PASSIVE BUILDING INCENTIVE

These guidelines govern the procedures and qualifications for incentives under the Austin Energy Passive Building Incentive (the "Program"). **Austin City Council passed Resolution No. 20240418-048** to address the critical need for sustainable, affordable housing solutions. In response to this directive, Austin Energy created the Passive Building Incentive to support four to five affordable housing townhomes or multifamily projects in obtaining Phius certification. As a condition of the Program, the projects will also participate in the Austin Energy Green Building (AEGB) rating.

ELIGIBLE CUSTOMERS

1. The applicant ("Customer") building must be within **Austin Energy's service territory.**
2. Property must be a new construction or major renovation multifamily or townhome development.
3. Projects must apply in the early design stages before reaching 100% schematic design.
4. Dwelling units must utilize electricity for space conditioning, cooking, water heating, and clothes drying.
5. The dwelling units are 100% affordable housing, averaging up to 60% of the Area Median Income (AMI) for rental or 80% AMI for ownership. Note that participation in the AEGB program is a requirement of the SMART Housing program.
6. Allows a minimum of four units in support of **Austin Strategic Housing Blueprint** and missing middle development.

STAKEHOLDERS AND ROLES

Primary Customer: Owner or developer who is the primary applicant, incentive recipient, and point of contact for the incentive.

Project Team Member: A team member who contributes to the project - designer, engineer, architect, energy consultant, rater, etc.

Certified Passive House Consultant (CPHC): Hired by the Primary Customer to serve on the project team and lead the Phius Certification process.

Certified Passive House Verifier/Rater:

Property Management Team and Occupants: Participate in a post-occupancy survey for three years after occupancy. Hired by the Primary Customer to perform quality assurance of the Phius project.

Austin Energy Green Building Project Manager: Primary point of contact for the Passive Building Incentive program, who will coordinate application stages, payments, and semiannual cohort meetings.

PASSIVE BUILDING INCENTIVE

Austin Energy Green Building Representative: Assist project teams to meet passive building measures and strategies for their rated project.

DEFINITIONS

Austin Energy Green Building (AEGB) is a public utility program that provides free design tools and rates the sustainability of new and remodeled buildings.

Energy Efficiency Measures (EEMs) are those energy efficiency measures described in the program materials or other custom measures that the utility may approve.

Energy Star Multifamily New Construction Certification Program (MFNC) is an Energy Star program that provides resources and checklists for rating an Energy Star MFNC project.

Indoor AirPlus EPA program (IAP) is a "voluntary partnership and labeling program that helps new home builders improve Indoor Air Quality by requiring construction practices and product specifications that minimize exposure to airborne pollutants and contaminants.".

Measurement and Verification ("M&V") is the act of verifying installation and measuring or collecting data of EEMs to verify effectiveness.

Multifamily Building Property must consist of at least four units on one property or a combination of contiguous duplex or triplex units (mid- or high-rise properties are eligible).

Online Rating System (ORS) is an online project management software used by the Customer and the Green Building Representative to communicate, track, and approve AEGB-rated projects.

Operational Measures are EEMs dependent on occupancy, schedules, or controls.

Phius is a non-profit organization that maintains the Phius climate-specific passive building standard, certifies passive buildings, certifies high-performance building products, and conducts research. Phius will certify projects participating in this project. Formerly known as Passive House Institute U.S.

Primary Customer Owners and/or developers who approve the Terms and Conditions adhere to program guidelines throughout the project lifecycle, are paid incentives, and assist the Austin Energy team with a three-year post-occupancy measurement and verification period.

S.M.A.R.T. Housing is a City of Austin housing program that provides "Safe, Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented" housing designed to stimulate the production of housing for low and moderate-income residents and provides fee waivers for development permits.

Modeled Energy Transfer (METr) is the software Phius uses to model the design of the project to assess specific EEMs and strategies a project is considering. Based on the Phius Rater/Verifier Quality Assurance field visits, the model is adjusted for the as-built project.

Zero Energy Ready Home DOE Program (ZER) is a high-performance home that is so energy efficient that a renewable energy system could offset most or all the home's annual energy use.

PASSIVE BUILDING INCENTIVE

INCENTIVE PAYMENT

Project incentives are distributed in two payments based on the phase.



The first incentive payment to the Customer is based on completing Phases 0 - 2 and is awarded upon receipt of the Phius Design Certification letter and other required documentation. The second incentive payment is based on achieving the Phase 3 & 4 requirements and obtaining the Phius Final Certification.

