



NYSERDA

Multifamily Programs: Overview of Current & Future Opportunities

**BuildingEnergy NYC 2024
October 24th, 2024**



Agenda

> **Current Multifamily Programs**

- NYSERDA programs
- Joint Utilities programs

> **Future Multifamily Programs**

- Multifamily Residential Energy Pathways (MREP)
 - MREP Participating Contactor Network
- Clean Energy Initiative (CEI)
- Upstate Multifamily Affordable Performance Program (UMAPP)
- Inflation Reduction Act – Home Energy Rebates

> **Engagement Resources**

> **Questions**

Context

- > Building sector is the largest source of GHG emissions in New York State
- > Residential buildings represent a third of the building sector's emissions
- > ~75% of existing buildings will still be in operation in 2050
- > Climate Act has a goal that 40% of the benefits from decarbonization investments are made in Disadvantaged Communities



Current Multifamily Programs

NYSERDA multifamily program eligibility

- > Existing buildings
- > Buildings must have 5 or more dwelling units
- > Mixed use buildings acceptable – at least 50% of the gross heated square footage is residential space
- > Pay into electric System Benefits Charge or Clean Energy Fund



Technical Assistance: FlexTech Program - Summary

- > **Funding Amount:** 75% cost share for affordable & 50% cost share for market rate
- > **Funding Availability:** through 2025 on first-come, first-served basis
- > **Providers:** Use a FlexTech Consultant OR Independent Service Provider
- > **Eligibility:** Open to Multifamily, Commercial, and Industrial projects
- > **Technical Assistance:** Can be combined with AMEEP for affordable multifamily properties
- > **Learn More:**
 - Visit [FlexTech funding opportunity page](#)
 - Questions and submit completed application to FlexTech@nyserda.ny.gov

Primary Services

Thermal Energy Network Study

Targeted / Comprehensive Energy Study

Targeted / Comprehensive RCx Study

Climate Action Plan / Sustainability Plan

Climate Heating & Cooling Study

Energy Master Planning

Energy Advisor Services

Energy Storage

Supporting Services

Investigation of renewable energy technologies

Greenhouse gas emissions inventory

Installation of permanent meters or sub-meters

Technical Assistance

“FlexTech Lite” - Summary

- > “FlexTech Lite” is a streamlined energy study offering available for small to mid-size LMI Multifamily buildings statewide
 - A comprehensive walk through of the facility
 - Site staff interviews
 - Utility bill analysis
 - Fuel-neutral, unbiased evaluation of potential low-cost/no-cost and capital improvement energy efficiency upgrades
 - Energy study report that outlines potential energy and cost savings opportunities for your facility
- > 100% cost share for LMI customers
- > Customers must work with the awarded FlexTech consultant to be eligible for this offering
- > FlexTech remains available for customers who wish to use a FlexTech consultant/Independent Service Provider of their choice
- > Timeline: Q1 2025 offering

Technical Assistance

On-site Energy Manager (OsEM) PON 3701

NYSERDA's On-site Energy Manager (OsEM) program offers a cost-share for customers to hire a dedicated full-time or part time on-site energy manager.

- Energy managers are responsible for creating efficient processes that decrease cost and waste—helping achieve leaner operations.
- Projects may include operations and maintenance improvements, energy efficiency upgrades, water saving improvements, and more.
- Assist in lowering operational costs, reducing maintenance time, and creating comfortable, safe areas.
- Contracted OsEM may be selected from the current list of NYSERDA FlexTech Consultant or Multifamily Building Solutions Provider, or an Independent Service Provider.
- Support may be sought for a new permanent hire or hybrid or supporting permanent staff with a Consultant.

Technical Assistance

On-site Energy Manager (OsEM) PON 3701 Cont.

