



Building Electrification Token Program Guidelines



Section 1: Program Description

The Short-Term Rental Building Electrification Token Program (BETP) is a new approach to promote residential building electrification and greenhouse gas (GHG) emissions reduction in Truckee. This program focuses on supporting voluntary electrification of residential space and water heating systems, key supporting efficiency upgrades, and installation of solar photovoltaic (PV) panels in existing residential buildings. The BETP intends to encourage these electrification and renewable energy measures by offering an incentive in the form of Tokens, which are redeemable for Transient Occupancy (Short-term rental) Registration Certificates.

Truckee's municipal code requires that all short-term rentals hold a valid Transient Occupancy Registration Certificate and caps the number of short-term rentals at 1,255 to reduce community impacts. This has resulted in a waitlist for interested property owners to receive a Transient Occupancy Registration Certificate. To incentivize interested homeowners to complete residential energy upgrades and thereby reduce community GHG emissions, the BETP will grant each participating homeowner one Token that is immediately redeemable for a Transient Occupancy Registration Certificate (i.e. outside of the standard waitlist process) as long as all other Short-Term Rental Program requirements are met.

Up to 15 Tokens per calendar year will be reserved for the BETP on a first-come, first-served basis. A Token is a transferable incentive that gives the holder expedited access to a Transient Occupancy Registration Certificate. Properties must still comply with all other eligibility requirements in order to receive a Transient Occupancy Registration Certificate, including the one-year waiting period after purchase of a property. Tokens issued through the BETP are valid for 5 years from the date they are issued.

Section 2: Building Electrification Requirements

To earn a Token under the proposed BETP, applicants will need to complete eligible building upgrades that reduce GHG emissions from energy use. To allow for flexibility, applicants can choose from a list of eligible measures to achieve a minimum number of points, based on the home's building vintage. This allows applicants to choose the eligible measures best suited to their property. Eligible measures include electrification of natural gas or propane heating or water heating equipment, supporting efficiency measures, and installation of solar panels. Points are based on the relative annual GHG emissions reduction for each measure. The minimum score is designed to require electrification of space and/or water heating equipment in all building vintages.

To ensure that a Token is exchanged for an approximately equivalent amount of GHG emissions reduction, the associated points value for each eligible measure may vary based on building vintage (year built), according to the estimated actual GHG emissions reduction potential. This variance reflects the average differences in energy and building code requirements—and therefore the energy efficiency of existing buildings—over time. Due to these natural differences in existing building and equipment efficiency, newer buildings will need to complete more eligible upgrades to meet the minimum points required to earn a Token. The minimum points value will

also increase over time to encourage early participation in the program. A maximum of one Token may be issued per application/dwelling unit.

Table 1: Minimum Points Required for a Token

Year ¹	Minimum Points Required
2026-2028	10
2029-2030	13
2031 and after	15

¹Based on submittal of an Interest Form or Application Form, whichever is received first, that is deemed complete by Town staff.

Table 2: Eligible Measures and Points

ENERGY MEASURE ¹		BUILDING VINTAGE		
		Pre-1978	1978-1991	1992-2010
E1	Replace gas or propane furnace with Heat Pump Space Heater ¹	16	13	9
E2	Replace gas or propane water heater with Heat Pump Water Heater ¹	3	3	3
E3	New Ducts (R-6 minimum) OR Duct Sealing to 10%	2	1.5	0.5
E4	Attic Insulation (R-44 minimum)	1	0.5	-
E5	Floor Insulation (R-25 minimum)	2.5	2.5	-
E6	Window Upgrade to 0.28 U-factor	1.5	1.5	1
E7	Solar Photovoltaic (minimum 3kW system)	0.5	0.5	0.5
E8	Solar Photovoltaic (minimum 6kW system)	1	1	1

¹For full specifications of eligible measures, see Table 3: List of Measure Specifications at the end of the Guidelines. Only one of each eligible measure may be claimed per application.