Incentive Payment by Phase

Incentive	Project Phase	Amount
Pre-construction	Phase 0 – Application Phase 1 - Predesign Phase 2 - Design	$200 per unit + Phius Costs†
Post-construction	Phase 3 – Construction Phase 4 - Closeout	$2,000 per unit‡
N/A	Phase 5 – Measurement and Verification	N/A

† *Paid after the Phius Design Certification and all program requirements are met. The pre-construction incentive covers the cost of the Phius Feasibility Study, Registration, and Certification Workshop. These costs vary by project and team size.*
‡ *Paid after Phius Final Certification, incremental cost data is provided, and other program requirements are met. The maximum post-construction incentive is $400,000.*

- **Phius Feasibility Study** incentives are based on the project's interior conditioned floor area (iCFA) and project type.
- **Phius Registration** incentives are based on the type of project, performance or prescriptive path, and the project's interior conditioned floor area (iCFA).

- **Phius Project Certification Workshop** incentives are based on the number of attendees and whether they are Phius Alliance members or not. Austin Energy will pay up to four team members to attend.
- Any incentive payment above the City Manager's spending authority is subject to approval by the Austin City Council.
- The maximum combined rebate is $300,000 per customer site per fiscal year (October through September).
- Payments made under the Program are special limited obligations of the City of Austin, payable solely from the revenues of Austin Energy, not from any tax revenues of the city.
- The incentive is subject to annual budget appropriations and does not constitute indebtedness or a credit loan. Neither the City of Austin's faith, credit, or taxing power is pledged to any potential incentive payment obligations.
- Projects must meet all program-defined phases and milestones, or funds could be returned to the utility if necessary.

REQUIREMENTS AND PROGRAM PHASES

The projects accepted to participate will be certified by the Phius and the Austin Energy Green Building programs. This Passive Building Incentive program requires hiring a Certified Passive House Consultant (CPHC) for your project team, participating in a Phius project workshop training, and attending Austin Energy Passive Building Incentive semiannual cohort meetings to capture lessons learned and share best practices.

There are six phases in total that are outlined below for each phase with the required documentation to meet the preconstruction and postconstruction incentives. Note: Since this is a pilot, additional documentation may be requested to meet a project phase.

PHASE 0 – APPLICATION

This phase requires the Customer (or a representative) to complete the online Passive Building Incentive application and agree to the terms and conditions.

- The Customer requests an application.
- The Green Building Project Manager will email the customer an application.
- The Customer must complete all required application fields.
- The Customer completes and reviews the Application, Terms and Conditions, and Letter of Intent and emails them to the Green Building Project Manager for review.
- AEGB representatives will review the application based on the project meeting all minimum eligibility criteria.
- AEGB representatives will notify the Customer that the application is approved.
- Incomplete applications will not be reviewed.

PASSIVE BUILDING INCENTIVE

PHASE 1 - PREDESIGN

This phase is where the Austin Energy Green Building and Phius teams introduce the Customer to their Programs.

AEGB Steps:

- The Customer meets with the AEGB Project Manager and their assigned AEGB representatives to discuss the program goals.
- The Customer registers their project in the **Online Rating System (ORS)**, acknowledges the Terms and Conditions, and signs the Letter of Intent.
- Upload all required documentation into the Online Rating System worksheet.

Phius Steps:

- **Phius Feasibility Study**
- Attend a **Phius Project Certification Workshop** (up to 4 team members)
- Project **Registration**
- Attend a **Phius Project Certification Workshop** (up to four project team members).
- Obtain a Letter of Intent from a Phius Certified rater/verifier
- Sign a Phius contract and pay the registration invoice.

PHASE 2 DESIGN

This phase aims to analyze the proposed building design and provide the Customer with feedback from the AEGB representatives and Phius so that they can adjust their design accordingly and ensure it meets the program requirements.

AEGB Steps:

- The Customer reviews and acknowledges all basic requirements and other rating measures they wish to pursue and uploads the required documentation.
- The AEGB representatives will review and provide feedback.
- The Customer will respond with comments and adjustments.
- The design is certified by AEGB, and a “Conditional Approval” is awarded.

Phius Steps:

- The Certified Passive House Consultant (CPHC) will upload all program documentation Phius requires.
- Phius will review and provide feedback.
- The CHPH will respond with comments and adjustments.
- The design is certified by Phius and awarded a Design Certification letter.

Once the required Phius project documentation is received, the Preconstruction incentive payment is initiated and awarded to the Customer. Required documentation to be submitted in the ORS includes, but is not limited to:

- AE Incremental Cost Analysis- estimated costs
- Paid Phius Project invoice/receipt
- Phius feasibility study and invoice

- Project Certification Workshop invoice
- Design METr model
- Moisture and Risk Analysis, if recommended by Phius
- Final Design Phuis Certification Feedback form
- Copies of any Phuis Calculators utilized during the Design phase
- Phius Design Certification Letter

PHASE 3 - CONSTRUCTION

This stage involves constructing, auditing, and testing the building to meet the Passive Building Incentive requirements.

