Solar for All Federal Funding

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March 27, 2025

DEPARTMENT OF PUBLIC SERVICE

Vermont State Energy Office

| Authority | Program | Fed Agency | Amount | Conditional | Planned Use | Start | End | Status | |
|-----------|---|---------------|---------------|-------------|--|-----------|------------|--|--|
| BIL | Grid Funds | DOE | \$ 8,404,471 | No | Grants to DUs and partners for projects to reduce outages | 7/14/2023 | 4/30/2032 | RFP live through April | |
| | Municipal Energy Revolving Fund (MERF) | DOE | \$ 690,050 | No | Municipal Revolving Loan Fund by BGS | 6/1/2024 | 5/31/2029 | MOU with BGS in progress | |
| | Energy Efficiency and Conservation Block Grant | DOE | \$ 1,594,420 | No | Grants to Municipalities for Efficiency Planning and Projects | 3/1/2024 | 2/28/2027 | Grants issues to 6 Municipalities. 3rd round proposals under review. | |
| | Bipartisan Infrastructure Law - SEP Allocation | DOE | \$ 3,000,090 | No | \$900K for workforce development Contract to support Solar for All Planning Remaining funds for PSD Staffing | 7/1/2022 | 6/30/2028 | WFD RFP drafted | |
| IRA | VT Solar for All | EPA | \$62,050,000 | No | 3 distinct subprograms for single family, multifamily, and community solar | 9/1/2024 | 8/31/2029 | Planning efforts underway | |
| | HOMES Program | DOE | \$ 29,303,666 | No | Supplemental funding for the low-income Weatherization Assitance Program through Office of Economic Opportunity | 9/1/2024 | 8/31/2026 | MOU with OEO in progress | |
| | HEAR Program | DOE | \$ 29,192,160 | Yes | Funding for heat pumps to OEO and Efficiency Vermont | 1/1/2025 | 12/31/2029 | Planninng work on hold | |
| | TREC (Contractor Training Grant Program) | DOE | \$ 1,048,680 | Yes | Contractor training for Weatherization and Heat Pump installs | 1/1/2025 | 12/31/2026 | Coupled with SEP/BIL WFD RFP | |
| | Bldg. Energy Code & Zero Energy Code Project | DOE | \$ 4,484,570 | Yes | Staffing and support for increasing Code Compliance in VT | 1/1/2025 | 12/31/2025 | Intend to deploy in 2026 | |
| Other | Sustainable Energy in Schools and Public Buildings | DOE | \$ 1,000,000 | No | Renewable heating for schools and municipalities. | 7/1/2023 | 10/31/2025 | Executing grant agreements. | |
| | SEP-Formula Grant | DOE | \$ 1,223,650 | No | Building Energy Code support and staffing | 7/1/2022 | 6/30/2025 | implementing | |
| | ARPA/General Fund | N/A | \$61,000,000 | No | Weatherization, Flood Recovery, Panel Upgrades, Load Management, HPWH, Community Solar, Renewable Heating | 6/1/2022 | 12/31/2026 | implementing | |

Solar for All Vermont

\$62.5 million over 5 yrs. At least **\$46.5M of incentives** for low-income Vermonters to receive financial benefits via solar power

PSD Solar for All VT Program **\$2.84 M**

Solar Workforce Development \$1.71 M

<u>MASH</u>

On- and off-site solar for affordable housing tenants, through VHFA **\$22.34 M** ACRE MW sized community solar for renters, through utilities \$20.5 M **RAISE**

5kW on-site solar for homeowners, through PV Installers & financial partner(s) **\$14.61 M**

EPA Solar for All Requirements

- Inflation Reduction Act (IRA), Greenhouse Gas Reduction Fund, \$7 Billon EPA Program
- 60 Grant Recipients States, Nonprofits, Tribes, Coalitions
- Program focused on low-income 80% Average Median Income (AMI) communities
- Household savings requirement of **20% utility bill reduction** for participants
- Add "Good paying/high quality" jobs via workforce development component
- Comply with Build America, Buy America, Davis Bacon, NEPA, etc.
- Must comply with EPA Quality Assurance & Reporting Requirements

Federal Funding Takes Time

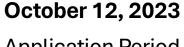
August 2022

President Biden signs Inflation Reduction Act (IRA)





June 28, 2023 EPA Publicly Announces Solar For All Program and Releases NOFO



Application Period Closed – PSD Submits request for \$100 Million

April 22, 2024

EPA Announces Award Allocations for Solar For All Recipients – States and Territories