- > Multifamily offering recently released
- > Funding Amount:
 - 100% cost share for Affordable Multifamily
 - 75% cost share for Market Rate Multifamily
- > Applicant may be the customer or consultant
- > Engagement Terms
 - Engagement must be 20 hrs/week min
 - Minimum 12 months to 48 months max
 - Designated OsEM can be a new permanent hire, contracted staff or hybrid thereof
 - Cannot already have a dedicated OsEM

Facility Consumption	NYSERDA Funding Cap	Bonus Incentive
Greater than \$1mil annual energy spend	\$200,000 max	\$7,000/year for 2 years after engagement
Less than \$1mil annual energy spend	\$100,000 max	\$5,000/year for 2 years after engagement

Implementation:

Low Carbon Pathways – PON 4701

- > **Install up to four packages of recommended measures corresponding to major building systems:**
 - Envelope
 - Appliances
 - Heating/cooling electrification
 - DHW full or partial electrification
- > **Packages designed to be modular:** Can implement one at a time
- > **Providers:** Projects can work with FlexTech Consultant, Multifamily Building Solutions Provider, or Independent Services Provider
- > **Incentives & Caps:** Depend on package and order packages installed
 - Not to exceed 50% of total costs of eligible measures per individual project OR
 - Not to exceed 75% for total costs of eligible measures for Affordable Housing OR
 - \$3.0M across corporate parent entity portfolio/parent company (whichever is lower)
- > **Eligibility:** Existing Affordable and Market Rate Multifamily Properties
- > **Learn More:** Visit [website](#) or reach out to MFLowCarbonPathways@nyserda.ny.gov

Implementation: Low Carbon Pathways – Summary Cont.

- > The Low Carbon Pathways (LCP) Program was launched in June 2021 to support multifamily buildings aiming to decarbonize in response to Local Law 97.
- > **Achievements to date:** the program has committed **3,300 dwelling units** and **\$11.8 Million** directly for incentives and services.
- > **Case Study:** International Tailoring Company Building



Low Carbon Pathways Case Study: International Tailoring Company Building

- > **Ownership Structure:** Co-op
- > **Details:** 1 Building; 13 stories; 173-unit; 156,000 sqft; mostly one bedroom and studio apartments.
- > **Typology:** Prewar High-Rise Built in 1921 as a clothing manufacturing facility.
- > **Type:** Co-Op Building Decarbonization
- > **Scope:** Replace existing fossil fuel Centralized heating and domestic hot water system with a thermal energy heat pump loop a in a tall existing multifamily building with co-op governance structure that
- > **Incentive:** Received \$250,850 incentive from NYSERDA & funding from the NYS Clean Heat program.
- > **Expected Results:** Work is projected to bring the building into compliance with LL97 through 2050. Is projected to reduce fossil fuel consumption by about 80%.
- > **Study Links**
 - [Web Case Study](#)
 - [Video Case Study](#)



Implementation:

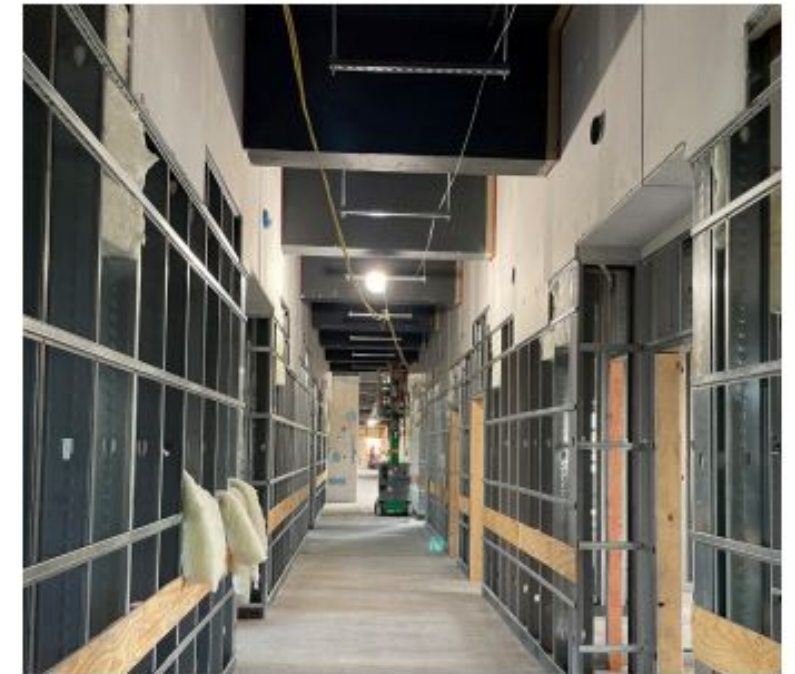
Clean Energy Initiative (CEI) – HCR partnership

