

Question and Answer Guide - Empire Building Challenge Part 1

Real Estate Partners PON 4498 (issued Wed. October 7, 2020)

Revised October 19, 2020

New questions and clarifications to existing questions have been added in BLUE.

1. Are there any specific technologies the program is focused on, or is it open to a broad array of energy efficiency solutions?

We are open to all potential solutions. However, we are primarily focused on building energy retrofit solutions that are scalable and replicable and that advance deep carbon emissions reductions; this can include building HVAC, power, motors, envelope or other building systems to advance deep emissions reductions. As carbon neutral buildings eventually require no on-site fossil fuel consumption, technologies that move building heating and domestic hot water toward an electric alternative are important, especially approaches addressing load shaping and grid friendly technologies like thermal storage to minimize peak impacts. NYSERDA encourages innovative solutions that encompass broader initiatives to achieve the definition of carbon neutrality put forth by the applicant.

2. Will there be a separate solicitation process to identify technology and solution providers? How can service/solution providers participate in this offering?

We are hard at work developing our engagement strategy to ensure that we have a diverse and well-qualified network of solutions providers to engage in this work. At this point, the easiest way to express your interest is to send an email to EBC@nyserdera.ny.gov and we will make sure to keep you updated.

This solicitation is focused on selecting real estate owners to participate in the Empire Building Challenge. One of the proposal requirements is for the real estate owner or occupier submitting a proposal to select one or more solution provider(s) that they will partner with for this work. For proposals with teaming arrangements that contain more than one solution provider, the proposal should clearly state the role of each provider in advancing the eventual conceptualization of the low carbon retrofit proposals.

3. Is there a preference in the levelling criteria for multi-family versus commercial properties? Is there a preference for mixed use properties that contain multi-family versus properties whose primary use is multi-family?

NYSERDA does not have a preference in this regard. We are focused on selecting the highest quality proposals. However, the extent to which applications that contain multifamily buildings include Affordable Housing will have a favorable impact on the evaluation, per the program's policy factors. All evaluation criteria are listed in Section VII: Evaluation Criteria.

For mixed use properties, the primary use of the facility must be clearly specified in the application, along with the percent square footage allocated to either commercial or residential use.

4. Are renewables, renewable energy credits, and carbon offsets acceptable strategies for this PON, or are they excluded as part of the strategy for achieving carbon neutrality for high-rise buildings?

Applicants are required, as part of their proposal, to submit their definition of a Carbon Neutral Building, which can address renewables, credit and offsets. Proposers should keep in mind the goal of the Empire Building Challenge, which is to aggressively advance low carbon retrofit solutions for tall buildings. For reference, NYSERDA defines a Carbon Neutral Building in the following way:

Carbon Neutral Buildings Draft Definition: A carbon neutral building is a highly energy efficient building that does not contribute to emissions of greenhouse gases that cause climate change.

The primary attributes of a Carbon Neutral Building include:

- High performance building envelope: A well-insulated and air-sealed envelope that reduces both peak and non-peak energy demands.
- Efficient equipment: The building's equipment, appliances and fixtures are highly efficient and provide active ventilation of interior spaces.
- Load flexibility: The building provides load flexibility through electrical or thermal energy storage, and load reduction through the recovery of waste thermal energy.
- Grid interactivity: The building's energy management system can respond to grid signals to change the operating schedule of building equipment and in some cases export energy onto the grid
- Clean energy: The building satisfies its load requirements from on-site or off-site emission-free energy sources.

5. Does partnership on this PON with NYSERDA preclude participation or application to other NYSERDA PONs, local, or utility incentive programs to provide funding for projects that help achieve the carbon neutrality goal? For example, if energy storage or heat pump technologies are part of the decarbonization strategy, would the property owner be eligible to solicit RESIP incentives, clean heat incentives, or other incentives?

Partnership with NYSERDA on this program does not preclude utilizing other available programs. We will work with selected partners to ensure maximum leverage of existing utility incentives, including clean heat incentives, and we will offer support in obtaining utility incentives and coordinating with Partner utility account representatives.

6. Does the size and scale of the portfolio impact the selection of the partner? For example, would a large owner that shows a commitment in a single building be considered more favorably than a single building portfolio that makes a commitment in that single building (assuming all else is equal)?

