

MERP Frequently Asked Questions

1. What is energy resilience as it relates to [Act 172](#)?

The term “[energy resilience](#)” means the ability to avoid, prepare for, minimize, adapt to, and recover from anticipated and unanticipated energy disruptions in order to ensure energy availability and reliability sufficient to provide for mission assurance and readiness, including mission essential operations related to readiness, and to execute or rapidly reestablish mission essential requirements. Design principles include measures to reduce building demand such as weatherization, LED lighting, and optimizing building controls; increasing reliance on renewable energy sources; and adding back-up power supply for grid disruptions.

2. What types of entities are eligible for MERP?

As defined by [Act 172](#), buildings owned by “covered municipalities” are eligible for program funding. “Covered municipalities” are defined as “a city, town, fire district, or incorporated village, ...except for school districts.”

3. How much funding did MERP receive for “covered municipalities”?

MERP received \$45M through [Act 172](#) to deliver grants, loans, and administrative and technical support services to covered municipalities. Of the \$45M, funds have been allocated as follows:

- \$2.4M to [Regional Planning Commissions](#) (RPCs) to provide application and technical assistance, along with program outreach and education, to covered municipalities.
- \$42.6M to the Department of Buildings and General Services to be used as follows:
 - \$5M for hiring a contractor to conduct “Energy Resilience Assessments” (costs covered in full, no maximum amount),
 - \$1M for cost associated with administering the program,
 - \$36.6M for grants to covered municipalities. Specifically, this includes:
 - “Community Capacity Building Grants” (\$4,000 maximum per covered municipality) - for community meetings, communication, and capacity building about municipal energy resilience.
 - “Implementation Grants” (\$500,000 maximum per covered municipality) - for projects related to weatherization, thermal efficiency, to supplement or replace heating systems with more efficient renewable or electric versions, or any other measure recommended during the Energy Resilience Assessment in municipally owned buildings. *Note: only projects that were recommended to be undertaken during the building’s energy resilience assessment will be funded by the Implementation Grant.*

4. How will a “covered municipality” access the free energy resilience assessments?

BGS is contracting with third party contractors, who will complete the assessments and issue a draft a report of their findings. Any “covered municipality” interested in receiving an assessment may submit an [application](#) (available soon) directly to BGS or work with their [RPC](#) if they need assistance identifying candidate building(s) and/or completing the application.

5. There are two types of energy resilience assessments offered through MERP- a walk-around, visual assessment (Level 1) and a more comprehensive investment grade audit (Level 2). What are the differences between the two and which is best for my “covered municipality”?

Both assessments will satisfy the requirements in [Act 172](#) Sec. 2(d)., and identify improvements to increase comfort, lower operational costs, fuel switch to renewable energy, and reduce greenhouse gas emissions. These assessments also include additional analysis items like the feasibility of on-site renewable energy generation, battery storage, and electrical vehicle (EV) charging. A Level 1 assessment is more qualitative, will identify the rough potential for energy savings, and includes a list of recommended energy efficiency measures. Building documents like architectural drawings, utility data, lighting schedules are not required for this assessment.

An investment grade Level 2 audit is more comprehensive. Auditors spend more time onsite, review building performance and system data, conduct a blower door test, and perform a detailed building survey. The report will include site-specific recommendations for detailed implementation costs, expected savings, and payback period. This audit requires the additional building documents listed above from the building owner. Either assessment may be used to apply for an implementation grant up to \$500,000. The Level 2 Assessment would also make a “covered municipality” eligible for a loan from the BGS Municipal Energy Loan Program’s revolving loan fund, also authorized by Act 172 (additional details to come). If you need assistance selecting the right assessment, please contact your local [RPC](#).

6. *Must a covered municipality receive an energy resilience assessment through MERP, or have already completed a similar assessment, as a prerequisite for applying for an Implementation Grant?*

Yes. If a “covered municipality” is using a previous assessment, it must include all items listed in [Act 172](#) Sec. 2(d), it must have been completed in the last 5 years, and there must not have been any repairs or renovations since the assessment was performed. In such cases, previous assessments will satisfy the prerequisite and the covered municipality may apply directly for an Implementation Grant. However, since the up to \$500,000 implementation grants focus on common elements of an energy audit, “covered municipalities” can apply for the implementation grants concurrently while the remaining items from the energy resilience assessment are collected.