- > NYSERDA partnered with NYS Homes and Community Renewal (HCR) to develop a model to **directly include efficiency and/or electrification grants and supplemental capital within HCR's financing processes.**
- > This funding is available to properties applying for and receiving either HTFC/DHCR 9% Low Income Housing Tax Credit (LIHTC) RFP, HFA 4% LIHTC Tax-exempt Bond Financing, or HCR Subsidy Financing.
- > **NYSERDA investment:** \$100M through 2025.
- > **Achievements to date:**
 - HCR in partnership with NYSERDA has awarded \$51.3M to date to carbon neutral ready new construction and adaptive reuse projects and electrification/decarbonization retrofit projects.
 - Includes support for integrated design to reduce project costs and enable scaling.
 - 10 technical assistance providers contracted to build capacity within HCR and assist project teams implementing CEI scopes.

CEI case study

> Tailor Square – Rochester

- Pioneering example of adaptive reuse – urban renewal project that converted a factory to affordable multifamily housing



> \$2.8M in CEI funds

- Building transitioned from central gas and electric systems to utilizing a ground source heat pump system for space and water heating

Upgrades Enabled by CEI		
Building Detail	Original Plans	CEI-enabled Scope
Heating, Cooling, & Domestic Hot Water	Natural Gas Central Boiler	Ground Source Heat Pump*
Building Envelope	Foam insulation only to be added under windows; roof insulation of R-30	Foam insulation on entire exterior wall; roof insulation improved to R-49
Windows	U-value of 0.35	U-value of 0.30
Ventilation	No ERV planned	ERV added to each unit
Renewables	None Planned	Solar to offset on-site energy costs

*Selected scope item as geothermal frees up roof space to take advantage of solar for additional renewable energy.

CEI case study



> Ithaca Housing Authority

- Transformed a 118-unit complex into an all-electric building

> \$1.5M in CEI funds

- Combination of new construction (Northside) and moderate rehab (Southview Gardens and Overlook Terrace)

Northside Building Scope of Work and Building Specifications		
Building Detail	Original Plans	CEI-enabled Scope
Heating and Cooling	Gas furnaces per apartment & split system AC	Ducted <i>electric</i> air-source heat pumps per apartment
Domestic Hot Water	Standard <i>gas</i> hot water system	<i>Electric</i> heat pump hot water heaters
Envelope	R-5 exterior insulation, R-21 foam interior insulation	Addition of double hung highly insulated windows and doors with advanced air sealing
Operating Costs	\$96,144/year	\$93,662/year

Southview and Overlook Buildings Scope of Work and Building Specifications		
Building Detail	Original Plans	CEI-enabled Scope
Heating and Cooling	Ducted <i>gas</i> furnace	Ducted <i>electric</i> air-source heat pumps per apartment*
Domestic Hot Water	<i>Gas</i> instant water heaters	<i>Electric</i> heat pump hot water heaters**
Operating Costs	\$59,542/year	\$58,211/year

*The operation of heat pumps is very different from previous systems tenants and operations staff have encountered. Efficient operation will depend highly on set points, which is why training and educational materials are critical.

**Heat pump hot water heaters generate cold air during operation which must be considered in design.

Resilient, Equitable Decarbonization Initiative (REDi) – HPD partnership

- **NYSERDA partnered** with NYC Housing Preservation & Development (HPD) to also directly include efficiency and/or electrification grants and supplemental capital within HPD's financing processes.
- **NYSERDA investment:** \$39 million through 2028.
 - Pre-defined scopes and funding for partial & full electrification in common multifamily building types.
 - Technical assistance for affordable housing developers and housing agency staff.
- **Achievements to date:**
 - Launched \$24M electrification retrofit program in Q1 2022.
 - \$12M committed to projects to date, resulting in electrification scopes in ~1,000 units.
 - In Q1 2024, NYSERDA executed a direct funding MOU with HPD, allowing NYSERDA to provide HPD directly with incentive funds and providing an additional \$15M .
 - Due to NYSERDA-funded technical assistance, HPD has issued updated design guidelines for new construction and preservation projects, including electrification & decarbonization scope requirements.

