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1. Program Overview

- a. In accordance with the Vermont Climate Action Plan, buildings comprise 33.9% of total greenhouse gas emissions (GHGs). Act 172, created in partnership by the Executive Branch and the General Assembly, was enacted by Governor Scott on June 2nd, 2022, and expands the State Energy Management Program (SEMP) within the Department of Buildings and General Services (BGS) to assist municipalities in making municipally owned buildings more energy efficient and resilient. Known as the Municipal Energy Resilience Program (herein defined as the “MERP” or “Program”), \$45M was appropriated to make long-term investments to reduce energy use, lower operational costs, and support the State’s climate goals. Qualifying projects include thermal efficiency, and supplementing or replacing fossil fuel heating systems with renewable or electric heating systems. Awards will be calculated based on the criteria stipulated in Act 172 as well as the merit of the application. Municipalities with the highest energy burden and lowest resources as defined in Efficiency Vermont’s 2019 Energy Burden Report which can be found at the following link <https://www.encyvermont.com/Media/Default/docs/white-papers/2019%20Vermont%20Energy%20Burden%20Report.pdf> will be prioritized for funding. The complete bill text as enacted can be found using the following link <https://legislature.vermont.gov/Documents/2022/Docs/ACTS/ACT172/ACT172%20As%20Enacted.pdf>.

2. MERP Funding Programs

- a. **Municipal Energy Resilience Grant Program- Assessments**
 - i. Part 1 directs the Commissioner of BGS to issue a request for proposal (RFP) for comprehensive energy resilience assessments from the contractor community.
- b. Part 2 requires the Commissioner of BGS to create a Program in coordination with the Regional Planning Commissions (RPCs) throughout the State for covered municipalities to request and receive an energy resilience assessment from BGS.

These assessments have a variety of requirements set forth in the bill. **Municipal Energy Resilience Grant Program- Implementation**

- i. Part 1 outlines a competitive grant Program for the implementation of energy resilience projects in municipally owned buildings. These grants are directed to fund weatherization, thermal efficiency, to supplement or replace fossil fuel heating systems with more efficient renewable or electric heating systems with a focus on underserved communities in the State. This Program is to be administered by BGS and Efficiency Vermont (EVT).
 - ii. Part 2 is the creation of a mini-grant Program that provides funding to all municipalities. Eligible activities include facilitating community meetings and communication about municipal energy resilience and/or hiring services to assist with the planning phase and development of grant applications.
- c. Municipal Energy Resilience Grant Program- RPC's**
- i. This part of the Act directs BGS to provide grant funding to all RPCs in the State for education and outreach and to provide planning and technical assistance to all municipalities.

2. Funding

1. **Section Overview-** The MERP Program received \$45M in funding from the American Rescue Plan Act (ARPA). This Program was subsequently selected for “Revenue Loss Replacement.” This designation removes many of the restrictions for typical ARPA funding and reporting requirements. It is also treated as state dollars which may be used as match funding for other grant opportunities. Please refer to guidance from the Vermont League of Cities and Towns (VLCT)) new [Federal Funding Assistance Program](#) for additional guidance on grant stacking opportunities. **Note: This Program has no match requirement.**
2. **Funding Breakdown**
 - a. **Total funding \$45,000,000**
 - b. **RPC Funding: \$2,400,000 total**
 - i. 55% (\$1,080,000) of the total to be divided equally among all RPC's.
 - ii. 45% (\$1,320,000) of the total to be allocated by the number of municipalities in each RPC coverage area.
 - c. **MERP Funding: \$42,600,000 total**
 - i. \$5,000,000 for MERP energy resilience assessments.
 - ii. \$1,000,000 for Program administration.
 - iii. \$36,600,000 for Mini-Grant and Implementation grants.

3. Eligibility

1. **Covered Municipality**
 - a. In accordance with Act 172, ‘covered municipalities’ herein referred to as ‘municipalities’ are eligible for the MERP Program. Municipalities are defined as any city, town, fire district, or incorporated village, except for school districts.

Eligible Facilities

i. Municipally Owned Facilities:

1. **Facilities currently owned by the municipality:** These facilities are eligible for MERP grant opportunities. In instances where a 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 an implementation grant on a case-by-case basis to fund specific energy efficiency measures in the new building.
2. **Perpetually Leased Facilities:** The program will prioritize buildings that are municipally owned. Perpetual leased facilities by the municipality will be evaluated on a case-by-case basis.