When submitting a proposal, please consider the Evaluation Criteria listed in **Section VII** of the solicitation. The first 2 evaluation criteria are:

- Total square feet of NY real estate covered by the Applicant's public commitment to carbon neutrality.
- Total square feet of NY real estate within the Applicant's building portfolio (commercial and/or residential).

Proposers must also describe the buildings they are submitting through the program, providing an opportunity to highlight how the typology of buildings submitted as part of the application can support the program's scalability and replicability goals.

7. The PON notes that only those who pay SBC are eligible; does this imply that portfolios on Long Island (PSEG) would not be eligible to participate in this solicitation?

Correct, only buildings that contribute to the electric System Benefit Charge (SBC) can be included in the proposal.

8. Will NYSEDA accept joint applications?

Yes, NYSEDA will accept joint applications, which can include collaborations between landlords and tenants, and landlords and solution providers, among other collaborative arrangements. Partnerships are encouraged should they lead to more ambitious, innovative and replicable targets and project outcomes. The entity submitting the application will be the lead applicant with whom NYSEDA enters into contract.

9. Can carbon neutrality include VER and REC's from outside of Zone J?

NYSEDA is asking proposing partners to provide their definition of carbon neutrality, and the level of ambition associated with that definition is an important evaluation criterion. VERs or RECs from outside of Zone J could be part of a proposer's definition if desired. NYSEDA recognizes that potential partners have a desire to comply with local laws, such as Local Law 97, which mandates RECs originating in Zone J.

10. Is this solicitation only available to private sector buildings?

This solicitation is open to all owners of multifamily residential, commercial office buildings, and large office tenants that pay into the electric SBC.

11. Why is there a time frame for achieving carbon neutrality, rather than a hard deadline year? What penalties are there for achieving carbon neutrality past 2035?

The purpose of this solicitation is to form public-private partnerships and demonstrate replicable solutions for low carbon retrofit projects in tall buildings. As such, we rely on the applicant to define their target year for achieving carbon neutrality. There are no penalties for achieving carbon neutrality past 2035.

12. How will technology and solution providers be chosen by building owners? Will building owners and developers be responsible for finding solution providers on their own, or will NYSEDA put out another solicitation to find relevant solution providers?

The selection of technology/solution providers is completely up to the real estate portfolio owner submitting the proposal. Those building owners that have existing manufacturer or other solution provider relations should indicate their readiness to convene an extensive Empire Building Challenge implementation team.

The Empire Building Challenge is a partnership. Throughout this initiative, NYSEDA will work collaboratively with our real estate partners to identify and overcome technical barriers that tall buildings

face in achieving carbon neutrality. NYSERDA will recommend solutions and make introductions to solution providers as necessary.

13. Does the Appendix count toward the 12-page limit for the proposal?

The appendix does not count toward the page limit.

14. How will carbon neutrality be measured? Is it based on site- and source- GHG emissions?

Carbon neutrality will be “measured” or determined per the proposer’s definition of carbon neutrality, as stated in their proposal. As noted in the PON, the level of ambition and specificity in the applicant’s definition of carbon neutrality is one of the evaluation criteria.

15. Why is there a focus on buildings that are part of a portfolio? Why exclude buildings such as large class A commercial buildings that have made large GHG reducing improvements and are not part of a portfolio?

No building(s) is exclude being included in a proposer’s application. NYSERDA is interested in partnering with real estate actors that have control over a large portfolio given the EBC’s stated goal of enhancing potential project replicability. NYSERDA seeks Partners that have a large market presence in order to advance the potential for market transformation.

16. How does this solicitation work for entities that own multiple buildings? Can they submit applications for each building or is it limited to one entity?

Applications should be from a single corporate/umbrella entity and can include multiple buildings that may be under varying ownership entities.

17. Is there an M/WBE participation requirement?

No.

18. What state of an emerging technology qualifies as a realistic solution, from the perspective of including such a technology in the proposal (e.g. white-paper level, case study installations, common outside of the US)?

NYSERDA is interested in exploring all potential solutions at varying levels of technology readiness and commercialization.

19. For NYC proposals, will LL97 compliant RECs and carbon offsets count toward the carbon neutral goal? Will there be caps on either?