Upgrade Requirements:

- Upgrades completed prior to the BETP program start date are not eligible. The final eligible upgrade must be completed no more than 90 days before submittal of an Application Form.
- Upgrades must comply with Town of Truckee building division standards, including obtaining any required permits.
- The parcel number (APN) on the building permit(s) must match the APN on the BETP application to be eligible. Applicants may not combine eligible measures across different properties or buildings to qualify.
- Equipment must be purchased new and not used and installed by a licensed contractor.
- Applicant is required to provide documentation of conditions and equipment prior to upgrades. See Section 4: Application and the program application form for details. Failure

to provide all required documentation will result in the measure(s) being excluded from consideration towards eligibility for a Token.

- Applicant must agree to allow verification of completion of measures by Town of Truckee staff if requested.

Applicants are encouraged to complete the pre-application process (see Section 4 of the Guidelines) prior to beginning any upgrades to check eligibility and reserve a Token.

Section 3: Applicant Eligibility

Eligible Applicants: Applicant must be the owner of the property on which eligible upgrades are completed. An applicant who is the owner of more than one eligible dwelling unit is eligible to submit up to one application per eligible unit. Under no circumstances will more than one Token will be granted per dwelling unit. There is no limit to the total number of Tokens an applicant may receive under the BETP, though issuance and reservation of Tokens at any time is subject to the overall limit of 15 per calendar year for this program.

If the applicant is in violation of, or has been found to be in violation of, any local, state, or federal law, statute, ordinance, rule or regulation, they are ineligible to apply to the BETP until the violation has been cured, remedied, or brought into compliance.

Eligible Properties: Eligible applicants may apply to receive a Token for eligible upgrades completed in the following building types:

- Single-family detached homes
- Townhomes
- Condominiums
- Detached accessory dwelling units (attached accessory dwelling units such as “junior accessory dwelling units” are not eligible to apply separately from the primary building)

Ineligible Properties:

- All other building types not listed above, including commercial buildings, multifamily residential buildings, manufactured and mobile housing, and recreational vehicles, are ineligible to participate in this program.
- Properties currently participating in the Town’s workforce housing rental assistance programs (e.g. Lease to Locals and Rooted Renters) will be ineligible until the end of their program participation term. This restriction is intended to minimize disruption to or displacement of long-term renters due to completion of eligible upgrades and to avoid incentivizing conversion of long-term rentals to short-term rentals.
- Any structure or portion of a structure that is not a legally permitted dwelling unit, including but not limited to unpermitted accessory dwelling units.
- Properties built in 2011 or later, as this program is designed to upgrade older, less efficient buildings.

Some property types are eligible for the BETP but not eligible to receive a Transient Occupancy Registration Certificate for use as a short-term rental. The BETP does not expand the eligible building types to be used as short-term rentals. In order to redeem a Token for a Transient

Occupancy Registration Certificate, a property must meet all other requirements of the Town's Short Term Rental program. Owners of buildings that are not eligible for use as short-term rentals (including but not limited to townhomes, condos, accessory dwelling units, and deed-restricted workforce housing) can still apply to the BETP and receive a Token if they meet the BETP program criteria but need to transfer the Token to a property that is eligible for a Transient Occupancy Registration Certificate in order for the Token to be redeemed.

Section 4: Application Process

The application process for the BETP will occur in two phases, an optional Pre-Application process before a property owner begins upgrades, and an Application Form submitted after completion of all upgrades. While the pre-application is not required, it is strongly recommended that applicants complete this process prior to beginning any upgrades to confirm eligibility of any planned upgrade measures, review documentation that will need to be submitted with their Application Form, and to reserve a Token for a limited period of time. The Town cannot guarantee the availability of a Token if it has not been reserved through the Pre-Application process.

Pre-Application: The Pre-Application occurs in two steps, an Interest Form and a Token Reservation. The Interest Form will require the following information:

- Applicant information to confirm they are the owner of the property
- Property information to confirm the property is eligible to participate in the BETP program.
- A checklist of the eligible measures intended to be performed, basic information about existing equipment that will be replaced, and verification the points total would qualify the applicant for a Token.
- Intended use for the Token earned (e.g. redeem for property, transfer to another property, sell). This is not binding, just for informational purposes.

