

The Empire Building Challenge

Informational Webinar PON 5459
EBC Cohort 3: Real Estate Partnerships
September 25, 2023

Agenda

- Empire Building Challenge overview
- Goals of current solicitation
- Eligibility requirements
- Funding opportunity
- Application requirements
- Evaluation criteria
- Timeline and process
- Q&A

THE WEBINAR WILL BE RECORDED.

Please input your questions in the **Q&A**, not the Chat

APPLICATIONS DUE

Thursday Nov 16, 2023

by 3pm

Empire Building Challenge

A \$50 million NYSERDA investment to:

1. Accelerate private sector commitment and investment in carbon reduction, working with large portfolio owners.
2. Enable replication and scale across NY's existing large commercial/multifamily building stock.
3. Spur economic development by making NY a global hub for low carbon retrofits.
4. Drive innovation to meet the needs of NY's large commercial/multifamily building stock.



Goals of this solicitation

- Establish partnerships between teams of real estate owners, solution providers and NYSERDA to **test scalable approaches to decarbonize multifamily buildings, with a focus on holistic, phased approaches to remove on-site fossil fuels and decarbonize thermal systems.**
- Test promising approaches to decarbonizing thermal systems, including but not limited to: heat recovery, thermal storage, advanced heat pumps, low temperature hydronics, advanced system integrations, etc.
- Develop **replicable solutions** for decarbonizing thermal loads for multifamily buildings.

Applicant eligibility criteria

- **Team:** A Real Estate Partner must apply to the program in partnership with one or more Solution Providers, as a team.
- **Technical Lead:** Need to identify the firm that will lead on the technical front (development of roadmap and project concepts)
- **Building(s):** The Real Estate Partner must own or manage a multi-family building, or a portfolio containing multifamily buildings, with at least 50 dwelling units.
- **Public commitment:** The Real Estate Partner must make a public commitment to significantly reduce or eliminate on-site fossil fuel consumption at the Proposed Building(s). The commitment must apply to at least 50 units.

Definition: Solution Provider

Solution Providers can include engineering or architecture firms, equipment manufacturers, systems integrators, and building aggregators, to provide creative finance solutions. ***NYSERDA encourages creative teaming arrangements.***

Eligibility criteria for buildings (MF only)

- Proposed Building(s) should have a **major capital event occurring within the next two years**, such as heating/domestic hot water system replacement, or a building market repositioning, for example.
- The Building's current heating and hot water system must be fueled by **gas and/or oil**.
- All Buildings that are included in the Application must be located in NYS and contribute to the **SBC** on a common area electric utility bill.
- The Building(s) covered by the Application must contain, all together, **at least 50 units**, regardless of height. Multiple buildings, containing less than 50 units each, may be submitted as long as the total number of units covered by the Real Estate Partner's Public Commitment is 50 units or more.
- Low-rise Buildings must fall into one of the eight predominant typologies outlined in the Multifamily Market Characterization Study and Study Addendum.
- Mixed use buildings are eligible if the primary space-use type is multi-family.

Funding opportunity

- **Technical assistance (current solicitation):**
 - ❖ Receive up to **\$100,000** in technical assistance funding, per EBC partner (*not* per building).
 - ❖ Funding can be used to develop a carbon neutrality roadmap or design a low carbon retrofit proposal.
- **Implementation funding (future solicitation):**
 - ❖ Cohort 3 partners **will be eligible** to submit proposals for implementation of low carbon retrofits.
 - ❖ Can receive up to **\$3 million** in support.
 - ❖ Competitive funding opportunity will be released in Q3/Q4 2024

All incentives may be subject to a dollar/unit cap.

Cohort 3 selection: application due date

**Thursday,
November 16,
2023
by 3pm EST**

Application requirements: cohort 3 selection

Applicants must submit:

1. Applicant team description
2. Portfolio description
3. Proposed buildings
4. Decarbonization roadmap and retrofit project concept(s)
5. Public commitment
6. Attachment A: Data Collection Form

Application requirements

1. Applicant Team Description

Describe the organizations that make up the Team:

- a) What is each organization's role?
- b) Who are the primary people from each organization that will work on the EBC?
- c) Briefly describe each organization's interests and results to date working on building decarbonization, and how the proposed teaming arrangement brings value to the proposed retrofit project.

Teaming: NYSERDA is interested in creative teaming arrangements that can unlock new models for accelerating and financing building decarbonization. Such teams can include, among others, building owners, equipment manufacturers, solution providers, system integrators, and Building Aggregators.

NYSERDA also encourages innovation with Design-Build-Own-Operate-Manage (DBOOM) models for project development and finance, or a portion thereof (Design-Build).