Future Multifamily Programs

NYSERDA Direct Inject Partnerships –

**(Clean Energy Initiative (CEI) HCR partnership
& Resilient, Equitable Decarbonization
Initiative (REDi) HPD Partnership)**

NYSERDA Direct Inject Partnerships (HCR CEI & HPD REDi)

Thinking Towards The Future – 2025 and Beyond

- > Continue and build upon success of HCR CEI & HPD REDi programs
- > Focus on existing building retrofits and provide options for moderate rehab projects
 - Moderate rehabs are lighter scopes focused on electrification readiness through load reduction measures
- > Engaging with HCR & HPD on future DI (Direct Injection) program structure and strategy, taking lessons learned from CEF 1.0 and ensuring those are factored into CEF 2.0 CEI strategy
 - Refine incentive levels for substantial and moderate rehab CEI projects
 - Refine technical assistance strategy and continue investing technical assistance resources towards capacity building within HCR & HPD and among project & building teams
- > Increase awareness to the Upstate Markets of HCR CEI funding opportunities
- > Contacts
 - HPD Program Details and Participation: leonej@hpd.nyc.gov
 - HCR Program Details and Participation: Sunitha.Sarveswaran@hcr.ny.gov
 - NYSERDA Stakeholder Engagement and Feedback: James.Mannarino@nyserderda.ny.gov

Multifamily Residential Energy Pathways

Multifamily Residential Energy Pathways: Multifamily future opportunities

The Multifamily team is planning a **“one stop shop” application approach** to implement its planned allocations from the IRA Home Energy Rebate programs – Home Electrification and Appliance Rebate (HEAR) and Home Efficiency Rebate (HER) and future multifamily programs.

- > Aiming to be in market by the end of Q1 2025.

The team is also developing its **future programs for the CEF 2026-2030 period**, which will focus on:

- > Being the sole program administrator for upstate LMI MF programs.
- > Continuing the “direct capital injection” approach with affordable housing agency partners statewide.
- > Continuing technical assistance and implementing purposeful demonstration projects statewide.

Multifamily Residential Energy Pathways: Participating Contractor Network

- > **What is it?** A roster of highly qualified firms and organizations who work directly with developers, building owners, and their representatives to plan and implement energy efficiency and carbon reduction projects in multifamily buildings.
- > **What does the network do?**
 - For Contractors: This network will enable contractors to be eligible for several multifamily programs, including the forthcoming multifamily programs to administer the Inflation Reduction Act's Home Energy Rebates (IRA programs).
 - For Owners and Managers: This network will provide an easily accessible and sortable list of pre-approved contractors to assist in planning and implementation of energy efficiency and carbon reduction projects in their buildings.
- > **Who is Eligible:**
 - Energy Assessors
 - Installers
 - Clean Heat Installers
 - Contractors - General Contractors, Electricians, Plumbers, Insulators
- > **Release:** Webinar for soft launch 10/28/2024. Email mrepnetwork@nyserda.ny.gov for details.
- > **More Info:** nyserda.ny.gov/multifamilycontractornetwork

Owner's Representative Services

Owners Representative Services: Overview

Qualified contractors will support owners through the implementation of decarbonization plans and act as a trusted, independent resource and support the interests and goals of the building owner.

Scope of services includes:

- > Project planning
- > Competitive bid process
- > Capital stack guidance and analysis
- > Communication and relationship management
- > Construction oversight and cost management
- > Project close out
- > Other

Owners Representative Services: Funding Breakdown

Contract and funding will be distributed to selected service providers.

- > Total: \$4 Million
- > Cap per project: \$35,000
- > Estimated buildings served: 114(+/-)

Cost Share Structure

- > 100% investment covered up to \$20,000
 - > Remaining \$15,000 to be determined based on the Scope of Work
 - > 75% cost share for affordable housing
 - > 50% cost share for market rate buildings

Deliverables

- > Scope of Work
- > Energy Efficiency Pathways Plan
 - > Implementation of the project based on the approach and scope of work.

