

# FY22 One-Time Energy-savings and Weatherization Spending Proposals - Gov. Budget

Joint Fiscal Office

2/17/2021 (updated for 2/23/2021)

Governor's FY22 One-time energy saving and weatherization spending - for Senate Natural Resources					
Joint Fiscal Office					
2/22/2021					
Initiative	Fund			Year(s)	Details
	General	Transportation	Other		
DCF - Home Weatherization Assistance Program; Up to \$150k for vermiculite 1 remediation	4,000,000.00			FY22-23	Funds to be used over two years, \$2m per year, to supplement existing home weatherization assistance program; Up to \$150,000 to be available for vermiculite remediation
BGS - Expand State Energy Management Program (SEMP) funding opportunities to 2 municipalities	5,000,000.00			FY22	Funds to be used to expand existing SEMP program, which is currently only available for state buildings and facilities. Municipalities would now be able to access funds in the form of loans. Funds would be seed money for ongoing revolving fund.
3AoA - To pass to VHFA for VtWARMS	16,000,000.00			FY22-beyond	New VtWarms program managed by VHFA. \$12 million for financing and grant incentives (would allow for up to \$16m - \$18m in lending capacity). \$2.5 million for workforce development. \$1 million for individualized customer assistance. \$0.5 million for compliance, reporting and structure development. Funds would be seed money for ongoing program.
PSD - Affordable Community Clean Energy 4 Program	10,000,000.00			FY22	Money would be transferred from General Fund to Clean Energy Development Fund for this program. New program to help low- and medium-income Vermonters invest in community solar
5a EV Incentives for new vehicles		2,000,000.00		FY22	Ongoing incentive program. Previously funded at \$1.1m in FY20 and \$0.95m in FY21.
5b Drive Electric VT education and outreach		250,000.00		FY22	To expand public-private partnership with Drive Electric VT and support EV expansion in the state.
5c EV sales incentives for dealers/salesforce		250,000.00		FY22	New program. Up to \$150,000 to educate dealers/salesforce on PEVs. Incentive programs can also be established to encourage more sales, up to \$400 max. incentive.
5d "Replace your Ride" program		1,500,000.00		FY22	New program to provide additional incentive up to \$3,000 for eligible applicants (income restrictions and must replace an "older low-efficiency vehicle." Applicants can purchase PEV, bike/electric motorcycle, or switch to public transit/shared-mobility/POV-for-hire. Up to \$300,000 can be used to establish program
5e Multi-family housing level 2 charger grants		1,000,000.00		FY22	AOT to work in partnership with DHCD to support continued buildout of EV supply equipment in multi-family housing.
6a VHCB - One-time FY22	20,000,000.00			FY22	Governor's language would have all of \$20m directed to housing assistance. VHCB proposes that money be used "primarily" for housing but with flexibility to use up to \$5 million for conservation projects and Farm and Forest Viability Program. <b>Proposed allocations do not appear to have primary aim of achieving energy savings.</b>
6b VHCB - One-time FY22 - Capital Bill			4,000,000.00	FY22	Governor's capital bill proposal has \$1.8 million for housing and conservation; \$0.9 million for ag water quality projects; and \$1.3 million for land conservation and water quality projects. \$4 million total in FY22. <b>Proposed allocations do not appear to have primary aim of achieving energy savings.</b>
<b>Subtotal</b>	<b>55,000,000.00</b>	<b>5,000,000.00</b>	<b>4,000,000.00</b>		

# DCF/OEO – Weatherization Assistance

- Eligible Owner/Renter Households
  - HH income at or below 80% of median income
  - Someone in HH receives Supplemental Security Income (SSI)
  - Someone in HH currently receives seasonal fuel assistance (SFA), received SFA last winter and is still eligible, or is approved for SFA this coming winter
- Types of Services
  - Comprehensive assessment of energy-related problems
  - State-of-the-art building diagnostics
  - “Full-service” energy efficient retrofits

# DCF/OEO – Weatherization Assistance

- FY22 Budget Proposal – Ongoing Grant Funding - \$12,038,018
- Level-funded from FY21
  
- FY22 Budget Proposal – Grant Funding Sources
  - Federal Funds
  - Home Weatherization Assistance Fund – Special Fund

# BGS – State Energy Management Program

- Program for administering energy management measures in state buildings and facilities
- Two revolving funds
  - State Resource Management Revolving Fund – for resource conservation measures
  - State Energy Revolving Fund – for energy efficiency improvements and renewable resource measures
- SEMP program currently only open to state applicants

# State Resource Mgmt. Revolving Fund

- Projects
  - 58 projects funded to-date – Typically smaller projects (<\$250,000)
  - Projects approved by BGS Comm'r – simpler more flexible than SERF
  - No loan term limits so long as project demonstrates a positive return
  - 4 projects funded in State FY20
  - Costs for FY20 projects: \$28,581.96
- Fund Balance
  - \$2,425,996.18 invested from fund to-date
  - \$260,423.35 available as of January 15, 2021

# State Energy Revolving Fund

- Projects

- 13 projects funded to-date – Typically larger projects (>\$250,000)
- Projects chosen by Treasurer, BGS Comm'r. And Finance & Mgmt. Comm'r
- 7 year loan limits
- No new projects funded in State FY20
- Pandemic-related logistical challenges cited as reason for no projects in FY20

- Fund Balance

- \$2,346,462.24 invested from fund to-date
- Of a total \$8 million credit facility available at Treasurer's discretion, \$5,291,458.93 currently available for new energy projects
- \$500,000 supplemental funds from Legislature to help buy down loan terms

# SEMP Expansion pilot - municipalities

- New special fund, separate from SERF/SRMRF, for municipalities
- \$5 million investment from General Fund in FY22
- Typical projects:
  - Bldg. envelope improvements
  - Lighting upgrades
  - HVAC upgrades
  - Bldg. automation system retro-commissioning
- Program and project development would occur in FY22
- First projects likely not awarded until FY23 – drawdown of \$5m to occur over several years (SERF expenses ~\$1m annually)