



Planning Department  
Office of Energy and Sustainable Development

# City of Berkeley Federal Economic Stimulus Money for Energy Efficiency (ME2)

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*Program Eligibility and Requirements*  
*V. 3. September 29, 2011*

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## **I. Changes From Previous Editions**

Since the October 4, 2010 Version 3.2a, Non Residential/Mixed Use Building Improvement Incentives were added, grant criteria were edited and the deadline for single family and duplex rebates was changed. The document was also reorganized and edited. Since the November 11, 2010, Version 3.3, deadlines for the Multi-family and Non Residential/Mixed Use audits were changed. Since the November 11, 2010, version, the Non-residential/Mixed Use Incentive Program has been restructured to provide for pre-qualification for incentives and was updated on December 14, 2010. Since the December 15, 2010 Version 3.3c, the minimum improvement level for single family and duplex rebates was reduced to 15%. Since the January 18, 2011, Version 3.4, an additional extension has been made available for all Audit Rebates based on substantial progress and a reasonable completion date for filing. Also, the reference to Davis Bacon requirements for the **Nonresidential/Mixed Use Incentive Program** has been deleted; also, federal Davis Bacon requirements have been clarified: contractors used for the two Competitive Grant Programs are subject to the requirements; those contractors used for the Nonresidential & Mixed Use Incentive Program are not. Since the February 7, 2011, v.3.5, reference to link for finding information on compliance with historical preservation requirements has been updated; and the link under the competitive grant programs to the application has been corrected. Since the February 28, 2011 V3.6, clarifications have been made to the single family/duplex rebate schedules. Since September 29, 2011, V.3.6 all waitlisted clients notified of a reservation must confirm the reservation within 10 working days or the reservation will be canceled. Since the September 29, 2011 V3.7, an eligibility addendum for additional rebates has been added to Section IV. E.

## **II. General Overview**

The City of Berkeley is offering financial incentives with Federal Energy Efficiency and Conservation Block Grant (EECBG) funds made available through the American Recovery and Reinvestment Act (ARRA) to owners of residential, commercial and industrial properties and to business tenants to conduct comprehensive energy audits and make energy efficiency improvements. Rebates will be available for single family audits and improvements. Rebates for residential audits and improvements and non residential/mixed use audits can be reserved by lottery during the first two weeks of registration and on a first-come-first-served basis thereafter. Incentives for non-residential/mixed use improvements will be made available on a first-come-first-served basis. Competitive grants will be made available for energy improvements to multifamily and non-residential buildings.

In addition to these programs, the City offers more substantial energy improvement subsidies for moderate/median income residents (see the Green Employment Training Services [GETS] program at <http://www.risingsunenergy.org/> ) and free energy

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improvements for qualified low-income residents [Weatherization Program] at <http://www.cityofberkeley.info/ContentDisplay.aspx?id=10798>].

The program requirements and standards are intended to be consistent, to the greatest extent possible, with Federal, State and utility incentive and financing programs. This consistency will position Berkeley residents to gain access to resources from multiple funding sources, as well as allow the City to reduce administrative program costs by leveraging vendor training and oversight, installation verification, and outcomes evaluation.

EECBG Incentives and Goals			
Single Family and Duplexes	<b>ME2 Residential Subsidized Moderate-Income Retrofit Services, aka GETS</b> <ul style="list-style-type: none"> <li>• Single Family and duplex</li> <li>• Subsidized direct installation of home energy improvements by Rising Sun Energy Center</li> <li>• All homes in South and West Berkeley (see map at Attachment A)</li> <li>• Or income-qualified anywhere (see eligibility chart below)</li> </ul>	Typical subsidy <b>\$6,700</b>	Goal of <b>90</b> homes
	<b>ME2 Residential City-wide Rebates</b> <ul style="list-style-type: none"> <li>• Single family and duplexes</li> <li>• Rebates for energy audits and retrofits to improve energy performance</li> </ul>	Up to <b>\$8,500</b> per unit including PG&E rebates	Goal of <b>120</b> homes
Multi-family	<b>ME2 Multi-family Audit Rebates</b> <ul style="list-style-type: none"> <li>• Energy Audit Rebates</li> <li>• Multi-family properties (3-units or more)</li> </ul>	Up to <b>\$2,500</b> per building	Goal of 500 apartments
	<b>ME2 Multi-family Grants</b> <ul style="list-style-type: none"> <li>• Multi-family properties (3-units or more)</li> <li>• Competitive improvement grants</li> </ul>	Up to <b>\$30,000</b> per building	Goal of <b>270</b> apartments
Non Residential/Mixed Use	<b>ME2 Non-Residential/Mixed Use Audit Rebates</b> <ul style="list-style-type: none"> <li>• Energy Audit Rebates</li> </ul>	Up to <b>\$2,500</b> per building	Goal of 310,000 square feet
	<b>ME2 Non-Residential/Mixed Use Improvement Grants</b> <ul style="list-style-type: none"> <li>• Non-residential property owners and tenants</li> <li>• Competitive improvement grants</li> </ul>	Up to <b>\$30,000</b> per building	Goal of <b>90,000 sq. ft.</b> of space
	<b>ME2 Non Residential/Mixed Use Improvement Incentives</b> <ul style="list-style-type: none"> <li>• Non-residential property owners and tenants</li> <li>• Improvement incentives</li> <li>• Cannot be used with improvement grants</li> </ul>	Up to <b>\$15,000</b> per building	Goal of <b>90,000 sq. ft.</b> of space