Each proposer must include their definition of a Carbon Neutral Building in their proposal. It is entirely up to the applicant whether Local Law 97 requirements are incorporated into that definition.

20. Can you provide a further definition of "detailed plans" as part of the Phase 1 deliverables? For example, more than a 3-page summary, but less than 95% construction drawings?

The specifics of these detailed plans will be finalized in conjunction with the selected real estate partners, balancing the desire to move low carbon retrofit projects quickly, but recognizing the need to fit into

building capital planning cycles. There is a requirement to have at least one significant low carbon retrofit project for each partner completed by the end of 2024.

21. Would participation in the NYC Carbon Challenge (carbon neutrality by 2030 commitment) satisfy the public commitment requirement?

We are asking Applicants to tell us what their public commitment will be. This can align with other public commitments, but it doesn't have to.

22. Will NYSERDA provide a list of solution providers who have expressed interest in the solicitation to date?

No.

23. Can you clarify the definition of a tall building? If a building has one of its eight stories with one of its long sides fully exposed at grade and the other partially below grade, would it be disqualified from the EBC PON? Do below grade floors count, i.e. would a 7.5 floor story building qualify, if ½ of the floor is underground?

For a multi-family residential building, the height minimum is 8 stories or taller, i.e. an 8-story multifamily building is eligible. For commercial office buildings, the height minimum is 15 stories or taller, i.e. a 15-story commercial office building is eligible. A 7.5-story building with ½ floor underground would not qualify. A building with a partially exposed 8th story would qualify.

Basement/cellar levels do not count towards the minimum height requirement unless they are at least partially exposed.

24. Can a solution provider be included in multiple proposals?

Proposals are to be submitted by the real estate owners. NYSERDA does not limit the number of proposals any one consulting firm can be included in.

25. If a building can be highly energy efficient and 100% electric, is it sufficient to rely on the grid becoming zero carbon in the future?

For the purpose of this Challenge, being highly energy efficient and 100% electric would be sufficient. It is not the responsibility of selected partners to impact the cleanliness of the electric grid. NYSERDA does encourage innovative and/or aggressive approaches to procuring clean power.

26. Will NYSERDA publish detailed proposal scoring information?

The evaluation criteria and program policy factors are listed in Section VII: Evaluation Criteria of the solicitation. The scoring rubric will not be made public.

27. If carbon neutrality is not achieved by 2035, can NYSERDA withdraw incentives committed to the real estate partner?

No, NYSERDA will not withdraw committed incentives if the targets are not met.

28. Would fuel for emergency power (e.g. diesel fuel for generator) be exempt from the fossil fuel elimination goal, if required by code?

Nothing in this solicitation is intended to exempt a building owner from complying with any and all health or life safety codes. If diesel emergency generators are required by codes, the fossil fuel consumed by that emergency generator would be exempt.

29. Will the list of webinar attendees be shared, as a match-making opportunity between providers and owners?

No, the list of webinar attendees will not be shared. However, all webinar attendees will receive EBC updates, and there may be match-making opportunities in the future.

32. How important is fund matching from real estate owners?

Projects with more aggressive targets will occur the more private capital is leveraged. NYSERDA will also work with EBC partners to identify other sources of capital or funding to make enable project implementation.

33. For supply chain engagement requirements for working with market actors, is this speaking more towards suppliers of physical equipment (i.e. HVAC, LED lighting, batteries, etc.) or energy suppliers (i.e. Retailers, ESCOs, Renewable Energy Developers) or both?

NYSERDA anticipates the need to engage a broad array of supply chain actors -- including both suppliers of physical equipment as well as energy suppliers -- to enable the development and implementation of low carbon retrofit projects. Proposers should speak to how they see their engagement manifesting in this arena, based on their existing and future relationships.

34. When will the selected entities be notified of the results of the competitive selection process?

Partners will be selected by the end of 2020.

35. Can you please clarify what is meant by the following requirement: “Site Energy Use Intensity Target below 2010 baseline year (specify target year, e.g. 2030, if different than carbon neutrality target year)”. Is NYSERDA asking when a project will achieve the target of being below 2010 EUI? And does it refer to the building(s) being proposed?