4. Reporting

1. Each Program will have its own reporting requirements required by the State as outlined in Section 8, subsection 4.

5. Special Requirements

1. **Americans with Disabilities Act (ADA)** – In accordance with Act 172, municipalities will be required to attest that the facility receiving an implementation grant is ADA compliant or that the municipality will use up to 20% of the grant amount received towards ADA improvements in the facility. A survey may be needed to determine if a building is ADA compliant. Site surveys can be completed using online resources or by a consultant. At their own expense, municipalities may hire their own consultants or utilize a consultant under retainer contract through the BGS Office of Purchasing and Contracting. **Note: The up to \$4,000 Community Capacity Building Grants may be used towards an ADA assessment.**
2. **High Speed Internet-** Act 172 requires that all municipalities that receive services or funding from the Program attest that the covered municipality has access to high-speed Internet as defined in the State’s Telecommunication Plan set forth in 30 V.S.A. § 202c or that a plan is in place by 2024 to ensure access to high-speed Internet. **Note: Membership in a state recognized Communications Union District (CUD) qualifies the municipality as having met this requirement.**

6. Assistant to Applicants

1. **Section Overview-**As outlined in the funding section of this document, RPCs received funding through Act 172 to provide application and technical assistance, along with Program outreach and education to member municipalities. Municipalities are highly encouraged to coordinate efforts with their respective RPCs. The RPCs are close partners to BGS and will be able to respond to any questions that you may have about the Program. The link between the RPC’s and the municipalities will be the easiest and fastest way to meet all your needs. **Note: Municipalities that do not need or want technical support can apply directly to BGS.**

a. Program Contacts

i. Main Points of Contact for the Program

1. **RPC's**- Almost all questions about the Program should be directed to your local RPC. RPC contacts for MERP are listed on the BGS MERP webpage at <https://bgs.vermont.gov/municipal-energy-resilience-program>.
2. **BGS**- All inquiries to the State should be made to the following email address: BGS.MERP@Vermont.Gov . The website for this Program can be found at: <https://bgs.vermont.gov/municipal-energy-resilience-Program>. This website has information such as Frequently Asked Questions, links to webinars, and additional information. You may also sign up for our server list for notifications about the Program.

ii. Program Partners

1. **Regional Planning Commissions (RPCs)** website can be found at: <https://www.vapda.org/regions.html>.
2. **Vermont League of Cities and Towns (VLCT)** and their website can be found at: <https://www.vlct.org/>.
3. **Efficiency Vermont (EVT)** and their website can be found at: <https://www.efficiencyvermont.com/>.
4. **Vermont Energy & Climate Action Network (VECAN)** and their website can be found at: <https://vecan.net/>.

7. Permitting and Code Requirements

1. Projects receiving an implementation grant will be required to obtain all normal permits and adhere to building code requirements. BGS has worked with the following state agencies to establish a baseline understanding of MERP and will be able to assist as needed:
 1. **Agency of Commerce and Community Development (ACCD)**- Division for Historic Preservation (HP), and BGS have developed a streamlined process for review and issuance of any HP preservation project requirements. HP's website can be found at the following address: <https://accd.vermont.gov/historic-preservation>.
 2. **Vermont Department of Public Safety (DPS), Division of Fire Safety (DFS)** – DFS has oversight and enforcement of building construction requirements and permit issuance as well as the oversight and enforcement of ADA requirements in the State. DFS's website can be found at the following address: <https://firesafety.vermont.gov/>.

Note: Questions should always be directed to your RPCs first. Many times they may have already been asked the same question you have and may already have the answer.

8. Assessment Program Outline

1. **Overview-** This section pertains solely to the Act 172 energy resilience assessments. BGS will be issuing a separate guidance document for the Implementation Grant Program which is expected to be announced in the Fall of 2023.
2. **Key Dates- Assessment Program** -BGS expects funding will allow for future applications periods to be opened later.

Assessment Application Period Open	July 5 th , 2023
Assessment Application Due	October 31 st , 2023
Anticipated Award Notice	Rolling Basis
Anticipated Start of Assessments	August 1 st , 2023

3. Assessment Types

- a. **Overview-**The MERP Assessment Program offers two types of energy resilience building assessments: Level 1 and Level 2. The assessments will be offered as a grant of service; both types are free of charge to municipalities. Municipalities should utilize their RPCs to select the assessment that is best for their building. All municipalities that intend to apply for future implementation grants must have an assessment through the MERP Program or a prior assessment performed including all items listed in Act 172 Sec. 2(d) completed in the last five years with no repair 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.
- b. **Level 1 Assessment-** This assessment will be the best fit for many municipalities and require the least amount of participation, resources, and background information from the municipality. A Level 1 assessment, commonly referred to as a ‘walk-through’ assessment, identifies the rough potential for energy savings, and includes a list of recommended energy efficiency measures. Potential conservation measures are typically described as high, medium, and low and may include improvements to the thermal envelope, Heating, Venting, and Air Conditioning (HVAC) systems, and fuel-switching to renewable heating systems. Additional analysis and recommendations for citing of renewables, EV charging, and battery storage feasibility are also provided. All recommendations include an estimate of equipment lifecycle costs and consumption data. **The estimated onsite time is 0.5-1.5 hours.**
- c. **Level 2 Assessment-**This assessment requires background documentation and detailed knowledge of systems and records from the municipalities. A Level 2 assessment, typically known as an ‘investment grade audit’ is more comprehensive. Auditors spend additional time onsite, review building performance and system data, conduct a blower door test, and perform a detailed building survey. A Level 2 report includes all the information from a level 1 assessment along with site-specific recommendations for detailed implementation costs, expected savings, and payback period. This audit requires towns to provide 3 years (12 consecutive months min.) of electrical and heating fuel use information, building architectural, mechanical, and electrical drawings. Blower door testing will require a commitment of coordination from the municipality as it will cause disruption to normal operations for a short period of time and require the municipality to prepare the space for the

test. The Level 2 assessment will also qualify towns for additional funding opportunities through the MERP revolving fund (details coming later this year).