**III. Subsidized Moderate-Income Retrofit Services**

- A. Introduction
 

**GETS ENERGY SERVICES** is a subsidized BUILDING PERFORMANCE program offered to moderate income Berkeley residents through a partnership between the City of Berkeley and Rising Sun Energy Center, a 501(c)3 non-profit

organization. Funding for the subsidies rebates and incentives for this program are provided by PG&E and the City of Berkeley (through the Department of Energy’s Energy Efficiency and Conservation Block Grant funds made available through the AMERICAN RECOVERY AND REINVESTMENT ACT). In addition to the subsidies, participants can expect to pay between \$500 - \$3,000 for a home retrofit, depending on the amount and type of work being performed. The goal of the program is to help lower utility bills by making homes more COMFORTABLE, HEALTHY, DURABLE, and ENERGY EFFICIENT while, at the same time, providing “on-the-job” training for Richmond and Berkeley residents who have graduated from Rising Sun Energy Center’s GREEN ENERGY TRAINING SERVICES (GETS) workforce development program.

**B. Eligibility**

To be eligible for enrollment into the GETS Energy Services program, the applicant must meet all of the following requirements:

- Be the home owner and have proof of ownership.
- Be willing to share utility information with Rising Sun Energy Center and the City of Berkeley.
- Be able to provide a \$200 security deposit refundable upon completion of the work.
- Be located within the City of Berkeley Neighborhood Strategy Area as specified in Attachment A or the owner must have an adjusted gross annual household income that meets the following guidelines:

Number of Persons per Owner’s Household <sup>1</sup>	Income Range
1	\$29,792 to \$75,960
2	\$38,958 to \$86,760
3	\$48,125 to \$97,560
4	\$57,292 to \$108,360
5	\$65,077 to \$117,120
6	\$74,053 to \$125,760

In addition, the building to be improved must be:

- Applicant’s primary residence.

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<sup>1</sup> The income requirements apply to the owner’s household income, regardless of whether or not the owner lives in the affected unit. The total income will consist of the income of all persons living in the owner’s household, regardless of whether they are paying rent for income. Any rental income from units other than the owner’s household shall be treated as rental income to the owner.

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- Located in the City of Berkeley.
- In a satisfactory state of repair.
- Either a single family detached or, duplex structure.

### C. Application Process

Applicants follow these steps for admission into the GETS Energy Services program:

1. **APPLICATION:** Complete the application and return it with all necessary paperwork. Applications take between 3-5 business days to process. Completed applications received by 5 PM on July 20, 2010 will be processed based on a lottery. All applications received after this time will be processed on a “first come, first served” basis.
2. **INITIAL CUSTOMER PHONE INTERVIEW:** A Rising Sun Energy Center staff member will contact each applicant to complete a brief telephone interview. The purpose of this interview is to make sure Rising Sun Energy Center has all of the right information and to answer any questions the applicant may have about the program process. If everything is in order, Rising Sun Energy Center will schedule an information collection appointment (the energy audit).
3. **HOME INFORMATION COLLECTION:** The GETS Energy Services Licensed General Contractor will come to the home to collect necessary information and generate a proposal of the work to be done.
4. **CONTRACT:** Once the proposal is generated, the GETS Energy Services Licensed General Contractor will go over the details of the proposed work with the applicant, present the proposed budget and timeline of the work to be done, and answer any questions. Once questions are answered, applicant will be given a contract to sign.
5. **WORK:** An appointment will be scheduled to send a GETS Energy Services crew to the property to perform the work outlined in the contract. At the conclusion of the work, the crew will “test out” to verify the quality and effectiveness of their work.
6. **RETURN OF DEPOSIT:** Once the work is done and the final information is collected, the security deposit check will be returned.
7. **FOLLOW-UP:** 12 months after work is completed, a GETS Energy Services staff person will contact the participant to collect utility bill information. This information helps show the impact of the work performed.

Note, applicants who apply for the Citywide program that are within the GETS service area will automatically be transferred to the GETS program application process unless they specifically opt out of the GETS program.

### D. Incentive Amounts

GETS Energy Services customers will get to choose between three different service packages. The more efficient the homeowner wants to make their home,

the larger the incentive. Since each home is different, there is no way for Rising Sun Energy Center to know exactly how much of an incentive will be applied to a project until after the initial home energy assessment and the formal bid and contract has been agreed on by the homeowner. The subsidies increase as the projected energy savings (and amount of work to be done) increase. Here are the three service package options:

- Energy Audit Only: A thorough analysis of a home's energy use resulting in a written report. Total rebate offered: \$250.
- Service Package Level 1: 5%-19% Energy Saving Work Requested with up to a 50% direct rebate on total project. Average rebate offered: \$2,600.
- Service Package Level 2: 20% or more Energy Saving Work Requested with a 75% direct rebate on total project cost. Average rebate offered: \$4,000.