(And more time)

| | (And m | nore tir | ne) | | | | |
|---|----------------------------------|---|---|--|-------------------|---|--|
| July 15, 2024 | X | Dec 18, | | March 2025 | | Jan 2026 – Sep 2029 | |
| EPA Obligates Funds via Initial Award | | 2024 Final EPA Award issued 12/18/24 | Quality Assurance & Reporting Deadlines Met | | | Deployment of SFA Programs: RAISE, MASH, ACRE | |
| | | | | | | | |
| | Sep 1, 2024 Performanc | | Jan – Dec 2025 | Spring 2025 Outreach and Engagement | Outreach | | |
| | e Period | | Planning | | and Engagement | | |
| | Begins/ Workplan | | Period for Program | | | | |
| | refinement | | Design* | | | | |
| * Note: Subpro | grams may begin operation o | during Planning Period v | when finalized. | PSD is he | ere | | |

Federal Funding: Obstacles in 2025

- EPA paused all communications with grantees from Jan 28th to Feb 26th — The Federal Treasury Portal (ASAP) was inactive during this period
- EPA has resumed communication with Grantees
- PSD has made successful draws for SFA funding in Feb/Mar of 2025
- EPA reduced GGRF/SFA staff and increased audit/compliance efforts
 - EPA's Inspector General announced an audit of Solar for All Program last week

\$22 million for Managed Affordable Housing Projects

Sole-Source Grant to Vermont Housing & Finance Agency

Managed Affordable Solar Housing (MASH)

- Improve access to clean distributed energy for Vermonters living in affordable housing
- Reduce energy burden of most vulnerable
- Reduce operating costs of housing
- Promote electrification of heating and transportation
- Avoid cost-shifts and cross-subsidization where possible
- Projected to serve ~3,000 HH



MASH: How will it work?

VHFA solicits projects from affordable housing developers/organiz ations



On-site: Where roof space and land available – Reduce Operating Costs via Net Metering or other Mechanisms

Community Scale (1-5MW) off site – Reduce Operating Costs via tariffs or agreements with utilities

MASH: Benefits to Tenants

- Expected to be described in proposals for funding by affordable houser/developer
- Can be financial or non-financial benefit
 - -Rent reductions
 - "Plug-load" bill reductions
 - -Other HUD approved non-financial benefits

\$14.6 million directed to rooftop solar array to **lowincome homeowners**

Residential Assistance in Solar Energy (RAISE) – Tentative Design

Participant works with Financial Institution (FI) and solar installers through Program Administrator

FI takes Investment Tax Credit (30%+) through IRA *Elective Pay* provisions

Installer takes incentive from VT Solar For All Program to reduce portion of project cost to be financed

Participant pays for the remaining cost of project over 6-year term of financial agreement with FI and owns the system upon final payment

Participant receives benefit of the solar installation for the life of the system – 20+ yrs.

RAISE Program Elements

- Competitive Contract for a Financial Institution
- Competitive Contract for Program Implementation Contractor
- Direct Grant to Subsidize VT Electrical Apprenticeship Programs
- Competitive Contracts to Expand Solar Workforce Training

 Career Training Centers, Community Workforce Partners, Employers, etc.
 - Projected to serve ~1,000 HH

Affordable Community Renewable Energy (ACRE)

- Based on ACRE Program developed under ARPA
- Benefits to participants through memberships in "communityscale solar projects"
 - Projects 2-5 MW
- Membership delivers a monthly bill credit evenly across billing cycles
 - 20% bill savings equating to ~\$25 savings/bill
- Memberships likely to be 10 years but may be longer depending on feedback from outreach efforts
- Membership eligibility based on one-time income verification check
 - parity with participants who receive installations
- Expected to be Administered by VEPP Inc.
- Projected to serve ~4,200 HH

Engagement Efforts to Inform Program Design

RAISE

5kW on-site solar for homeowners, through PV Installers & financial partner(s)

<u>ACRE</u> MW sized community solar for renters, through utilities

MASH

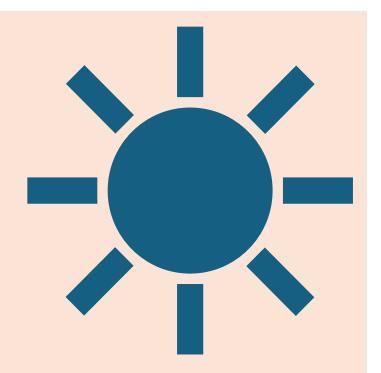
On- and off-site solar for affordable housing tenants, through VHFA

Primary focus of engagement efforts Spring '25.

- Focus group discussions in April with:
- Community-based organizations
 - (1 virtual)
- Potential program participants
 - (4 events; 1 virtual and 3 in-person)
- Will inform how best to engage with other program partners (financial institutions, developers, utilities, etc.) on core program questions (*targeting May*)

Currently engaging with utilities and VEPP, Inc. on broad program parameters.

Will evaluate additional engagement needs once program parameters finalized and after RAISE engagement concludes. VHFA will lead engagement efforts as deemed necessary to support program design.



Questions?

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