

MERP

Municipal Energy Resilience Program

8 August 2023

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Agenda

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- ▶ Three Opportunities
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MERP Background

- ▶ Established by **Act 172 of 2022**
- ▶ **\$45 million** from state ARPA funds
- ▶ **Program Goal:**
 - ▶ To reduce greenhouse gas emissions while helping towns save money on heating/cooling municipal buildings
- ▶ **3 funding opportunities**, plus a revolving loan program for town energy projects
- ▶ **Program Centerpiece:**
 - ▶ Project Implementation Grants of up to \$500,000 to convert heating systems, insulate, and weatherize town-owned buildings



One Program, Three Opportunities

Community Capacity-Building “Mini-Grants”

- ▶ **Not required** to apply for other MERP grants
- ▶ Up to **\$4,000** for outreach/education on energy and CC resilience
- ▶ Highly flexible to local priorities
- ▶ **Applications open now!**

Municipal Building Energy Assessments

Level 1 Assessment

- ▶ Standard energy audit **required to apply for project grant**

Level 2 Assessment

- ▶ Investment-grade audit required to apply for loan financing options
- ▶ **Applications open now until 10/31/23!**

Project Implementation Grants

- ▶ **Up to \$500,000** for weatherization and HVAC upgrades that reduce fossil fuel use
- ▶ **~\$35 million** in total funding; **70+ projects statewide**
- ▶ All municipal entities except school districts are eligible
- ▶ Applications to open in early 2024 (*estimate*)

Community Capacity-Building “Mini-Grants”

- ▶ **Up to \$4,000**
- ▶ Easy online application and reporting requirements
- ▶ **Not competitive**; any town that applies for an eligible use of funds will receive an award
- ▶ **Not required** to apply to other two MERP opportunities
- ▶ Intended for outreach, education, and public engagement on energy and climate change resilience
- ▶ Can also be used to hire consultants or technical assistance for energy projects
- ▶ Cannot be used for capital projects (i.e. buying/installing equipment)
- ▶ **Applications open now!**

Suggested Mini-Grant Uses

- ▶ **Start/fund a local energy committee!**
- ▶ Communication to residents about energy efficiency incentives available to homeowners
- ▶ **Hire a grant writer** to apply for other state and federal grants to stack with MERP
- ▶ **Host a community energy fair** or similar public energy event
 - ▶ Can be used to provide refreshments, print/distribute materials, etc.
- ▶ Consulting services related to an energy-efficiency project
 - ▶ Example: ADA audit for buildings targeted for energy retrofits
- ▶ Training for municipal officials/town staff on energy efficiency topics
- ▶ **You can hire TRORC to manage the mini-grant/project for you**

Municipal Building Energy Assessments

- ▶ Can apply for multiple buildings; BGS will ask you to rank priority
 - ▶ They would like to stretch funds so every town gets at least one assessment
- ▶ **No reporting/accounting needed**; BGS will handle contractor/accounting directly
- ▶ “Grant of service” — No fixed dollar award amount
 - ▶ Grants awarded from a \$5 million pot of money until funds exhausted
- ▶ **TRORC will help you apply** and coordinate logistics
- ▶ **2 levels of assessments** (*more on next slide*)
- ▶ Applications open now until 10/31/23!