Specific amounts cannot be given for the incentives because of the variation of the scope of work to be performed from home to home. The incentive amount is given in a percentage of the total bid amount. The percentages are based on the total amount of incentives available for each home in the program and estimates of what measures homes will receive. Note that all project management expenses are fully covered by the incentives.

The following table shows the incentive structure for the average home and total program.

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Type	Estimated Units	COB Incentive Rate	PG&E Contractor Subsidy	Avg. PG&E Measure Rebates	Avg. Total Incentive Per Home	Avg. Client Cost	Avg. Total Cost Per Home	Total Incentive Program Cost	Total Program Cost
<b>Audit only</b>	27	\$250	\$0	\$0	\$250	\$300	\$550	\$6,750	\$14,850

Type	Estimated Units	COB Incentive Rate	PG&E Contractor Subsidy	Avg. PG&E Measure Rebates	Avg. Total Incentive Per Home	Avg. Client Cost	Avg. Total Cost Per Home	Total Incentive Program Cost	Total Program Cost
<b>Audit</b>	45	\$450	\$0	\$0	\$450	\$100	\$550	\$20,250	\$24,750
<b>Level 1-5%-19% Energy Saving Work Requested: 50% direct rebate on total project cost.</b>	45	\$600	\$1,000	\$1,000	\$2,600	\$2,400	\$5,000	\$117,000	\$225,000
<b>Program Management</b>	45	\$100	\$2,600	\$0	\$2,700	\$0	\$2,700	\$121,500	\$121,500

Type	Estimated Units	COB Incentive Rate	PG&E Contractor Subsidy	Avg. PG&E Measure Rebates	Avg. Total Incentive Per Home	Avg. Client Cost	Avg. Total Cost Per Home	Total Incentive Program Cost	Total Program Cost
<b>Audit</b>	45	\$450	\$0	\$0	\$450	\$100	\$550	\$20,250	\$24,750
<b>Level 2-20%+ Energy Saving Work Requested: 75% direct rebate on total project cost.</b>	45	\$1,200	\$1,000	\$1,800	\$4,000	\$3,000	\$7,000	\$180,000	\$315,000
<b>Program Management</b>	45	\$100	\$2,600	\$0	\$2,700	\$0	\$2,700	\$121,500	\$121,500

#### IV. Single Family and Duplex Residence Rebates

##### A. Introduction

Incentives will be in the form of rebates to single family and duplex property owners without income qualifications to offset the cost of qualified energy audits and improvements. Rebates will be paid to clients upon completion of the improvement work and filing of required documentation. Rebates for improvements will be based on the change in simulated energy usage, as determined by an energy auditor. A minimum change of 15% is required for an

improvement rebate. Audits and improvements must be performed by service providers that have registered with the City and adhere to the City’s standards.

Clients, awarded reservations prior to October 19, 2010, will be able to reserve their rebates for a period of 120 days or until January 12, 2011, whichever is later; a 60 day extension will be available if the site is under contract with a registered service provider. Reservations will be based on a lottery during the first two weeks after the opening of the application process and will be offered on a first-come-first-serve basis thereafter. Clients from the waitlist who receive awards from October 19, 2010, forward will have 10 working days from the date of award notification to confirm reservations; any reservations not confirmed within this timeframe will be canceled. All confirmed clients will be able to reserve their rebates for a period of 60 days; an extension of up to 120 days extension will be available if the site is under contract with a registered service provider. An additional extension may be granted based on substantial progress having been made and a reasonable completion date for filing documentation proposed and accepted.

Waitlisted clients that complete an audit and/or improvement using a service provider that was registered with the City at the time the work was performed are eligible for a City rebate if a rebate reservation is awarded after the work has been completed.

Note: applicants who apply for the Citywide program that are within the GETS service area will automatically be transferred to the GETS program application process unless they specifically opt out of the GETS program.

To be informed about any announcements on this program, please subscribe to the Office of Energy and Sustainable Development’s website at:  
[http://service.govdelivery.com/service/action/subscribe?code=CABERKE\\_98](http://service.govdelivery.com/service/action/subscribe?code=CABERKE_98)

- B. **Goals and Incentive Levels**  
 The goals of this element of the program are to implement measures that can reduce site energy use by 20% – 40% or more and to identify strategies to reduce energy consumption by 80% by 2020 in 120 dwelling units, saving nearly 3 billion primary BTUs annually.

**Table 1** below summarizes the average incentive levels and the program targets.

Type	Average Incentive rate/unit	Estimated Units	Total Incentive	Primary Energy Savings <sup>2</sup>
Audit only	\$200	76	15,200	0
Audit and	\$1,487	122	\$180,800	2,933

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improvement				
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Each therm is 100,000 Btus and each kWh is 10,329 Btus.

These incentives are for performance based improvements rather than prescriptive measures. The primary objective of the audits is to identify and quantify specific opportunities for deep energy savings that, taken together as a portfolio of measures, will provide a positive net present value. The secondary objective of the audits is to identify and quantify specific opportunities to achieve an 80% reduction in energy use as a long term goal.

