

1. Carbon Fund Program FAQ

Documents:

[2014-05-08 CARBON FUND PROGRAM FAQ.PDF](#)

2. Voluntary Compliance Worksheet

Documents:

[2014-05-08 VOLUNTARY COMPLIANCE WORKSHEET.PDF](#)

WATSONVILLE CARBON FUND PROGRAM

FACT SHEET

May 8, 2014

What is the Carbon Fund Program?

The proposed Watsonville Carbon Fund Program, to be adopted by ordinance, is a mechanism to incentivize energy efficient buildings, on-site renewable energy technologies and fund greenhouse gas reduction projects city-wide. The Carbon Fund Program will add a Carbon Impact Fee to all new development. Applicants of development projects can be refunded a portion or all of their Carbon Impact Fee if they reduce their development's average annual electricity demand through on-site renewable energy and/or energy efficiency. The Carbon Impact Fees collected will be routed to a Carbon Fund from which the City will fund only greenhouse gas reducing projects in the City.

Who does the Carbon Fund Program impact?

The Carbon Fund Program impacts all new proposed development including

- New construction: all non-residential and residential
- Additions: all non-residential and residential
- Alterations: all non-residential and multi-family residential

Single family residential alterations are exempt from the Program and will not be assessed the Carbon Impact Fee.

How will the Carbon Impact Fee be assessed?

The Carbon Impact Fee is calculated as a percent of the overall development project's valuation, depending on whether it is new construction or an addition/alteration.

Type of Development	Carbon Impact Fee (percent of project valuation)
New non-residential and residential construction	1.00%
Non-residential and residential additions	0.75%
Non-residential and multi-family alterations	0.75%

Applicants will pay the Carbon Impact Fee at the same time as other development and permit Fees, after submitting plans and appropriate documentation for plan review. No separate payment is required.

How can the Carbon Impact Fee be refunded?

Voluntary compliance with the Carbon Fund program may be achieved by installing an on-site renewable energy system and providing documentation that demonstrates the system will offset either 50% or 100% of the project's average annual electricity demand. Applicants who achieve voluntary compliance will be refunded either 50% or 100% of the Carbon Impact Fee after submission and approval of the Carbon Fund Program Voluntary Compliance Worksheet and proper documentation and installation of an on-site renewable energy generation system that has been inspected and approved.

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Type of Development	Eligible for refund
New non-residential and residential construction	Yes
Non-residential and residential additions	Yes
Non-residential and multi-family alterations	No

Because alteration projects do not add any conditioned space to an existing building, the basis for achieving voluntary compliance, alteration projects are not eligible for any Carbon Impact Fee refund. Single family alterations are exempt from the program and do not pay the Carbon Impact Fee.

When does the Carbon Fund Program and collection of Carbon Impact Fees go into effect?

The adoption of the Carbon Fund Program ordinance will be voted on by City Council in 2014. The assessment and collection of Carbon Impact Fees will go into effect from the date of adoption onward.

Where will I find the Carbon Fund Program ordinance and Worksheet?

Information about the Carbon Fund Program, the ordinance and the voluntary compliance worksheet will be located at the Watsonville Community Development office and website:
<http://cityofwatsonville.org/permits-plans>.

How funds collected by the Carbon Fund be used?

As outlined in the ordinance, the Carbon Fund must be used for projects that reduce greenhouse gas emissions, as follows:

- Projects proposed by Public Works, Planning, and other departments are eligible to use funds
- Projects proposed must have a direct or indirect greenhouse gas emissions reduction identified
- Projects proposed should be aligned with the priorities identified in the Climate Action Plan

How will projects be selected and funds disbursed for projects?

The projects will be initially approved by collaborative deliberation between city departments and agreement by department heads. The projects will then be presented to City Council in a staff report as consent calendar item, allowing for public comment and approved by Council vote.

CITY OF WATSONVILLE
CARBON FUND PROGRAM: VOLUNTARY COMPLIANCE APPLICANT WORKSHEET

Applicant shall complete the Carbon Fund Program Voluntary Compliance Worksheet (Worksheet) and submit with proper documentation, Building Permit Application, and plan sets. City reviews Worksheet and documentation during plan review process to ensure compliance. A new Worksheet should be submitted if submittal fails to gain voluntary compliance approval.