Interest Forms and submittal instructions will be available online on the program website at [\[website link\]](#). Town staff will review submitted interest forms to verify preliminary eligibility based on the information submitted and will follow up with applicants if any additional documentation is required. Once preliminary eligibility is determined, Town staff will notify the applicant that pending availability of Tokens in the current calendar year, they are eligible to reserve a Token for 90 days by signing a Token Reservation form. If no Tokens remain available for the requested calendar year, applicants will be advised of their options, including joining a wait list in case one becomes available or waiting until the following year to submit their Token Reservation form.

Once a signed Token Reservation form is received, Town staff will reserve a Token for a period of 90 days for the applicant, subject to availability within the 15 available to the BETP for reservation each calendar year. A 90-day extension to the Token reservation may be granted upon request by Town staff if the applicant has applied for a building permit for one or more measures included on their form. This extension must be requested before the expiration of the reservation period or Token availability is no longer guaranteed. Applicants are advised to submit a Token Reservation form only once they are ready to proceed with upgrades to avoid having their reservation expire.

Approval of an Interest Form and reservation of a Token does not guarantee approval of the final BETP application or issuance of a Token. Applicants must continue to meet all program

requirements, submit a complete Application Form, and provide all necessary supplemental documentation to be issued a Token.

Application Form: Once upgrades are complete, applicants shall submit a completed Building Electrification Token Program Application Form via an online form available on the program website at [\[website link\]](#). Fillable paper forms will also be available in Town Hall and via download on the program website.

The Application Form will require:

- Applicant and property information to verify eligibility.
- A completed checklist of the eligible measures completed, including detailed information about the equipment or conditions before and after the upgrade measures. Required supplemental documentation is detailed below.
- Completion date of each eligible upgrade.
- Building permit number(s) for all relevant permits.
- An agreement by the applicant not to replace any electric equipment installed under this program with fossil-fuel based equipment within the 5-year Token term, even if they have sold or transferred the Token.

Required Supplemental Documentation: The following required documentation must be submitted with the Application Form to verify completion of eligible measures. Additional details are available on the Application Form:

- Detailed and dated sale(s) receipts with eligible equipment or materials clearly identified.
- Equipment details including product specifications and manufacturer/model number of eligible product(s) as specified on the application form. It is recommended that applicants review the application forms before beginning any upgrades to ensure they collect all required documentation before, during, and after the process.
- Contractor invoice(s) with labor and materials itemized separately, with contractor name, address, and license number clearly identified.
- “Before” photo(s) of existing condition of equipment, system or area, including insulation, prior to start of residential home upgrade project must be provided, including equipment nameplate(s) if applicable.
- “After” photo(s) of new installed equipment, system or area upgrades must be provided including dedicated and marked circuits for electrification measures, nameplate(s) of equipment and newly insulated areas.

Town staff will review each submitted application to verify it is complete and all required information and supplemental documentation is included and will follow up with the applicant to obtain any missing information. Failure to provide all required documentation will result in the measure(s) being excluded from consideration towards eligibility for a Token. Staff will verify eligibility of the applicant, property, and measures included in the application.

Section 5: Issuance and Use of Token

The Town of Truckee will issue a Token to the applicant following final approval of their BETP application, pending availability. Applicants who have an active Token reservation are guaranteed a Token as long as their application is complete and approved. For applicants who did not complete the pre-application process and reserve a Token, issuance of Tokens is subject to availability within the limit of 15 Tokens per calendar year available to the BETP. If no BETP Tokens remain available when an application is submitted, the application will not be approved. Potential applicants are advised to complete the pre-application process and reserve a Token prior to beginning work on any upgrades to ensure a Token is available when their upgrades are completed. Each Token will be issued a unique identification number and expiration date. Tokens issued under the BETP will be valid for five years from the date they are issued.