Rebate amounts will be commensurate with energy performance improvements measured against a verified baseline through pre-retrofit audit and testing procedures. The initial rebate values are presented in the table below. The City may reduce rebate values after the initial enrollment period. However, rebate levels will be locked once a reservation has been confirmed.

**Table 2** Rebate Amounts

<b>Initial Rebate Levels Per Dwelling Unit</b>	
<b>Audit Report</b>	\$200
<b>Performance Improvement</b>	
<b>15% Improvement</b>	\$900
<b>20% Improvement</b>	\$1,200
<b>Each additional 5% improvement</b>	\$750
<b>Other Rebate Conditions</b>	
<b>Maximum Improvement Rebate</b>	\$5,000
<b>Total Available Funding</b>	\$196,000
<b>Audit only rebates shall not exceed the invoiced cost of the audit. The total rebate shall not to exceed 75% of net improvement cost (gross cost less PG&amp;E incentive)</b>	
<b>For buildings owned by a business or corporation, rebate may not exceed the cost of audit and materials (may not be used for construction labor)</b>	

**Table 3** Rebates for Typical Berkeley 1,400 SF Pre-1940’s Home<sup>3</sup>

<sup>3</sup> Estimates and examples used for program planning only. Actual measures, incentives and costs will vary based on site conditions, labor, materials and other variables.

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Performance Improvement	Examples of measures	Estimated Cost	Berkeley Rebate	Estimated other Incentives(s)	Net customer cost	% Reduced by Rebate
20%	Audit, attic insulation R38, basic air sealing & ducts	\$4,000	\$1,200	\$2,000	\$800	80%
25%	add wall insulation	\$7,500	\$1,950	\$2,500	\$3,050	59%
30%	add floor insulation, heating systems improvements	\$12,000	\$2,700	\$3,000	\$6,300	48%
35%		\$18,000	\$3,450	\$3,500	\$11,050	39%
40%	add window replacement	\$28,000	\$4,200	\$3,500	\$20,300	28%

C. Eligibility

- Owners of property with single family or duplex residential structure(s) located within the City of Berkeley who are not in default on property taxes nor have any City or County liens pursuant to defaults on other payments, fines or judgments are eligible to apply for the rebate program.
- Federal historic protection review requirements may apply to a building that is on the National Historic Registry or a designated local landmark. Energy efficiency work on the interior of the building is exempted from these requirements. Please refer to the following site for information on requirements [http://www1.eere.energy.gov/wip/pdfs/historic\\_preservation\\_doe\\_prototype\\_p\\_a.pdf](http://www1.eere.energy.gov/wip/pdfs/historic_preservation_doe_prototype_p_a.pdf) . A link to the list of projects categorically excluded from SHPO review in California is available there.
- Detailed eligibility requirements and terms and conditions are at [Attachment B – Sample Application and Terms and Conditions](#). Applicants must agree to the terms and conditions.

D. Standards

The standards for the work and qualifications for vendors are at [ME2 Residential Standards \(Appendix 1\)](#).

E. Association of Bay Area Governments (ABAG) Regional Rebate Eligibility Addendum

Beginning October 31, 2011, ABAG will be providing a supplemental rebate for energy assessments and upgrades approved by PG&E for the Advanced Package Energy Upgrade rebate by February 29, 2012. The following is a description of eligibility for ME2 program clients and Berkeley single family/duplex property owners.

1. **Clients with completed projects**, i.e. an improvement project for which a check has been issued for a ME2 rebate to the client on or before October 30, 2011, are not eligible for an ABAG supplemental rebate.
2. **Clients Active ME2 Reservations** (including those in the process of conducting energy assessments and/or upgrades AND not paid as of October 31, 2011) may be eligible for an ABAG supplemental rebate of \$300 toward the cost of an energy assessment only and \$2,300 of an energy assessment plus upgrade in the ME2 program. The ME2 energy assessment rebate will not be provided for projects eligible for the ABAG assessment rebate. ME2 Energy upgrade rebate amounts will be based on percentage improvement and limited to 75% of net client energy upgrade costs (after PG&E and ABAG rebates).

ME2 service providers shall apply for the ABAG supplemental rebate directly through the City of Berkeley with additional documentation submitted electronically by January 31, 2011 to [me2@cityofberkeley.info](mailto:me2@cityofberkeley.info), as follows:

- a) City of Berkeley Job Card with final inspection signed-off
- b) PG&E program Job Report Template (JRT) for the PG&E Advanced Package
- c) Approval Notice for the PG&E Advanced Package
- d) Completed W-9 Federal Tax Form

(found at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>)

3. **Clients on the ME2 waitlist** are eligible for ME2 upgrade rebates retroactively if and when they come off the waitlist and become active reservations. Waitlist clients are eligible for the ABAG rebate of \$300 for an energy assessment only and \$2,300 for an energy assessment plus upgrade qualifying for the PG&E Advanced Package rebate for assessments performed after October 31, 2011, subject to program provisions and availability. Service providers should apply directly to those program administrators for those rebates and apply to the City for the ME2 rebate after a reservation has been awarded. ME2 Energy

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upgrade rebate amounts will be based on percentage improvement and limited to 75% of net client energy upgrade costs (after PG&E and ABAG rebates).