Note: documentation of this previous assessment will need to be provided to BGS for review and verification. Previous assessments that cover only some of the items in Act 172 Sec. 2(d) will not qualify solely. The covered municipality will need to apply for a partial MERP energy resilience assessment.

7. *What resources can help covered municipalities that lack staff capacity and expertise participate in MERP?*

Act 172 includes funding for [RPCs](#) to offer technical and application assistance, and other added capacity for their member “covered municipalities” as requested.

“Covered municipalities” may also use the \$4,000 Community Capacity Building Grants (See FAQ 3) to actively participate in MERP and other municipal energy resilience initiatives by providing stipends, hiring consultants, contracting with technical assistance providers, establishing energy committees, or promoting municipal energy resilience with community meetings and communication. The application process for these grants is non-competitive and will be provided on a first come, first serve basis.

8. *Does my town have to go through its RPC to access the MERP opportunities?*

Member “covered municipalities” are highly encouraged to coordinate efforts with their respective [RPCs](#). However, towns that do not need or want the technical support can apply directly to BGS. As

noted in FAQ #2, RPCs are receiving funding through this program to provide application and technical assistance, along with program outreach and education, to covered municipalities.

9. *Over what period will the funding and technical support be available?*

Energy resilience assessments must be completed by September 1, 2024. Implementation Grants and Community Capacity Building Grants must be obligated by December 31, 2024, and expended by December 31, 2026. Support from BGS will be available until December 31, 2026. However, “covered municipalities” may receive technical support from their [RPC](#) beyond December 31, 2026, if they have not yet completed their implementation project. Energy resilience projects that do not fit this timeline will be assessed on a case-by-case basis.

10. *Will funding be awarded equitably to “covered municipalities”, and, if so, how will small communities with limited capacity and resources be able to compete against larger ones with professional staff?*

[Act 172](#) Sec. 3.(c)(2)(B) establishes “an equitable system of distributing grants statewide on the basis of need according to a system of priorities, including the following ranked in priority order:

- i. a municipality with the highest energy burden community needs and lowest resources, as defined in <https://www.encyclopedia.com/Default/docs/white-papers/2019-Vermont-Energy-Burden-Report.pdf>;
- ii. a municipality that may not have administrative support to apply for grants;
- iii. geographic location;
- iv. community size; and
- v. whether another division of the municipality has already received a grant.”

Thus, communities with limited capacity and resources will be prioritized for MERP over communities with robust professional staffing, all else being equal. The results from the energy resilience assessments, proposed energy efficiency measures, and potential energy savings will also impact your prioritization for award.

11. *Is there a match requirement (local cost share) for MERP grants?*

No, there is not local cost share or match requirements for the MERP grant opportunities. In addition, this program has been designated for “Revenue Loss Replacement” under ARPA State Fiscal Recovery Funds, which reduces federal reporting requirements and allows the grant funding to be treated as state dollars, which can then be used as match for other federal funding opportunities.

12. *Could Community Capacity Building Grants be used to hire someone to search for other state and federal grants to leverage additional funding?*

Yes, but consider asking your [RPC](#) or the Vermont League of Cities and Towns [Federal Funding Assistance Program](#) first. Both organizations have received funding to support covered municipalities in accessing the MERP and other federal funding grant opportunities.

13. *Can MERP help finance the installation of solar panels or other types of renewable energy, or even Electrical Vehicle (EV) charging, at my municipal building?*

If the MERP assessment made a recommendation for renewable energy, battery storage, or EV charging technology to be installed on-site, then the MERP Implementation Grant can be put towards such project costs **only if** the weatherization, thermal efficiency, and/or fuel switching recommendations are pursued first, **and** leftover funds remain in the municipality’s award to pursue the additional energy resilience projects. **Note that an energy project cannot be funded by the MERP Implementation Grant if it was not recommended during the MERP assessment.**

14. Does MERP cover new construction?

In general, no. The MERP is only focused on existing building renovations. This is partly because Act 172 requires that a covered municipality only be eligible for an Implementation Grant “if an assessment of its buildings and facilities has been conducted pursuant to Sec. 2 of this act [Act 172].” An energy resilience assessment cannot be conducted on a building that does not exist. However, in instances where a “covered municipality” is replacing an existing municipally owned building because of a poor return on investment or the building is no longer viable, they will be considered for the up to \$500,000 implementation grant on a case-by-case basis to fund specific energy resilience measures in the new building.