As stated in Section VI: Application Requirements, Applicants must state their proposed public commitment for a variety of items, one of which is the Applicant’s commitment to a Site Energy Use Intensity (EUI) Target below a prescribed base year. That base year is 2010, as that is when most large New York City buildings were required to publicly report benchmark data. The EUI reduction commitment should be below that baseline. If the Applicant has energy consumption/EUI history going further back than 2010 to demonstrate that they had already made significant reductions before 2010, the Applicant

should submit that information as well to demonstrate the long term energy reduction commitment. To be able to compare different applications for evaluation, we request that all applicants state their Site EUI target in their chosen target year relative to the building's (or portfolio) 2010 baseline year.

36. Does Coned district steam 'count' toward carbon neutrality? Is phasing out steam use in buildings-- whether district steam or Cogen -- part of the EBC?

It is not required that an Applicant's carbon neutrality commitment include stopping use of district steam. To reach a fully carbon neutral building stock, it will eventually be necessary to eliminate fossil fuel use on site, but solving the future fuel mix and emissions from the New York City district steam system is beyond the capability of any one building owner. Other policy initiatives are looking at how to significantly reduce emissions from the district steam system.

The solicitation does not require the elimination of fossil fuels for buildings to be considered eligible for the Program. As such, buildings that have CHP installations are eligible. Each applicant should consider addressing this point through their definition of a carbon neutral building within the context of their commitment to carbon neutrality.

37. Will real estate owners be disqualified from EBC if they enroll in Flextech before applying to EBC? Can you explain how the Flextech cost-share would work for EBC partners?

Real estate owners would not be barred from becoming an EBC partner if they first enroll in Flextech. Technical assistance for Empire Building Challenge Partners will be supported through the Flextech Program. Both Flextech Consultants, as well as non-Flextech consultants are eligible to apply to the Flextech Program for funding. For information about the Flextech Program, please review the [Flex Tech funding opportunity](#). EBC partners will be provided with 100% cost share for technical assistance, up to \$250,000, for the development of low carbon retrofit roadmaps.

38. How will the technical assistance incentives be disbursed? Will NYSERDA pay the consultants/service providers the \$250,000 directly for Phase I, or will landlords be reimbursed for any expenses incurred?

Incentives will be disbursed directly to the consultant responsible for the technical assistance work. In the case where more than one consultant is engaged in a teaming arrangement, one consultant will be designated as the lead consultant, and NYSERDA will contract with that consultant to issue the incentive.

39. Can a third- party manager submit an application on behalf of a building owner?

Yes, as long as the building owner provides a written authorization allowing the third-party manager to submit an application on their behalf.



40. Is M&V required post-upgrade to verify/confirm the results of the effort?

No.

41. Are dormitories considered multifamily buildings and are they eligible under this solicitation?

Dormitories are not eligible. However, faculty housing would be eligible.

42. Can a percent portfolio reduction target be used instead of a site EUI reduction, and can a different baseline year than 2010 be used?

We are looking for applications that demonstrate both ambition and specificity in the Site EUI reduction as well as the Carbon Neutral Buildings definition. We wish to compare the EUI reduction targets across proposals, hence the rationale for the 2010 baseline year. If submitting a portfolio, it is fine to use a % portfolio reduction, though it should be as specific as possible to the buildings that are included in the portfolio, and if possible, linked to the portfolio 2010 baseline. If submitting a single building, the EUI target should be based on the specific building that is included in the proposals. Proposals with aggressive targets are encouraged.

Applicants should provide a clear justification and/or rationale if using a baseline year other than the 2010 baseline year specified in the solicitation.

43. Will the applicant's EBC application commitments be published? Will there be a period to discuss how EBC commitments are communicated to the public?

NYSERDA will not publish any material submitted by the applicant until a period of negotiation/discussion is complete during the Partner selection process. NYSERDA and the Partner will agree on how a Partner's commitment is shared with the public.

44. Should project costs for purposes of the online application include Phase 1 and Phase 2 costs?

Only costs associated with Phase 1 should be included in the online application. Phase 2 of the Empire Building Challenge for Low Carbon Retrofit Implementation will be issued as a separate solicitation in Q1 2021.

If you have additional questions, please email EBC@nyserderda.ny.gov.