- 4. Berkeley property owners not registered with the ME2 program or whose reservations have been cancelled are nevertheless eligible for ABAG rebate as described above, as well as the PG&E Advanced Package rebate, subject to program provisions and availability. Service providers should apply directly to those program administrators for those rebates.

Table 3 A. Rebate levels including ABAG supplement

Energy Model	Berkeley ME2 Upgrade*	PG&E EU CA	ABAG Audit	ABAG Upgrade	Total
<b>EXPIRES 01/31//12</b>					
15%	\$900	\$1,500	\$300	\$2,000	<b>\$4,700</b>
20%	\$1,200	\$2,000	\$300	\$2,000	<b>\$5,500</b>
25%	\$1,950	\$2,500	\$300	\$2,000	<b>\$6,750</b>
30%	\$2,700	\$3,000	\$300	\$2,000	<b>\$8,000</b>
35%	\$3,450	\$3,500	\$300	\$2,000	<b>\$9,250</b>
40%	\$4,200	\$4,000	\$300	\$2,000	<b>\$10,500</b>
45%	\$4,950	\$4,000	\$300	\$2,000	<b>\$11,250</b>
50%	\$5,000	\$4,000	\$300	\$2,000	<b>\$11,300</b>

\*Note ME2 rebate limited to 75% net cost of upgrade after PG&E and ABAG rebates.

**V. Multifamily Audit Rebates**

A. Introduction

The City of Berkeley is offering rebates with American Recovery and Reinvestment Act funds to owners of multifamily properties to conduct comprehensive investment grade energy audits.

There will be a reservation process for audit rebate funds on a first-come-first-served basis, with a lottery for applications received in the first two weeks. The audit incentives may not exceed 50% of the actual costs. Audit rebates will be paid to applicants after submission of an audit that complies with the City’s standards. Clients are encouraged to withhold payment to the auditor until the City approves the audit.

Reservations will be based on a lottery during the first two weeks after the opening of the application process and will be offered on a first-come-first-serve basis thereafter. Clients, awarded reservations prior to October 19, 2010, will be able to reserve their audit rebates for a period of 120 days or until December 1,

2010, whichever is later; a 60 day extension will be available if the site is under contract with an approved service provider. Clients from the waitlist who receive awards from October 19, 2010, forward will be able to reserve their rebates for a period of 60 days; an extension of up to 60 days extension will be available if the site is under contract with an approved service provider. An additional extension may be granted based on substantial progress having been made and a reasonable completion date for filing documentation proposed and accepted. However, no audit awards will be reserved beyond March 15, 2011.

The standards for this program are also intended to inform regional and Statewide multifamily and non residential programs. They have been developed in collaboration with the EPA’s Multifamily Home Energy Retrofit Coordinating Committee (HERCC), convened under the direction of StopWaste.Org’s Green Building in Alameda County program.

**B. Goals and Incentive Levels**

The goal of the multifamily audit phase of the program is to audit 500 multifamily units and to identify specific near-term (by the end of 2012) measures that can reduce site energy use by 20% – 50% or more and to identify strategies to reduce energy consumption by 80% by 2020.

A collateral goal is a reduction in water use through water efficiency measures. Although water saving measures will not be eligible for incentives under this program (except for hot water measures), the savings associated with water efficiency may help improve project paybacks.

For Single Room Occupancy or other buildings that share kitchens and/or bathrooms, the number of units shall be the total square footage of residential divided by 1,200 or the number of units, whichever is less.

The tables below summarize the initial audit incentive levels.

**Table 4 Multifamily Incentives**

<b>Initial Multifamily Incentive Levels</b>	
<b>Audit Rebates</b>	
Base incentive	<b>\$250/building</b>
Each unit over first five units	<b>\$50</b>
Duct Leakage Test	<b>\$25</b>
Available Funding	<b>\$25,000</b>
<b>Other Conditions</b>	

Maximum Audit Rebate	<b>\$2,500</b>
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- C. Eligibility
  - Owners of property with a multifamily (3 units or more) residential structure(s) on parcels which are more than 50% within the City of Berkeley, excluding UC Berkeley or LBL buildings, who
    - Are not in default on property taxes
    - Do not have any City or County liens pursuant to defaults on other payments, fines or judgments
  - Detailed eligibility requirements and terms and conditions are at [Attachment B – Sample Application and Terms and Conditions](#). Applicants must agree to the terms and conditions.

D. Audit Objectives and Standards  
The primary objective of the audits is to identify and quantify specific opportunities for deep energy savings that, taken together as a portfolio of measures, will provide a positive net present value. The secondary objective of the audits is to identify and quantify specific opportunities to achieve an 80% reduction in energy use as a stretch goal.

These are advanced "investment-grade audits." Auditors will perform a comprehensive analysis that identifies all reasonable energy retrofit, replacement and operations and maintenance opportunities. Data will be gathered from diagnostic field tests, extensive site analysis which may include visual inspection, building systems testing, spot-measurements and short-term energy monitoring, possible risks will be assessed, and intensive engineering and economic analysis will produce reliable estimates of project energy and financial performance with the high confidence needed for major capital projects.