NOTE: If renovated construction was a request being made within the implementation grant application, the budget for that renovation must have been included within the project budget, and justified within the application narrative as a byproduct of the energy-resilience need.

15. Can the up to \$500,000 implementation grants be used to pay for administrative costs?

Yes, administrative costs such as a project manager and/or clerk of the works to oversee construction are eligible expenses under the grant funding.

16. How are the Building Energy Resilience Assessments with MERP different from Efficiency Vermont’s walkthroughs?

Efficiency Vermont walkthroughs do not qualify as assessments to receive an implementation grant. Walkthroughs are limited to identifying energy efficiency opportunities, while the energy resilience assessments consider additional items like on-site renewable energy usage and generation, battery storage, and EV charging. Recommendations from the energy resilience assessments are analyzed based upon a phased scope of work, a prioritized order of completion regarding the recommendations from the assessment, and their estimated costs- both for implementation and for the life of the equipment, including maintenance and consumption. Please review [Act 172](#) Sec. 2(d) for more details.

17. What can we be doing right now to prepare for the grant opportunities in advance?

The first steps include building municipal capacity, which may include: leveraging the community capacity grants, identifying candidate buildings, and/or collecting some basic building information. “Covered municipalities” are encouraged to reach out to their [RPCs](#) for application and technical assistance, along with other program questions.

18. When will I be able to apply for the various grant opportunities?

Applications for the up to \$4,000 Community Capacity Building Grants and the building energy resilience assessments are expected to open by Town Meeting Day, Tuesday, March 7, 2023. Assessment applications will open summer 2023, and close Fall 2023. Applications for implementation grants became available Tuesday, August 27, 2024. This implementation application closed Friday, September 27, 2024. For additional information about upcoming grant opportunities, please join our mailing list available through the [MERP homepage](#).

19. Who are the program partners?

Program partners including the Department of Buildings and General Services, the Regional Planning Commissions, the Vermont League of Cities and Towns, Efficiency Vermont, and the Vermont Energy and Climate Action Network.

20. *If my covered municipality receives a MERP Implementation Grant, does my municipal building need to be compliant with the American Disabilities Act (ADA) by the time the project is completed?*

In accordance with state and federal ADA requirements including Title II regulations 28 CFR Part 35.150, if a municipal building is not fully ADA compliant at the time the up to \$500,000 implementation grant is awarded, the municipality will be required to utilize up to 20% of the grant award towards ADA improvements.

Recipients of a MERP Implementation Grant will also have the option to self-certify that their building is fully ADA compliant prior to utilizing the grant. Neither BGS nor the Vermont Department of Public Safety- Fire Safety Division, which oversees ADA accessibility in Vermont buildings, will verify this self-certification.

21. *How do I determine if my municipal building is ADA compliant?*

A survey is typically performed to determine if your building is ADA compliant. Site surveys can be completed using online resources; however, hiring a consultant to perform the survey is highly recommended. Municipalities may hire their own consultants or utilize a consultant under retainer through the BGS Office of Purchasing and Contracting at the cost of the municipality. Note that the up to \$4,000 Community Capacity Building Grants may be used towards an ADA assessment.

NEW FAQ UPDATES 11/20/24

The Department of Buildings and General Services (BGS) intends to enter into grant agreements with Vermont municipalities to improve the thermal performance and/or energy efficiency of municipal buildings across the state. BGS must execute these agreements and obligate these funds in an expedited time frame and is requiring municipalities to sign the implementation agreements by December 16th in order to obligate them by December 31st. BGS does not have the time or capacity to amend all of the grant agreements it has offered. BGS recognizes the variability of the buildings, scopes and bidding processes involved and wants to retain flexibility of administration to implement as many improvements as possible. BGS also recognizes that many municipalities have questions regarding the agreements. BGS has created this Frequently Asked Questions page to provide Towns with the assurances they need to sign their grant agreements in their current condition in an expedited time frame. BGS shall use its answers to these "Frequently Asked Questions" as the guidelines by which it will interpret and administer the MERP grant agreements it issues. Municipalities can rely on the answers to these Frequently Asked Questions to make decisions implementing and administering their grant agreements.