2 Levels of Assessments

Level 1

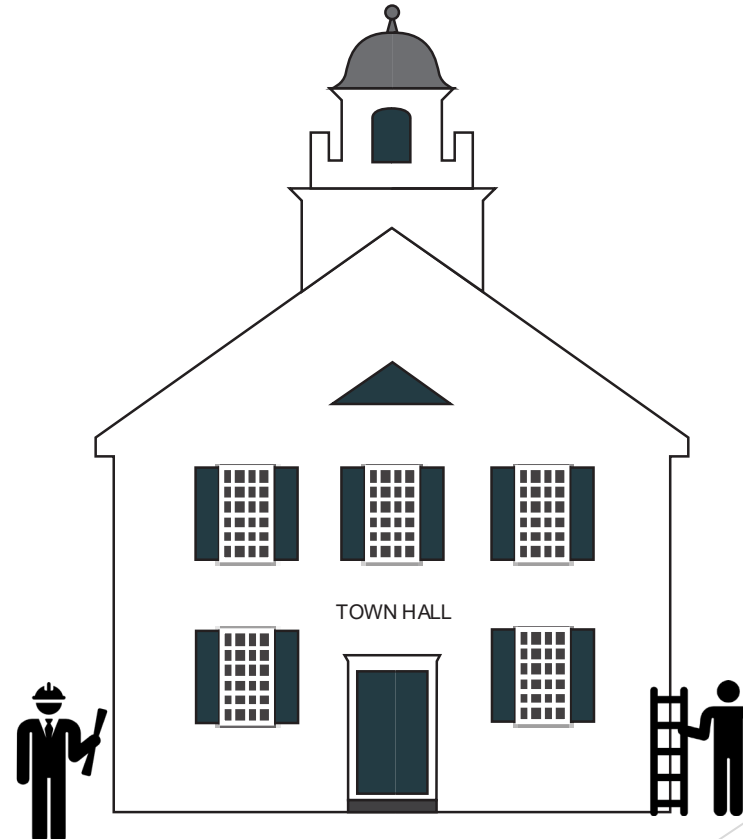
- ▶ **Required to apply for MERP project grant**
- ▶ **State contractor will assess scope of work, cost, and timeline for:**
 - ▶ Improvement/replacement of heating ventilation, and air conditioning (HVAC) systems
 - ▶ Use of renewable energy for HVAC systems
 - ▶ Improvements to thermal envelope (weatherization/insulation)
 - ▶ *Feasibility of battery storage and EV charging*
 - ▶ *Feasibility of on-site renewable energy generation*

Level 2

- ▶ **“Investment-grade” audit required to apply for loans, including the Municipal Energy Loan Program (MELP)**
- ▶ **Requires building documents:**
 - ▶ Utility bills from a multi-year period
 - ▶ Any blueprints or construction plans
 - ▶ Previous energy audits
- ▶ **Energy consumption broken down by end-use to identify areas with greatest cost-benefit**

Project Implementation Grants

- ▶ Up to **\$500,000** each
- ▶ **Can be used as local match for other grants**
(incl. ARPA-funded grants)
- ▶ Eligible work includes:
 - ▶ **Weatherization**
 - ▶ Example: Vapor barrier, crack sealing, etc.
 - ▶ **Insulation**
 - ▶ **Heating system conversion/fuel switching**
 - ▶ Example: Switching from an oil-fired system to heat pumps
 - ▶ **Hot water system upgrades/fuel switching**
 - ▶ Example: Switching from propane-fired tank to tankless electric



Town Eligibility & Requirements

- ▶ **Selectboard will need to sign grant agreements for mini-grants and project grants**
 - ▶ State may require formal letter of support before applying for project grants
 - ▶ Not necessary for energy assessments; no money changing hands with town
- ▶ **Grants awarded based on several weighted criteria; they are, in order:**
 - ▶ **Local Energy Burden level**
 - ▶ Percent of residents' HH income spent on energy (home heating, electric, transportation)
 - ▶ Used as proxy for town government's energy spending
 - ▶ Defined by Efficiency VT 2019 report
 - ▶ Capacity to apply for grants
 - ▶ Geographic location (distribution)
 - ▶ Population (preference for smaller towns)

Town	Category	Percent	Town	Category	Percent
Hancock	High	14%	Brookfield	Moderate	10%
Newbury	High	13%	Braintree	Moderate	10%
Royalton	High	12%	Vershire	Moderate	10%
Chelsea	High	12%	Hartford	Moderate	9%
Pittsfield	High	12%	Bridgewater	Moderate	9%
Bradford	High	11%	Stockbridge	Moderate	9%
Topsham	High	11%	Thetford	Low	9%
Randolph	Moderate	11%	Sharon	Low	9%
Bethel	Moderate	11%	Tunbridge	Low	9%
Corinth	Moderate	11%	Barnard	Low	9%
Rochester	Moderate	11%	Fairlee	Low	9%
Plymouth	Moderate	11%	Woodstock	Low	8%
West Fairlee	Moderate	11%	Strafford	Lowest	7%
Granville	Moderate	11%	Pomfret	Lowest	7%
Hartland	Moderate	10%	Norwich	Lowest	6%