AEGB Steps:

- The Customer uploads updated documentation based on construction drawings and other required documentation.
- The AEGB representatives will review the updated documents and provide feedback.
- The AEGB representatives will conduct site visits to verify the selected measure requirements are met.
- The Customer will respond with comments and adjustments.
- The AEGB representatives will conduct a final site visit.
- The AEGB representatives approve the as-built project.

Phius Steps:

- On-site review by the Certified Rater/Verifier.
- The Certified Rater/Verifier will upload all Quality Assurance documentation and testing results.
- Phius will review and provide feedback.
- The Certified Rater/Verifier will respond with comments and adjustments.

PHASE 4 – CLOSE OUT

This stage aims to award certification, celebrate the project team's success, develop a case study, collect all project costs, and process the second incentive payment.

AEGB Steps:

- The AEGB representatives award a Final AEGB Certificate.
- Provide Austin Energy with a report on the incremental costs of Passive House measures over the City of Austin Energy Code Requirements.
- Detailed information about the project that may help evaluate and substantiate electric savings or energy reduction estimates. Examples of such information include construction documentation, capital costs, product specifications and manufacturer literature.
- Create an AEGB Case Study

Phius Steps:

- The as-built project is certified by Phius, and a final certification is awarded.
- The Phius Case Study is updated online.

Once the required Phius project documentation is received, Post Construction incentive payment number two is initiated and awarded to the Customer. Required documentation to be submitted in the ORS includes, but is not limited to:

- AE Incremental Cost Analysis - As built
- Approved IAP Verification Checklist
- Approved ZERH - National Rater Checklist
- Energy Star MFNC HVAC Functional Testing Checklist
- Energy Star MFNC National Program Requirements Checklist
- Energy Star Multifamily New Construction Program (MFNC): Energy Star Multifamily Workbook.
- Energy Star Certified New Construction Report Certification
- Final Adjusted As-Built METr Model Report
- Final As-Built Phuis Certification Feedback form
- Phius Final Certification Letter

PHASE 5 – MEASUREMENT AND VERIFICATION

This phase involves collaborating with AEGB representatives for up to three years to analyze the design versus the savings of as-built energy, demand, and GHG emissions. Austin Energy representatives reserve the right to monitor and inspect the Energy Efficiency Measures (EEMs) included in the project for three years following the certification of completion. As a condition of receiving an incentive, the Customer agrees to assist us in working with the property management company to provide access to and cooperate with Austin Energy and its partners regarding such activities.

- Examples of requested M&V data that the “Customer” and or “Property Management Company” must provide to Austin Energy are:
    - Submit detailed energy budgets from the Phius model for comparison with actual energy usage documented during the three years of energy benchmarking.
    - Data related to the building's performance during the operational period may include, but is not limited to, data logger installation, temperature and humidity data readings from thermostats or data loggers, reporting occupancy numbers, surveying tenants, or providing maintenance log reports.

OTHER AUSTIN ENERGY INCENTIVES

Customer participation in the Program is voluntary and independent of Customer participation in Austin Energy programs. The Customer is excluded from applying for additional rebates and

incentives except for the following:

- **Business EV Charger Rebate**
- **Multifamily Solar Photovoltaics (PV)**
- Participating in Demand Response or battery storage programs such as **Power Partner**.

POLICIES

- Incentive payments are subject to budget allocation by the Austin City Council.
- Austin Energy does not commit to paying incentive funds until issuing the Letter of Intent (LOI).
- Funding for any Program incentive above the City Manager's discretionary spending authority is subject to City Council approval.
- Projects will be disqualified from the Program incentive if the required documentation is not submitted promptly and in accordance with these guidelines.

RESOURCES

- Austin Energy Green Building **GreenBuilding.AustinEnergy.com**
- Passive House Institute US (Phius) **Phius.org**
- Austin Energy Passive Building Incentive **AustinEnergy.com/PassiveBuilding**
- Austin Energy Multifamily Incentives **AustinEnergy.com/Multifamily**

Disclaimer: Austin Energy pays rebates only after approving the rebate application, receiving all requested documentation, and conducting any necessary site inspections. Offerings, program requirements and rebate levels are subject to change without notice. Funding is limited and available on a first-come, first-served basis. The maximum combined rebate is $300,000 per customer site per fiscal year (October through September).