Project Address: _____

Type of Building Construction Permit Application:

- New construction
- Addition
- Non-residential alteration (Residential alterations are exempt from Carbon Fund Program)

Row	Calculation	Enter values here
1	Enter average annual overall building electricity demand for the new or existing building	KWh/yr
2	Indicate source of average annual overall building electricity demand determination: <u>New Construction</u> (choose one): <input type="checkbox"/> Title 24 compliance software certified by California Energy Commission <input type="checkbox"/> Certified solar contractor model or set of calculations (<i>allowable for Single Family Residences only</i>) <u>Additions</u> (choose one): <input type="checkbox"/> Minimum of 1 year of utility bills <input type="checkbox"/> Title 24 compliance software certified by California Energy Commission <input type="checkbox"/> Energy Benchmark Disclosure (<i>commercial properties only</i>)	
3a	Additions only: Enter square footage of existing building (square feet)	SF
3b	Calculate Energy Use Intensity (Row 1 entry ÷ Row 3a entry)	KWh/SF-yr
3c	Enter square footage of new addition (square feet)	SF
3d	Calculate average annual electricity demand from new addition (Row 3b entry x Row 3c entry)	KWh/yr
4a	If on-site electricity generation is solar PV: Enter estimated electricity generation per year (kWh) for new building or building addition as provided by a certified contractor estimate	KWh
5	If on-site electricity generation is provided by another renewable energy technology enter estimated annual electricity generation (kWh) and <input type="checkbox"/> attach calculation documentation	KWh/yr
6	Calculate the portion of the average annual electricity demand met by on-site electricity generation: New construction: Row 4a (solar) or Row 5 entry (other tech) ÷ Row 1 entry Additions: Row 4a (solar) or Row 5 entry (other tech) ÷ Row 3d entry	%
7	Anticipated compliance threshold = percent of Carbon Impact Fee to be refunded: <input type="checkbox"/> If Row 6 ≥ 100% of demand, enter 100% <input type="checkbox"/> If Row 6 is between 50% and 99% of demand, enter 50%	%
8	<input type="checkbox"/> Submit worksheet, calculations and models with other permit materials	

I certify that the information provided herein and attached are true and accurate.

Signature of Applicant: _____ Date: _____

Note: Inspector will verify that on-site electricity generation system installed is that specified and approved during plan check. This process must be completed before Applicant receives refund for rebate.

**FOR CITY USE – APPLICANT DO NOT COMPLETE
CARBON FUND PROGRAM VOLUNTARY COMPLIANCE CHECK**

Type of Building Construction Permit Application:

- New construction
- Addition
- Non-residential alterations
- Residential alterations → stop here residential alterations exempt from Program → Bldg Tech notify applicant

Enter average annual new building or addition electricity demand from Applicant Worksheet _____ KWh

Indicate source of average annual new building or addition electricity demand determination.

New Construction (choose one):

- Title 24 compliant model → proceed with checklist
- Certified solar contractor model or set of calculations (*acceptable for SFR only*) → proceed with checklist
- None included or Not an acceptable source → stop here and notify Building Permit Tech that applicant must submit a new Worksheet with an approved source of total building electricity use determination

Additions (choose one):

- EUI from minimum of 1 year of utility bills → proceed with checklist
- EUI from Accurate Title 24 compliant energy model → proceed with checklist
- EUI from Energy Benchmark Disclosure → proceed with checklist
- None included or Not an acceptable source → stop here and notify Building Permit Tech that applicant must submit a new Worksheet with an approved source of total building electricity use determination

Compliance Threshold: Percent of annual average electricity demand for new building or addition met by on-site generation

- 100% of demand → proceed; if approved proceed with full Carbon Impact fee refund
- 50% to 99% of demand → proceed with checklist; if approved proceed with 50% Carbon Impact fee refund
- <50% of demand → stop here and notify Building Permit Tech that proposed system does not meet the Carbon Fund Program requirements for compliance and deny any fee refund.

Does proposed on-site generation system meet all other Title 24 code requirements?

- yes → proceed
- no → stop here and notify Building Permit Tech that proposed system does not meet the Title 24 requirements for an approved solar PV system design

Does applicant meet all Carbon Fund Program requirements?

- yes → approve compliance and proceed with inspection (if and when all other plan reviews approved)
- no → stop here and notify Building Permit Tech that proposed system does not meet the Carbon Fund Program requirements. Applicant may revise to address deficiencies and resubmit a new Worksheet.

Signature of Reviewer: _____ Date: _____

FIRE DEPARTMENT INSPECTION:

Did contractor properly install the approved on-site generation system to code?

- yes → approve compliance and proceed with Carbon Impact fee refund at compliance threshold noted above.
- no → Contractor did not properly install system or did not install approved system. Contractor to make corrections and applicant will request scheduling of re-inspection.

Signature of Inspector: _____ Date: _____