Upstate Multifamily Affordable Performance Program (UMAPP)

Upstate Multifamily Affordable Performance Program (UMAPP)

Strategic Goals

- > Create an updated program that incorporates key process improvements from both AMEEP, Empower+ and the Multifamily Performance Program including:
 - Improve delivery of services by streamlining offering(s) for ease of use (i.e., Technical Assistance & Implementation)
 - Shift toward longer-lived shell/envelope and electrification measures
 - Take an efficiency-first approach to electrification
 - Align program requirements with the specific measures being installed
- > Increase reach of LMI MF Programs by leveraging partners, such as HCR, the Regional Clean Energy Hubs, and Clean Energy Communities, to conduct more effective program outreach and customer acquisition.
- > Contacts
 - Stakeholder Engagement and feedback: Christopher.Mahase@nyserda.ny.gov

Upstate Multifamily Affordable Performance Program (UMAPP)

Program Design – Market Segmentation

> Segment projects into these channels and streamline approach based on specific needs:

Regulated, mid-cycle*

Regulated projects with financing and regulatory agreements from housing agencies at mid-financing term

Upstate Public Housing Authorities

Projects owned and managed by PHAs in NYS

Weatherization Assistance Program (WAP)

Projects receiving an allocation from WAP

Naturally Occurring Affordable

Unregulated projects with no regulatory agreements from housing agencies

* Our thinking is that regulated projects going through their recapitalization cycle would leverage NYSERDA's Direct Injection program instead.

Upstate Multifamily Affordable Performance Program (UMAPP)

Program Design - Pathway Considerations

Weatherization & EE
(<20% projected savings)

- Prescriptive starter measures (common space and in-unit)
- Base weatherization scope (Air sealing, insulation)

Systems Electrification
(20-35% projected savings)

- Layered on base scope or for buildings already weatherized (WAP etc.)
- Heat Pumps, Energy or Heat Recovery Ventilators, and Heat Pump Domestic Hot Water

Deep Energy Retrofit
(>35% projected savings)

- Stretch scope for buildings doing substantial rehab
- Base scope + (High R-value envelope/recladding, HPs, Heat Pumps, Energy or Heat Recovery Ventilators, Heat Pump Domestic Hot Water, and Solar PV)
- Provides market support to scale viable demonstration projects

Inflation Reduction Act Home Energy Rebates: Home Efficiency Rebates & Home Electrification and Appliance Rebates (IRA HER & HEAR)

What are the Home Energy Rebate Programs?

The Inflation Reduction Act of 2022 includes **two provisions** for rebates for home energy efficiency and electrification projects. These two provisions are:



Section 50121:

Home Energy Performance-Based, Whole House Rebates (Referred to as **Home Efficiency Rebates, or HER**)

\$127.5M in incentives net program admin



Section 50122:

High-Efficiency Electric Home Rebate Program (Referred to as **Home Electrification and Appliance Rebates, or HEAR**)

\$126.7M in incentives net program admin

New York State, via NYSERDA, will receive \$317.7M for the Home Energy Rebates, for a budget period no later than September 30, 2031.

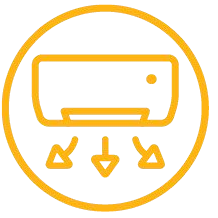
Key Program Design and Implementation Objectives

- > Leverage existing NYSERDA programs and processes to accelerate and simplify New Yorkers' access to Home Energy Rebates and enable braiding of other funding sources, where possible, to meet customer needs
- > Minimize market confusion by avoiding having competing offers in the market
- > Create a seamless experience for customers and contractors
- > Provide clear, concise information on all available offers
- > Offer customized, decision-quality recommendations to customers to enable informed decision-making and maximize impact
- > Ensure equitable distribution of funding across single family, small multi-unit residences (2-4 units), and larger multifamily building (<5 units)

Key Program Design Elements

- > Existing Programs to be leveraged:
 - EmPower+, 1-4 Family Existing Homes, up to 80% AMI
 - Comfort Home, 1-4 Family Existing Homes, 80%+ AMI
- > New Offers Being Developed:
 - 5+ Multifamily Building Programs, for HEAR and HER
 - Appliance Upgrade Program (delivered through Retailers) for HEAR
- > Expected to be in market for approximately 3 years and serve 50,000-60,000 households total with HER and HEAR funds.