Estimated time onsite for the assessment is 4 hours.

- d. **Existing or Non-Standard Assessment-** To streamline and expedite the process, BGS will allow municipalities to submit their existing assessment for review by BGS. If the assessment does not satisfy the criteria in the Act, BGS will require a supplemental energy resilience assessment for the items not previously covered. Appendix A outlines all the requirements of the assessment.

4. Reporting Requirements for Assessments

- a. There are no reporting requirements of the municipalities for the assessment program.

5. Application

- a. The application for assessments is designed to be as easy and accessible as possible; however, municipalities are encouraged to consult their RPC for any questions or assistance with completing the application. Only one application for up to five municipally owned buildings may be submitted by each eligible municipality. Additional applications for more than 5 buildings may be submitted if needed.
- b. The applicant may request either a Level 1 or Level 2 assessment. If applying for multiple buildings, the applicant may request either type of assessment for each individual building, depending on available documentation and utility data in each case. For example, if a municipality applies for two buildings where one of them has 3 years of utility data (12 consecutive months minimum) and the other does not, they may request a Level 2 assessment for the former and a Level 1 assessment for the latter, both in the same application. If the municipality has a building for which they would like to ultimately apply for a revolving loan from MERP, in place of- or in addition to- an Implementation Grant, a Level 2 assessment for that building is required.
- c. Municipalities will also rank their building's priority for receiving an assessment from 1-5, with 1 being the highest priority. If you are only applying for one building, select 1. If you are applying for more than one, select 1 for the first building and increase by 1 for each additional building (only use each number once). This ranking will help BGS equitably distribute assessments to applicants and prioritize them as funding becomes depleted.
- d. The application can be found at <https://forms.office.com/g/YFQDbjaL7M> and is also on the State's website at <https://bgs.vermont.gov/municipal-energy-resilience-program>. Please contact your RPC for any questions.

APPENDIX A: Assessment Requirements

1. **Level 1:** if available, municipalities are encouraged to be submitted for consideration:
 - a. Electricity use- last 3 years, 12 months minimum,
 - b. Fuel use (oil, gas, propane, wood, etc.)- last 3 years, 12 months minimum,
 - c. Mechanical and electrical plans, drawings, maintenance manuals
 - d. Architectural drawings
 - e. Lighting schedules

- f. Previous building energy assessments- regardless of whether the assessment will fully or partially satisfy the requirement of a qualifying assessment, previous assessment reports are encouraged to be submitted. This will give BGS and the contractor a better understanding of the building prior to being onsite

*Please note that all the above information is OPTIONAL. This information should be uploaded to a private SharePoint folder. This may be done with the assistance of the applicant's RPC. submitted either to the municipality's RPC or to BGS directly at BGS.MERP@vermont.gov. *

- 2. **Level 2:** Being more comprehensive than Level 1, (a) and (b) above are required. Please provide all available utility data, a 3 year period is preferred, however at a minimum, the applicant must have 1 complete, consecutive 12-month period of utility data during this 3-year period.

As much of (c) and (d) named above, as is available, is required. At a minimum, the applicant must have the *most recent* building drawings: either the as-built mechanical, electrical, and architectural drawings, or the drawings from the most recent renovation (if applicable). (e) is optional but highly encouraged. (f) is optional. All this information must be uploaded to a private SharePoint folder, the link to which will be emailed to the applicant. This may be done with the assistance of the applicant's RPC.

- 3. **Qualifying assessments (including MERP Level 1 and 2 assessments) must include, according to Act 172 §2(d):**

- a. *recommendations for improvements that reduce the operating and maintenance costs, enhance comfort, and reduce energy intensity in a municipal building or facility, including:*
 - i. *the improvement or replacement of heating, ventilation and air conditioning systems;*
 - ii. *the use of a renewable energy heating system, provided that recommendations for fossil fuel heating systems are not eligible; and*
 - iii. *improvements to the building's or facility's thermal envelope;*
- b. *an evaluation of battery storage and EV charging station feasibility, with recommended locations as applicable;*
- c. *an evaluation of/recommendation for on-site renewable energy generation options, as applicable;*
- d. *a cost estimate for each recommendation;*
- e. *an estimate of system/equipment life cycle costs and consumption data; and*
- f. *the potential to phase the scope of work and suggest a prioritized order of completion separate from the assessment scope.*