through testing or the prescriptive requirements detailed in NYSECC. Both insulation levels and infiltration levels are considered.*

**Q: What code sections are required for projects to be considered in compliance with the NYSECC for Heating Electrification Goals under the CEI Term Sheets?**

*A: Two options are presented with the intent of ensuring a well-insulated and sealed envelope to reduce load prior to electrifying heating systems. The first option relies on demonstrating compliance with code and allows project teams to consider existing conditions as well as planned improvements. The second option allows project teams to demonstrate the existing envelope conditions are satisfactory through heating load as a proxy. The project team should first determine if the project is designated as Residential or Commercial and then follow the applicable requirements detailed in the 2020 Energy Conservation Code of NYS if Option 1 is pursued. Project teams are required to follow all mandatory requirements required by code for any alterations, repairs, or additions even if not explicitly stated in the CEI Term Sheet. The team should determine which mandatory and prescriptive code requirements pertain to the scope of renovations and demonstrate how the design intends to comply with all requirements, in some cases this will require blower door testing.*

**Q: Regarding CEI Heating Electrification Goal, Option 2 for Envelope Improvements states “Demonstrate existing space heating load or space heating load with planned envelope improvements is less than 8 BTU/HDD/SF” – What is an example calculation of how this should be calculated for projects? Is this based on actual heating use for the previous year or based on future load sizing calculations?**

*A: Please refer to the CEI website for guidance on performing this calculation.*

**Q: Does Goal 1 under the CEI Mod Rehab term sheet allow for 100% electrification of heating? The term sheets references “partial electrification” of heating, but at the end states:  
*If Electrification Heating Percentage is greater than 90%: Total Incentive = \$13,500***

*A: Yes, full electrification is incentivized under the CEI Moderate Rehab term sheet. The project will receive the maximum incentive per unit of \$13,500 if pursuing full electrification.*

**Q: For projects pursuing Goal 1 under the CEI Mod Rehab term sheet, does the project have to meet both of these requirements?**

- 1) 100% electrification, AND one of the following

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- **2) Mandatory Envelope Improvements: Projects must meet one of the following envelope conditions to receive Goal 1 funding. CEI funds may be used to incorporate these improvements:**
  - **Option 1: Demonstrate existing envelope or envelope with planned improvements will comply with 2020 NYSECC prescriptive values.**
  - **Option 2: Demonstrate existing space heating load or space heating load with planned envelope improvements is less than 8 Btu/HDD/ft<sup>2</sup>.2**

*A: Yes, projects must achieve the minimum envelope requirements to receive CEI Goal 1 Heating Electrification funding.*

*In order to receive funding under Goal 1 Heating Electrification, projects must pursue electrification (either partial or full) AND meet the Mandatory Envelope Improvement requirements listed on the term sheet.*

**Q: For projects pursuing Goal 1 heating electrification and demonstrating mandatory envelope requirements through space heating load calculation, what is the acceptable methodology for modeling software?**

*A: Space heating load calculations must be performed as a whole building analysis, utilizing benchmarking data where available. Calculations must not include the efficiency of the existing or planned space heating equipment. Please refer to space heating load guidance document on the CEI website for more information.*

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### Historic Adaptive Reuse

**Q: For an adaptive re-use project following the Substantial Rehab CEI term sheet, would they be required to do a base energy certification like EGC 2020 (not plus) or be exempt from all checklist programs?**

*A: Adaptive Reuse projects will have to comply with Baseline Requirements in the Sustainability Guidelines and meet one of the third-party certification programs listed in Section 1, in addition to being all-electric.*

**Q: Would an historic adaptive re-use project pursuing the EB term sheet still qualify for the Climate Bond Initiative because it is technically still meeting a stretch goal or not?**

*A: Projects achieving CEI funding are in compliance with CBI terms for any building typology.*

**Q: Can a vacant residential shell that is in a historic district and that will be on the same tax lot with construction of a new building component still qualify for the Existing Building term sheet? One integrated building with a renovation component and a new construction component of equal size on same tax lot**

*A: If an adaptive reuse project has SHPO historic designation, then that portion of the project (those units) would qualify for funding under the Substantial Rehab term sheet. For a mixed construction type project, you would multiply the number of units in that construction type times the applicable term sheet funding. Mixed Construction projects are common in the CEI pipeline.*



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### Small Building Participation Loan Program (PLP)

**Q: If a project interested in pursuing Goal 3 of the CEI PLP Term Sheet, do both the Envelope AND Ventilation requirements need to be met to obtain any funding? For example, can a project bring the envelope up to 2020 NYS ECCC code only (base requirement) but seek CEI funding for installing energy recovery ventilation? Is the Goal 3 funding only available to projects that achieve the envelope and ventilation requirements?**

*A: At this time, projects must meet ALL requirements listed under Goal #3 to be eligible for the \$12,500/unit allocated under this goal. This means both the envelope and ventilation requirements listed on the PLP term sheet for Goal #3.*

**Q: Can the total CEI funds awarded for a project be combined under the PLP Term Sheet? For example:**

- Incremental cost for space conditioning heat pumps: \$6,000/dwelling unit
- Incremental cost for domestic hot water heat pumps: \$6,500/dwelling unit
- Total incremental cost for space conditioning and DHW heat pumps: \$12,500/dwelling unit
- Total CEI awarded: \$12,500/dwelling unit\*

*A: Yes, the project can use the total CEI award amount for any eligible CEI scopes of work, as long as it does not exceed the total project costs.*

**Q: Are all three of the options outlined in Goal 3 of the CEI PLP term sheet available on Moderate Rehab Level 1 and 2, and/or Substantial Rehab? The sustainability guidelines state ERVs are required as a stretch goal but the Term Sheet lists additional options, such as natural ventilation, for Goal 3 funding based on existing conditions.**

*A: Yes, all the options currently listed in the CEI PLP Term Sheet are eligible options for Goal 3 funding.*