The standards for the work and qualifications for auditors are in [Multifamily Standards \(Appendix 2\)](#).

**VI. Multifamily Improvement Grants**

A. Introduction  
The City of Berkeley will be offering competitive grants with American Recovery and Reinvestment Act funds to owners of multifamily properties to make energy-related improvements. Owners of single family or duplex buildings that provide community energy education functions may also apply for grants. Grant applications will be short and simple. The application will include the requested grant amount, client cost-share amount, proposed contractor, a copy of the audit, a table indentifying proposed measures from an audit, acknowledgement of the terms and conditions of the grant and other information necessary to evaluate the proposals.

To be informed about any announcements on this program, please subscribe to the Office of Energy and Sustainable Development’s website at [http://service.govdelivery.com/service/action/subscribe?code=CABERKE\\_98](http://service.govdelivery.com/service/action/subscribe?code=CABERKE_98).

**B. Goals and Incentive Levels**

The goal of the multifamily improvement phase of the project is to make significant improvements to 270 units saving 3.7 billion primary Btus annually. Incentive levels will be based on competitive proposals.

Target Units	Incentive	Primary Energy Savings <sup>4</sup>
270 units	\$106,000	3,700 MMBtus

**C. Eligibility**

- Owners of property with a multifamily (3 units or more) residential structure(s) on parcels which are more than 50% within the City of Berkeley, excluding UC Berkeley or LBL buildings, who
  - Are not in default on property taxes
  - Do not have any City or County liens pursuant to defaults on other payments, fines or judgments
- Federal historic protection review requirements may apply to a building that is on the National Historic Registry or a designated local landmark. Energy efficiency work on the interior of the building is exempted from these requirements. Please refer to the following site for information on requirements [http://www1.eere.energy.gov/wip/pdfs/historic\\_preservation\\_doe\\_prototype\\_p\\_a.pdf](http://www1.eere.energy.gov/wip/pdfs/historic_preservation_doe_prototype_p_a.pdf) . A link to the list of projects categorically excluded from SHPO review in California is available there.
- Detailed eligibility requirements and terms and conditions and an application can be found at [Finance Department's website](#). Applicants must agree to the terms and conditions, including using contractors that comply with federal Davis Bacon Prevailing Wage requirements.

**D. Grant Criteria**

Grants will be awarded competitively based on the following criteria:

1. Comprehensiveness
  - a) Projected percentage reduction from existing consumption (based on the audit and expressed in terms of Btus of primary energy, where each therm is 100,000 Btus and each kWh is 10,329 Btus)
  - b) Number of end-uses affected
  - c) Projected percentage below benchmark facility (post-project)
2. Cost/Leveraging
  - d) Low grant cost per million Btu of projected primary energy saved

<sup>4</sup> Each therm is 100,000 Btus and each kWh is 10,329 Btus.

- e) High ratio of Applicant costs to grant
- 3. Equity/Social Values
  - f) Percentage savings that accrue to tenants
  - g) Alameda County Green Business Certification
  - h) Dedicated affordable housing
  - i) Installation contractor commitment to local hiring

**VII. Non-Residential/Mixed Use Audit Rebates**

A. Introduction  
 The City of Berkeley is offering rebates with American Recovery and Reinvestment Act funds to owners and tenants of non residential and mixed use buildings to conduct comprehensive investment grade energy audits.

There will be a reservation process for audit rebate funds on a first-come-first-served basis, with a lottery for applications received in the first two weeks. The audit incentives may not exceed 50% of the actual costs. Audit rebates will be paid to applicants after submission of an audit that complies with the City’s standards. Clients are encouraged to withhold payment to the auditor until the City approves the audit. Clients, awarded reservations prior to October 19, 2010, will be able to reserve their audit rebates for a period of 120 days or until December 1, 2010, whichever is later; a 60 day extension will be available if the site is under contract with an approved service provider. Clients from the waitlist who receive awards from October 19, 2010, forward will be able to reserve their rebates for a period of 60 days; an extension of up to 60 days extension will be available if the site is under contract with an approved service provider. An additional extension may be granted based on substantial progress having been made and a reasonable completion date for filing documentation proposed and accepted. However, no audit awards will be reserved beyond March 15, 2011.

B. Goals and Incentive Levels  
 The goal is to reduce site energy use by 20% – 50% or more. A collateral goal is a reduction in water use through water efficiency measures. Although water saving measures will not be eligible for incentives under this program (except for hot water measures), the savings associated with water efficiency may help improve project paybacks. The table below summarizes the initial audit incentive levels.

**Table 5** Non-Residential and Mixed-Use Audit Rebates

<b>Non-Residential and Mixed-Use Audit Rebates</b>	
<b>Audit Rebates</b>	
Audit Rebate	<b>\$0.05/sq. ft.</b>
Available Funding	<b>\$15,000</b>

Other Conditions	
Maximum Audit Rebate	\$2,500

C. Eligibility

- Owners or commercial tenants of non-residential or mixed use buildings on parcels which are more than 50% within the City of Berkeley, excluding UC Berkeley or LBL buildings, who
  - Are not in default on property taxes
  - Do not have any City or County liens pursuant to defaults on other payments, fines or judgments
- Detailed eligibility requirements and terms and conditions are at [Attachment B – Sample Application and Terms and Conditions](#). Applicants must agree to the terms and conditions.

