

GROW THE ECONOMY

Helping Job Creators Survive & Grow

Clean Grid Optimization Acceleration



- **WHAT:** Encourage companies that focus on energy storage, demand control, grid monitoring, distributed generation and generation control to start and grow in Vermont.
- **WHY:** As the Vermont Council on Rural Development’s Vermont Climate Change Economy Council stated: “Vermont has a tremendous opportunity to systematically advance economic activity that addresses the challenge of climate change by reducing and mitigating carbon impacts while spurring innovation and creativity, encouraging entrepreneurship, attracting youth and building jobs for the future.” Vermont’s mix of start-up and mature clean grid companies, a grid-optimization-enabling regulatory environment, and a collection of clean grid-savvy utilities make the sector an obvious target for growth.
- **WHO:** An example of potential benefiting firms include:
 - Packetized Energy: A small 10-person, Burlington-based firm that evolved out of the University of Vermont is poised to revolutionize virtual battery storage – using software and smart appliances to better manage energy usage.
 - Northern Reliability: The Waterbury-based company employs 21 people making energy storage systems for customers across the globe.
 - Dynapower: Employing approximately 200 people in South Burlington, the firm specializes in power conversion solutions – including energy storage systems.
- **HOW:** The Clean Grid Optimization Acceleration package would encourage companies to start and scale here by making research and development activities eligible for a fully-refundable research and development tax credit; encouraging these companies to grow here by providing \$2 million in capital and technical assistance; encouraging climate economy corporations to do business here by eliminating the corporate income tax; and creating a pilot program that enables these companies to deploy their technologies in cooperation with utilities. The mix of incentives balances retention and recruitment, targeting non-Vermont businesses for recruitment and incumbent growth stage businesses operating in Vermont - where most of the job creation is likely to happen.
- **FUNDING:**
 - \$2 million in one-time funding for the Agency of Commerce and Community Development to create the innovative capital special fund
 - \$250,000 in one-time funding to support pilot projects that expand grid optimization technologies
 - \$500,000 in deferred annual revenue to fund and cap the R&D tax credit
 - \$400,000 in deferred annual revenue from corporate income tax from new and existing clean grid optimization companies operating in Vermont