Key

Highest	14.6-20%
High	11.1-14.5%
Moderate	9.1-11%
Low	7.7-9%
Lowest	5.7-7.6%

Eligible Buildings

- ▶ **Any building owned by a covered municipality** is eligible for assessments and project grants
 - ▶ School districts are not covered municipalities
 - ▶ Buildings under perpetual lease will be considered “owned”
- ▶ Common building types*: Town halls/offices, fire stations, libraries, rec centers, community centers, town garages, etc.
- ▶ Must be ADA compliant by time of project completion (additional guidance forthcoming)



*Building must be owned by town government or other covered municipality, not private foundations, etc.

Example: West Fairlee

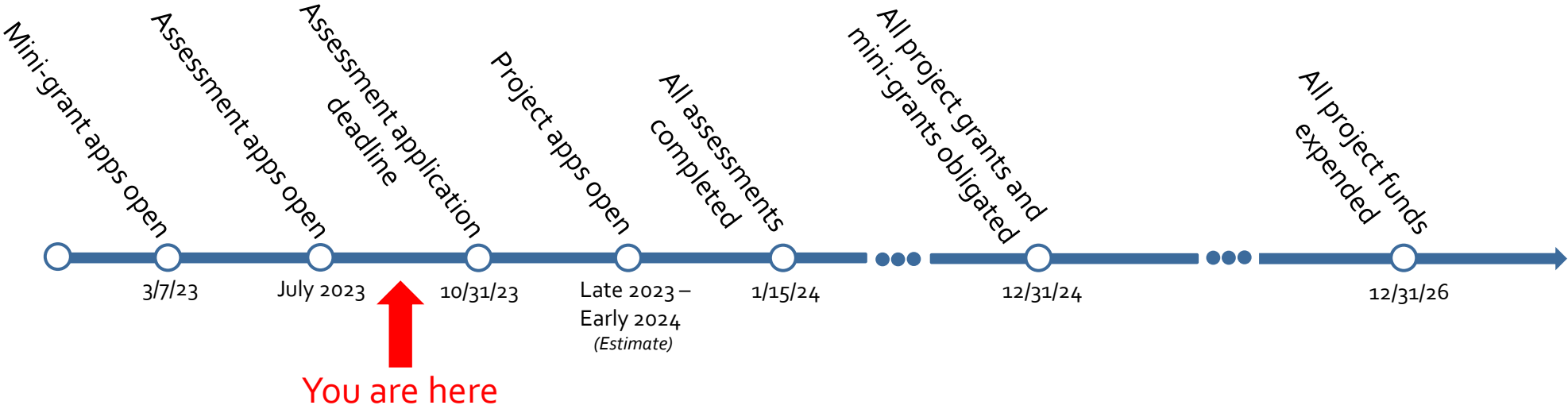
- ▶ What buildings are eligible?
 - ▶ Community Building
 - ▶ Bean Hall
- ▶ Likely Ineligible
 - ▶ Fire Station
- ▶ Any others?



Municipal Energy Loan Program

- ▶ Funded by the Municipal Energy Revolving Fund, with an **initial balance of \$2.8 million**
- ▶ Can help fund projects identified through MERP which are not awarded project grants
- ▶ **Will require a Level 2 investment-grade audit** to ensure town's ability to repay
- ▶ Other eligibility criteria to be determined by BGS
- ▶ **No firm timeline for applications** or program rollout—stay tuned!

Timeline



Next Steps

▶ APPLY!

- ▶ **Assessment applications close on Halloween 2023**
- ▶ No final deadline for mini-grant applications yet
- ▶ Both applications on the BGS website

▶ **Verify the ownership status of your buildings, if needed**

- ▶ Title must be held by a covered municipality (or under perpetual lease by one)

▶ **If you want a Level 2 energy assessment, gather all relevant documents**

- ▶ Utility bills, blueprints, renovation plans, previous energy audits, etc.

Questions?



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