D. Audit Objectives and Standards

The primary objective of the audits is to identify and quantify specific opportunities for deep energy savings that, taken together as a portfolio of measures, will provide a positive net present value. The secondary objective of the audits is to identify and quantify specific opportunities to achieve an 80% reduction in energy use as a stretch goal.

These are advanced "investment-grade audits." Auditors will perform a comprehensive analysis that identifies all reasonable energy retrofit, replacement and operations and maintenance opportunities. Data will be gathered from diagnostic field tests, extensive site analysis which may include visual inspection, building systems testing, spot-measurements and short-term energy monitoring, possible risks will be assessed, and intensive engineering and economic analysis will produce reliable estimates of project energy and financial performance with the high confidence needed for major capital projects.

The standards for the work and qualifications for auditors are in [Audit Standards for Non Residential and Mixed Use Buildings \(Appendix 3\)](#).

## VIII. Non-Residential/Mixed Use Improvement Grants

A. Introduction

The City of Berkeley will be offering competitive grants with American Recovery and Reinvestment Act funds to owners and commercial tenants of non-residential and mixed use properties to make energy-related improvements.

The City will award grants to individuals or companies who own properties or businesses in Berkeley for improvements. Grant applications will be short and simple. The application will include the requested grant amount, client cost-share amount, proposed contractor, a copy of an audit, a table indentifying

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proposed measures from an audit, acknowledgement of the terms and conditions of the grant and other information necessary to evaluate the proposals.

To be informed about any announcements on this program, please subscribe to the Office of Energy and Sustainable Development's website at [http://service.govdelivery.com/service/action/subscribe?code=CABERKE\\_98](http://service.govdelivery.com/service/action/subscribe?code=CABERKE_98).

**B. Goals and Incentive Levels**

The goal of the program is to acquire near-term (by the end of 2012) savings of 20% – 50% in each building.

Improvement Target Units	Total Incentive	Primary Energy Savings <sup>5</sup>
90,000 sf	\$95,000	2,900 MMBtus

**C. Eligibility**

- Owners or commercial tenants of non-residential or mixed use buildings on parcels which are more than 50% within the City of Berkeley, excluding UC Berkeley or LBL buildings, who
  - Are not in default on property taxes
  - Do not have any City or County liens pursuant to defaults on other payments, fines or judgments
- Federal historic protection review requirements may apply to a building that is on the National Historic Registry or a designated local landmark. Energy efficiency work on the interior of the building is exempted from these requirements. Please refer to the following site for information on requirements [http://www1.eere.energy.gov/wip/pdfs/historic\\_preservation\\_doe\\_prototype\\_p\\_a.pdf](http://www1.eere.energy.gov/wip/pdfs/historic_preservation_doe_prototype_p_a.pdf) . A link to the list of projects categorically excluded from SHPO review in California is available there.

Detailed eligibility requirements and terms and conditions and an application can be found at [Finance Department's website](#). Applicants must agree to the terms and conditions, including using contractors that comply with federal Davis Bacon Prevailing Wage requirements.

**D. Grant Criteria**

Grants will be awarded competitively based on the following criteria:

1. Comprehensiveness
  - a) Projected percentage reduction from existing consumption (based on the audit and expressed in terms of Btus of primary energy, where each therm is 100,000 Btus and each kWh is 10,329 Btus)
  - b) Number of end-uses affected
  - c) Projected percentage below benchmark facility (post-project)
2. Cost/Leveraging
  - d) Low grant cost per million Btu of projected primary energy saved
  - e) High ratio of Applicant costs to grant

<sup>5</sup> Each therm is 100,000 Btus and each kWh is 10,329 Btus.

- 3. Equity/Social Values
  - f) Percentage savings that accrue to tenants
  - g) Alameda County Green Business Certification
  - h) Installation contractor commitment to local hiring

**IX. Non Residential/Mixed Use Improvement Incentives**

A. Introduction  
 Beginning December 1, 2010, the City of Berkeley will offer American Recovery and Reinvestment Act incentives for energy improvements for non residential and mixed use buildings. Projects will be pre-qualified on a first-come-first-serve basis. Projects will be pre-qualified only to the maximum available funding; other applications will then be held for pre-qualification in the order received pending availability of funds. Incentive payments will be made only upon completion of project and submittal of documentation. Work must be completed and a Request for Payment made within 90 days of date of Notice of Eligibility for Pre-qualification, unless a request for extension of up to 60 days is made and granted for good cause.

This program is intended to be marketed through vendors that also provide PG&E incentives (although it is not limited to such vendors). It is structured to incent projects that bundle multiple end uses by increasing incentive levels based on the level of savings achieved relative to baseline use.

Program requirements are subject to change. Refer to the current Eligibility and Program Requirements at <http://www.cityofberkeley.info/ContentDisplay.aspx?id=55986>.

- B. Goals and Funding Availability
- Available Funding: \$95,000
  - Goal: 90,000 square feet of space improved and 2,900 MMBtu annual primary energy savings
  - Incentive Levels: \$0.03 per first year kWh and \$1.00 per first year therm saved. See below for details and maximum incentives.