The applicant can redeem a Token for a Transient Occupancy Registration Certificate to be used on an eligible short-term rental property of their own or can sell, trade, or transfer the Token to another recipient who becomes the Token holder. To redeem a Token for a Transient Occupancy Registration Certificate, the Token holder shall contact the Town of Truckee Short-term Rental Division for further assistance with completion of the application for a short-term rental certificate. Instructions for redeeming the Token will be included when it is issued. Once redeemed for an active Certificate, the Token is no longer active and cannot be transferred, sold, traded, or redeemed for another property unless it is retrieved as described below.

The Token holder can retrieve their Token through three different circumstances:

1. The Token holder cancels the Certificate obtained by redeeming their Token associated with a short-term rental property to retrieve their Token at any time before the Token expires.
2. The Certificate associated with a Token is not renewed as part of the annual renewal process at some point during the valid Token term.
3. The Token holder obtains a Transient Occupancy Registration Certificate for the same property through the standard waitlist process.

Once retrieved, a Token can be redeemed for a Transient Occupancy Registration Certificate for a different eligible property or transferred, sold, or traded to another entity. To sell, trade, or transfer a Tokens to a new recipient, the Token Holder must complete the Token Transfer Request Form, available on the program website at [\[website link\]](#). Only the registered Token holder may redeem a Token for a Transient Occupancy Registration Certificate to ensure that use of a Token is authorized. Each Token can be transferred between Token holders one time per calendar year.

Additional Token terms:

- A Token can be used to register up to two different eligible short-term rental properties per calendar year, providing the previously listed conditions have been met.
- Each Token expires at the end of the five-year term, and no extensions will be granted. If that Token was redeemed for a Transient Occupancy Registration Certificate, that Certificate will become subject to the standard annual renewal process and

- Tokens that are inactive (i.e. not redeemed for a Transient Occupancy Registration Certificate) for 36 months will be voided by the Town.
- If a Transient Occupancy Registration Certificate associated with a redeemed Token is revoked due to noncompliance with Town of Truckee regulations, the Token associated with that Certificate will be voided.

Table 3: List of Measure Specifications

ID	Measure Specification
E1	<p>Replace gas or propane furnace with Heat Pump Space Heater: Replace all existing gas or propane primary space heating systems with a heat pump that meets the following requirements:</p> <ul style="list-style-type: none"> • Air Conditioning, Heating & Refrigeration Institute (AHRI) Certified • Heating Seasonal Performance Factor rating (HSPF or HSPF2) of 8.5 or higher • Seasonal Energy Efficiency Ratio (SEER or SEER2) of 15 or higher
E2	<p>Replace gas or propane water heater with Heat Pump Water Heater: Replace all existing gas or propane water heating systems with a heat pump water heater that meets the following requirements:</p> <ul style="list-style-type: none"> • Energy Star certified • Uniform Energy Factor (UEF) of 2.5 or higher • Gas line for old gas water heater must be capped off and a photo of this must be submitted with the application
E3	<p>New Ducts (R-6 minimum) OR Duct Sealing to 10%: For New Ducts (R-6 minimum): Replace existing space conditioning ductwork with new R-6 ducts. For Duct Sealing to 10%: The measured duct leakage shall be equal to or less than 10 percent of system handler airflow as confirmed by field verification and diagnostic testing.</p>
E4	<p>Attic Insulation (R-44 minimum): Attic insulation shall be installed at the ceiling level with an R-value equal to or greater than R-44.</p>
E5	<p>Floor Insulation (R-25 minimum): Raised floors shall be insulated between wood framing with insulation having an R-value equal to or greater than R-25.</p>
E6	<p>Window Upgrades to 0.28 U-factor: Replace at least 50% of existing windows with new windows that have a U-value of 0.28 or below.</p>
E7	<p>Solar Photovoltaic (minimum 3kW system): Install a new solar PV system of at least 3kW but less than 6kW.</p>
E8	<p>Solar Photovoltaic (minimum 6kW system): Install a new solar PV system of at least 6kW.</p>