HEAR Eligible Measures and Rebate Amounts



Measure Type	Rebate Amount Per Housing Unit	80-150% AMI	<80% AMI
Heat Pump Water Heater	\$1,750	Up to 50% of total project cost	Up to 100% of total project cost
Heat Pump Heating & Cooling	\$8,000		
Induction Cooking Appliance	\$840		
Heat Pump Clothes Dryer	\$840		
Electrical Service Upgrade	\$4,000		
Electrical Wiring Upgrade	\$2,500		
Insulation, Air Sealing, Ventilation	\$1,600		
Maximum per home	\$14,000		

Multifamily buildings require “not less than 50%” of households to meet the eligible income level to qualify

Additional installer incentive up to \$500 “commensurate with the scale of the upgrades installed”. This includes a \$200 DAC incentive to installers.

Appliances, systems, equipment, infrastructure, and components must be ENERGY STAR certified if applicable

HER Rebate Amount 5+ Unit Buildings



Energy Savings (whole building)	Income >80% AMI		Income <80% AMI	
20-34% Modeled	\$2,000/ unit (max \$200,000)	Up to 50% of total project cost	\$4,000/unit	Up to 80% of total project cost
35%+ Modeled	\$4,000/unit (max \$400,000)		\$8,000/unit	
Multifamily buildings require “not less than 50%” of households to meet the eligible income level to qualify				
\$200 DAC incentive available to installers				

Inflation Reduction Act Home Energy Rebates: Multifamily residential (5 units+)

- > Expected to be in market by the end of Q1 2025
- > HEAR/HER funds for multifamily buildings will be provided through standalone programs that leverage tools and resources from previous programs and covered under an overarching Multifamily offering, Multifamily Residential Energy Pathways (MREP)
- > MREP will be comprised of separate multifamily programs but with unified elements, where applicable: Common Application, Incentive Award Letter, Terms & Conditions

Multifamily Residential Energy Pathways

HEAR

HER

Existing/Future
Multifamily
Programs

IRA Home Energy Rebates

Inflation Reduction Act Home Energy Rebates: HEAR & HER Considerations for Multifamily Programs

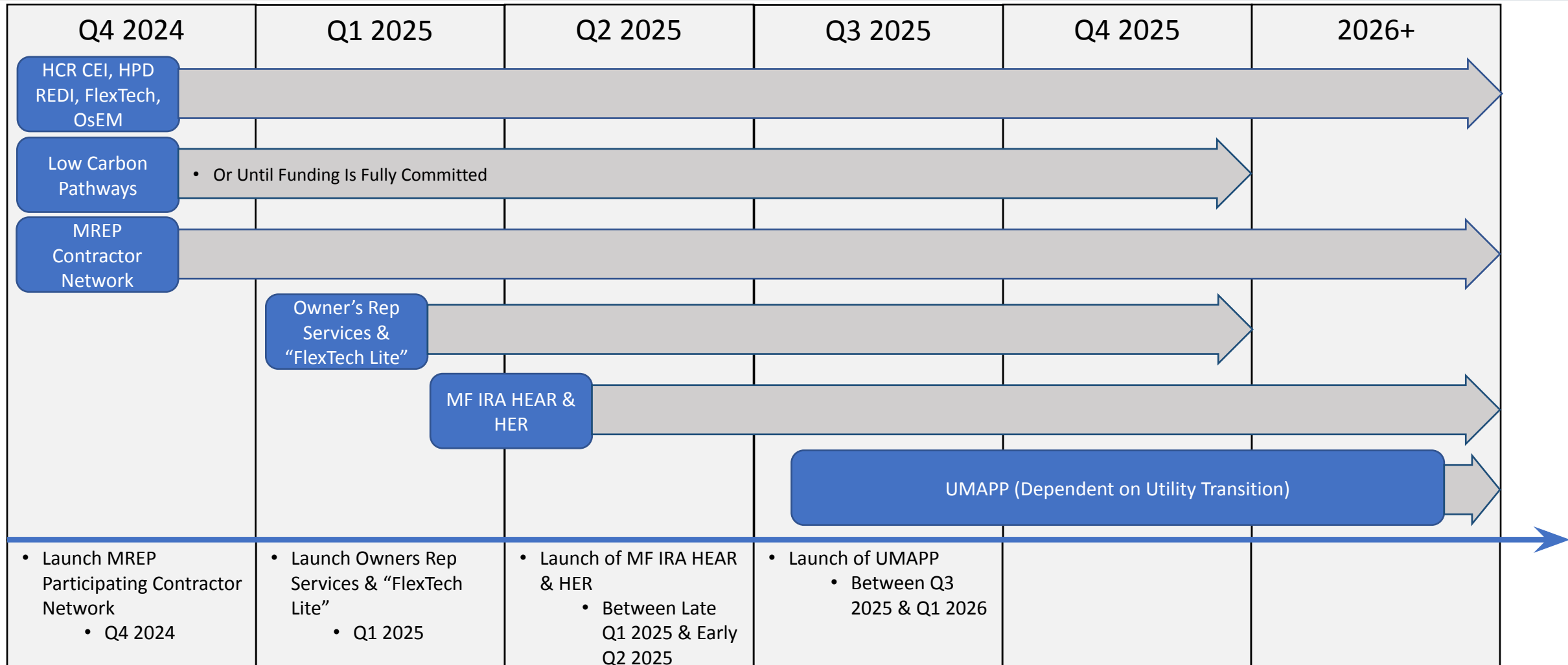
To be eligible for HEAR/HER MF incentives, NYSERDA anticipates that the following criteria should be met:

