MERP Frequently Asked Questions

1. ***What is energy resilience as it relates to Act 172?***

   According to Cornell, 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 will be 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 weatherization, thermal efficiency, and to supplement or replace heating systems with more efficient renewable or electric heating systems in municipally owned buildings.

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

Energy resilience assessments must be completed by January 15, 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.

9. ***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 ;*
   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.

10. ***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.

11. ***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.

12. ***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?***

    The energy resilience assessments as described in Sec. 2(d) of Act 172 call for the evaluation of the feasibility of on-site renewable energy generation and the reasonableness of Electrical Vehicle Supply

Equipment (EVSE). However, installation of solar photovoltaic panels or EVSE is not enumerated as an eligible use of the implementation grant, explicitly. Eligible uses for the implementation grant are enumerated in Act 172 Sec. 3(c)(1)(A).

The installation of rooftop panels for solar thermal systems which are used for space or water heating is potentially an eligible use of the implementation grant, if such a measure was recommended in the building energy resilience assessment.

13. 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 efficiency measures in the new building.

14. 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.

15. 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.

16. 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.

17. 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. The goal is to complete all energy resilience assessments in 2023. Pre-applications for the up to $500,000 building implementation grants will become available in the fall of 2023.. For additional formation about upcoming grant opportunities, please join our mailing list available through the MERP homepage.

18. 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.

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