Application requirements

2. Portfolio

Describe the Team's portfolio, including:

- a) Square footage
- b) Location
- c) Building typology
- d) Number of units (market rate and affordable)
- e) Height

Application requirements

3. Proposed Buildings

Describe the building(s) that are being advanced through the EBC including:

- a) Age, building systems, and areas of opportunity for building decarbonization.
- b) What are the primary heating, cooling, ventilation and domestic hot water systems located in the Building and how do they interconnect?
- c) **Highlight major thermal systems** that are nearing end of useful life, and provide a timeline for system upgrades, or timeline of an upcoming repositioning or tenant turnover.
 - ❖ The identified building(s) should have a major capital event occurring within the next two years, such as a heating/DHW system replacement, or building repositioning.

Application requirements

4. Decarbonization Roadmap and Retrofit Project Concepts

- A. Provide a summary of the Applicant's approach to decarbonizing the Proposed Building(s)
 - a. highlighting individual energy conservation measures (ECMs) and/or building electrification strategies
 - b. their implementation order, general timeline, and decarbonization period.
- B. Describe the anticipated low carbon retrofit projects included within this Roadmap, that will be advanced through Empire Building Challenge,
 - a. Overall retrofit project costs and level of potential private investment

IMPORTANT: The current focus of the EBC program is on building thermal systems; integrating heating, air-conditioning and domestic hot water (DHW) systems; and enhancing building envelope thermal performance. Integrated design solutions are highly desirable. No other measures will be considered for funding under the Program

Application requirements

5. Public Commitment

The Applicant Team must clearly state their commitment to reducing/eliminating on-site fossil fuels at the proposed Building(s) and indicate whether the commitment applies to the proposed Building(s) only or to a broader portfolio. The public commitment will be posted on the NYSERDA website. The commitment should include the following:

- a) Site Energy Use Intensity (EUI) target, below 2010 baseline year
- b) Target year for hitting commitment (no later than 2035)
- c) Commitment to transparency and sharing of retrofit project information
- d) Name and address of building(s) committed

Application requirements

6. Attachment A: Data Collection Form

All applicants **must** complete this attachment.

Evaluation criteria

1. Applicant Team and portfolio – NYSERDA seeks to work with Teams that have the potential to deliver a valuable demonstration project that meets the evaluation criteria listed in this section, and that represent a variety of multifamily building typologies. Owners/Managers of Affordable Housing are encouraged to apply.

2. Level of commitment to eliminate on-site fossil fuels. NYSERDA seeks Applicants that are aiming to dramatically reduce and preferably eliminate on-site fossil fuel consumption at the Proposed Building.

3. Level of Applicant cost-share and private investment – NYSERDA seeks Applicants whose level of investment signals a true commitment to decarbonization in their building(s)/portfolio and the goals of the Empire Building Challenge program.

4. Scaling potential - NYSERDA seeks Applicants that have the ability to replicate successful solutions throughout their portfolios, and/or who can demonstrate real scaling potential in the New York market.

Evaluation criteria (cont'd)

5. Roadmap and Project Concepts- NYSERDA seeks Roadmaps with a demonstrable focus on thermal systems and the elimination of on-site fossil fuels. Through this solicitation, NYSERDA aims to demonstrate the feasibility and replicability of these types of solutions in multifamily buildings.

NYSERDA will evaluate the proposed decarbonization roadmap and the project concepts as they relate to one another.

READ THE ENTIRE SOLICITATION
Evaluation Criteria listed on pp.8-9.

Timeline and process for Cohort 3 partners

Jan/Feb 2024

- Receive notification of selection.
- Attend a webinar to outline the Empire Building Challenge program in detail.
- Participate in a cohort-wide kick-off meeting and relevant onboarding sessions. Onboarding will consist of two tracks:
 - ❖ **Real Estate Partners** = focus on strategic capital planning and decarbonization
 - ❖ **Solution Providers** = focus on technical approaches to decarbonization, including resource efficient decarbonization

*Timeline outlined in Attachment B

Timeline and process for cohort 3 partners

March – September 2024

- By September 2024, develop a roadmap to begin at least one significant low carbon retrofit project by end of 2025.
- Participate in **at least one Design Charrette before Labor Day**

October

- Funding solicitation for low carbon retrofit project implementation is released

November

- Proposals due for low carbon retrofit project implementation funding

December

- All deliverables from the technical assistance and planning work are due.

The Design Charette is a **collaborative, design-oriented session** utilized to explore technical and financial solutions to critical decarbonization issues in the building roadmap and the proposed low carbon retrofit projects.

KEY POINTS

- Read the solicitation, especially evaluation criteria.
- Address all eval criteria in the proposal
- Proposals due Nov.16 by 3pm.
- Multifamily buildings only.
- Only teams can apply; teams must include a tech lead.
- Project concepts must lead to the decarbonization of thermal systems and reductions in fossil fuels on site.
- Proposals must include a full roadmap for reaching commitment target, ie your long term decarb plan.

Cohort 3 selection: application due date

**Thursday,
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EBC@nyserda.ny.gov

Questions & Answer

EBC@nyserda.ny.gov