- **Available statewide** regardless of SBC status, provided they meet the income threshold
- **Scope considerations** – the heat pump should cover at least 50% of the building’s heating load. A project’s scope of work is expected to be holistic of the full residential space of the building.
- **Customers** – customers for multifamily programs will be building owners or property management companies
- **Mixed Use Buildings** – both HEAR and HER require the upgrades service the residential portion of a mixed-use building and have rules against commercial spaces being served
- Ensure work supported does not create an “**unacceptable risk of raising utility bills**” when electrifying heating, per DOE requirements

Inflation Reduction Act Home Energy Rebates: Engagement Opportunities

Type	Audience	Description
NYSERDA Website	All	Access to latest information available about IRA: www.nyserda.ny.gov/All-Programs/Inflation-Reduction-Act/Inflation-Reduction-Act-homeowners Includes summary of public comments
Questions and Input	All	Public may submit questions and comments at any time to residential.ira@nyserda.ny.gov
Voice of customers (VOCs)	Key stakeholders and clean energy providers	Individual 1:1 meetings with a small group used to gather candid feedback on proposed model to roll out HEAR/HER incentives. Typically invitation only.
Residential Market Advisory Group	All industry partners and interested parties; target to 1-4 family residential stakeholders	Scheduled quarterly meetings and open to all. These meetings provide opportunities for NYSERDA to offer informational updates and to engage in structured discussion using topic-specific breakout sessions and large group forums. Keep updated at: www.nyserda.ny.gov/Residential-Market-Advisory-Group

Multifamily Programing: Program Timelines



Multifamily Residential Resources

Program Webpage



Program Menu



Email List



Thank you!

NYSERDA Staff at the conference:

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- **Brian Cabezas**, IRA Multifamily (Brian.Cabezas@nyserda.ny.gov)

NYSERDA Staff by Future Program:

- **Christopher Mahase**, UMAPP Multifamily (Christopher.Mahase@nyserda.ny.gov)
- **James Mannarino**, HCR CEI Multifamily (James.Mannarino@nyserda.ny.gov)
- **Maria Cangiano**, FlexTech/OsEM Multifamily (Maria.Cangiano@nyserda.ny.gov)

Appendix

Inflation Reduction Act Home Energy Rebates: Appliance Upgrade Program



- Up to 150% AMI: Appliance Upgrade Program
- Retail point-of-sale program launching Fall 2024.
- To start, rebates available for ENERGY STAR® certified heat pump clothes dryers (including all-in-one washer-dryers with a heat pump dryer) and the necessary electrical wiring and panel upgrades.
- In early 2025, will offer rebates to ENERGY STAR® certified induction cooktops/stoves/ranges.
- NYSERDA currently recruiting retailers to enroll through PON 5859: Application for Retailer Enrollment. This PON will be modified shortly to solicit contractor participation.