22. *What is the energy burden designation for villages/other municipalities not on the [EVT 2019 Energy Burden Report](#)?*

They fall under the same level of energy burden as the town that they are within.

23. *Does an award letter suffice to obligate IG funds?*

No. A grant agreement signed by the municipality and returned to BGS by December 16, 2024 is required for the funds to be obligated. Any funds awarded for which a grant agreement has not been received by December 16, 2024 will revert to the State of Vermont. A grantee-completed [MERP Affirmation of Use of Funds Form](#) (AUF) is also required along with a signed grant agreement by December 16, 2024.

24. What is the rationale behind the IG application period timeline?

MERP grant money must be obligated by December 31st, 2024. This is a definite deadline announced by the American Rescue Plan Act (ARPA), who appropriates and defines the entirety of MERP's funding and spending. Grant agreements signed by awarded municipalities, which are required for fund obligation, must be completed by December 16th, 2024 to allow a proper period for processing and approval before the ARPA obligation deadline.

25. If a building is perpetually leased, is a lease copy needed within the IG application?

A lease will be needed along with a signed Implementation Grant Agreement and MERP AUF Form.

26. How do Build America, Buy America (BABA) and the Davis Bacon Act (DBA) apply to MERP?

BABA and DBA do not apply to MERP Implementation Grants as these are state dollars.

*Once the Municipal Energy Revolving Fund (MERF) is activated next year then those loan funds through the IIJA will be subject to BABA and DBA provisions. If the loan is only used for equipment purchase and the state can demonstrate none of the loan funds went towards labor costs, then DBA requirements may not apply.

27. What will happen if a municipality's grant funding will not cover everything listed in their grant agreement's scope?

Grantees are only required to complete the scope of work to the extent that their funding under this agreement allows. The Grantee is required to utilize awarded funds in the energy conservation measure priority order that is referenced within [Act 172](#).

28. What are the "eligible soft costs" within the MERP Implementation Grant?

Awardees may submit for reimbursement all reasonable and allowable soft costs deemed necessary to complete the project.

29. If grantees decide not to pursue the entirety or a partial sum of their implementation grant award, can those funds be redistributed to other municipalities that applied, but were not awarded?

Awarded grantees have until December 16th to sign their agreements. If they choose to reject their award then those funds may be reallocated to another eligible applicant. After December 16th no funds will be awarded to applicants. However, BGS retains the ability to reallocate unspent awarded funds to another awarded project up to December 31st, 2026.

30. Since the grant is a lump sum, and specific amounts are not attached to each building (for towns that have multiple buildings) is it safe to assume that there is flexibility in the amount spent on each building and on the different scope categories (HVAC, envelope, etc.)?

Awardees have the ability to utilize funding as needed in order to complete the SOWs across buildings in the energy conservation measure priority order that is referenced within [Act 172](#).

31. What is the process for a grantee proving financial hardship? What documentation must be submitted to BGS, and what percentage of the award will be given up-front based on certified financial hardship?

Proof of financial hardship can be submitted through any documentation and reasoning of hardship evidence, and it is up to the discretion of BGS to determine what is appropriate evidence to receive a percentage of grant funds up-front because of claimed financial hardship. For example, if a grantee provides evidence that a significant invoice for equipment equaling 30% of the award is coming and they do not have cash on hand to cover then BGS made decide to issue funds in that amount.

32. If bids come back higher than the award amount, will we need to execute contract amendments in order to cut things from the scope?

Grant Agreements may be amended after the December 16th deadline. See answer 27.

33. Where can the Authorization of Use of Funds (AUF) Forms and Implementation Grant Payment Request Forms requiring signature from implementation grantees be found?

They can be found on the [MERP Implementation Grant Webpage](#). The AUF Form must be submitted to BGS by an implementation grantee by December 16, 2024. The Implementation Grant Payment Request form is to be submitted to us once a grantee has expended funds and needs reimbursement, they would fill this out and send along with all invoices and proof of payment on those invoices.

34. What if our community would like to take a smaller award amount in order to make more funds available for other towns?

If an awardee would like to take a smaller award amount they will need to reach out to BGS **AS SOON AS POSSIBLE prior to December 16th** in order for BGS to generate a new award agreement and reallocate the remaining funds to the next eligible applicant.

Please reach out with questions or comments via email at bgs.merp@vermont.gov