**Table 6** Non-Residential and Mixed Use Improvement Incentives

<b>Non-Residential and Mixed-Use Improvement Incentives</b>	
<b>Improvement Incentives</b>	
Improvement Grants Available Funding	<b>\$95,000</b>
<b>Other Conditions</b>	
Cannot be used with Improvement Grant, but can be used with Audit Rebate	

C. Eligibility

- Owners or commercial tenants of non-residential or mixed use buildings on parcels which are more than 50% within the City of Berkeley, excluding UC Berkeley or LBL buildings, who
  - Are not in default on property taxes
  - Do not have any City or County liens pursuant to defaults on other payments, fines or judgments
- Federal historic protection review requirements may apply to a building that is on the National Historic Registry or a designated local landmark. Energy efficiency work on the interior of the building is exempted from these requirements. Please refer to the following site for information on requirements  
[http://www1.eere.energy.gov/wip/pdfs/historic\\_preservation\\_doe\\_prototype\\_p\\_a.pdf](http://www1.eere.energy.gov/wip/pdfs/historic_preservation_doe_prototype_p_a.pdf) . A link to the list of projects categorically excluded from SHPO review in California is available there.
- Applicants must agree to the terms and conditions. Detailed eligibility requirements and terms and conditions are available at [Application for Non-Residential/Mixed-Use Improvement Incentives \(Attachment C\)](#).

D. Process

- Applications for Pre-qualification shall consist of an [application form](#) that includes projections of saved energy, documentation of prior 12 months energy use and a contract or proposal from a vendor/installer, and a PG&E incentive application if the incentive is not provided through the vendor. Applications may either be submitted by email in a pdf format to [me2@cityofberkeley.info](mailto:me2@cityofberkeley.info), by mail or in person between the hours of 9 AM and 4 PM on regular City of Berkeley work days at:

Office of Energy and Sustainable Development  
ME2 Program  
2118 Milvia Street  
Berkeley, CA 94704

- Projected energy savings shall be based on values used to determine the PG&E incentive.
  - For savings delivered by an authorized PG&E program contractor, kWh and therm savings will be the calculated values used to determine the PG&E incentive.
  - For product-specific PG&E catalogue rebates, the kWh and therm values shall be the deemed values as reported in the [PG&E Calculator Downstream Average Savings and Rebate Savings Estimator 2010.xls](#)
  - These values may differ from the savings reported in the audit, which may be based on specific site conditions.

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- If a project site shares a meter with another space, the prior 12 months energy use must be based on an audit that estimates the share used at the project site. Such estimates shall be based on an inventory of all energy consuming equipment within the project site or which serves the project site and operating schedules.
- Projects will be pre-qualified on a first-come-first-served basis beginning on December 1, 2010. If the application is complete, signed and applicant meets requirements for non-residential incentive, a Notice of Eligibility for Pre-qualification will be delivered to the applicant.

To receive an incentive payment, client must within 90 days of date of Notice of Eligibility for Pre-qualification (unless a request for extension of up to 60 days is made and granted for good cause), submit a signed Request for Payment that includes:

- Agreement to Terms and Conditions
  - A vendor invoice that includes a description of work performed and measures installed, total project cost, cost of project in tenant space (if applicable) and net project cost after incentive (if the vendor provides the PG&E incentive)
  - A copy of a completed request for payment for the PG&E incentive (if the incentive is not provided through the vendor)
- Payment will be made to the client within thirty days of receipt of documentation and verification of approval of the PG&E incentive.

E. Incentives

Incentives will be offered on the following basis:

- \$0.03 per first year kWh saved and \$1.00 per first year therm saved based on PG&E authorized rebate values.
- Incentives to be capped at the lesser of
  - \$15,000
  - 75% - 95% of the net project costs (after PG&E incentive) according to the table below

**Table 7 Net Project Cost Rebate Cap Percent Table**

<b>Projects with 50% or More of the Gross Projects Costs in Leased Space<sup>6</sup></b>
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<sup>6</sup> Leased space shall not include leases that are between parent and subsidiary entities or between corporations and individuals with more than 50% financial interest in the corporation

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Incentive Cap (net of PG&E rebates)	Ratio of projected Savings to Historic Site Energy (Btu)
95%	30% or more
90%	20% to 29%
85%	10% or 19%
80%	10% or less
<b>All Other Projects</b>	
Incentive Cap (net of PG&E incentives)	Ratio of projected Savings to Historic Site Energy (Btu)
90%	30% or more
85%	20% to 29%
80%	10% or 19%
75%	10% or less

**List of Attachments and Appendices**

- [Attachment A: GETS Moderate Income Target Area](#)
- [Attachment B: ME2 Sample Application and Terms and Conditions for Rebates](#)
- [Attachment C: Application and Terms for Non-Residential/Mixed-Use Improvement Incentives](#)
- [Appendix 1: Audit and Improvement Standards for Single Family and Duplex Residences](#)
- [Appendix 2: Audit Standards for Multifamily Buildings](#)
- [Appendix 3: Audit Standards for Non-Residential and Mixed-Use Buildings](#)