



New Hampshire
Department of Energy

Stakeholder Session: Energy Efficiency Conservation Block Grant Straw Proposal

July 12, 2023

Infrastructure Investment and Jobs Act (IIJA)

- Signed into law in November 2021.
- Provides \$1.2 trillion for infrastructure-related projects.
- Provides some \$62 billion in federal funding to the US Department of Energy over the next five years to advance a clean energy economy and lower carbon emissions.
 - This additional funding expands several existing programs and creates many more.



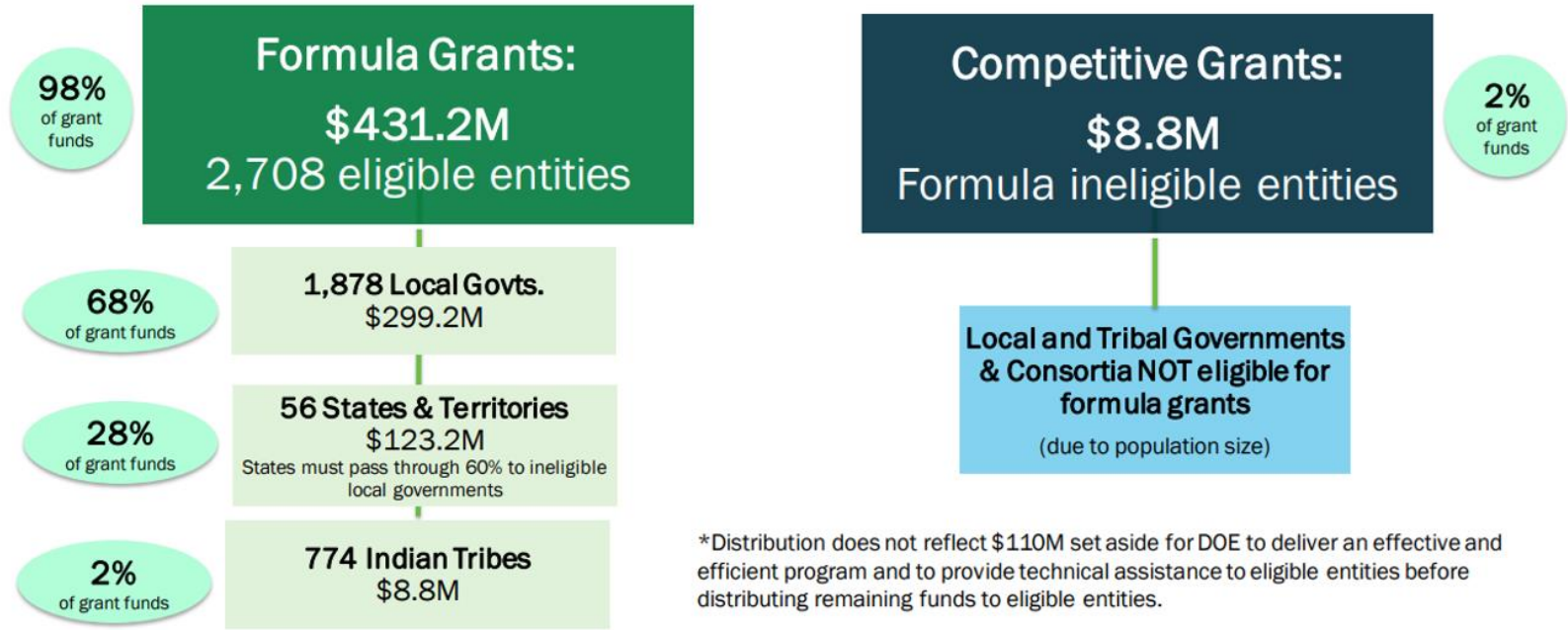
Energy Efficiency and Conservation Block Grant (EECBG) Program

- Some may be familiar with this program as it was funded under the American Recovery and Reinvestment Act (ARRA) during the Great Recession. Program funded for first time since ARRA.
- \$550 million in federal grants to States, units of local government, and Indian Tribes to reduce fossil fuel emissions, to reduce total energy use, and to improve energy efficiency.
- Over \$3.5 million made available to the State of NH and local governments.



EECBG Program Eligibility and Funding Distribution

Total Appropriation: \$550M



Eligible Uses of EECBG Program Funds

1. Strategy Development
2. Technical Consultant Services
3. Building Energy Audits
4. Financial Incentive Programs
5. Energy Efficiency Retrofits
6. Energy Efficiency and Conservation Programs for Buildings and Facilities
7. Development and Implementation of Transportation Programs
8. Building Codes and Inspections

9. Energy Distribution Tech. for Energy Efficiency
10. Material Conservation Programs
11. Reduction and Capture of Methane and Greenhouse Gases
12. Traffic Signals and Street Lighting
13. Renewable Energy Technologies on Government Buildings
14. Programs for Financing, Purchasing, and Installing Energy Efficiency, Renewable Energy, and Zero-Emission Transportation (and associated infrastructure)

*Funds can be used community-wide; not just for gov't facilities and buildings. Governments can fund clean energy projects **or** launch clean energy programs.*

State of New Hampshire Plan

NHDOE to receive \$1,641,260 from EECBG – must apply by July 31, 2023
\$1,477,134 available for Municipal Solar Grant Program after reserving admin costs

EECBG State Requirements:

- Provide subgrants no later than 180 days after the date on which USDOE approves the state's EECS.
- Allocate no less than 60% of its grant to units of local government that are **NOT** eligible for direct formula grants.
- Grant awards are allowable for a three-year period.
- States can opt to follow one of USDOE's [EECBG Program Blueprints](#). Following a blueprint allows for an expedited review of a state's application by USDOE. Expedited review can take up to 60 days. Grants not following blueprints take a minimum of 90 days for review. NH intends to follow [Blueprint 3A](#). More on the EECBG Program can be found [here](#).

NHDOE intends to subgrant all of its EECBG funding to municipal governments that are not eligible for direct EECBG formula grants.



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NH's Proposal for Subgranting EECBG Funding

Municipal Solar Grant Program: An Overview

Municipal Solar Grant Program: Broad Outline

Basic Program Eligibility:

- A competitive grant opportunity open to all municipal governments for ground-mounted or rooftop solar arrays that are less than 60 kW DC. Municipal and county governments that are receiving their own EECBG formula grants are **not** eligible.
- Grants will be offered on a cost-reimbursement basis.
- Grants will be offered as a percentage or a flat dollar amount. For example, this program may offer a grant that covers 25% of total project costs or \$40,000, whichever is less. Public feedback on what the grant size should be would be appreciated.
- Applicants must demonstrate that they underwent a competitive process to solicit contractors for the project.

Proposal Selection Process and Scoring Criteria:

- A technical project proposal.
- A project development cost and financing overview.
- Qualification and experience of the proposer's solar developer.
- An evaluation of the project's proposed kWh/CO2 savings.
- Additional points for being considered a "disadvantaged" municipality based on certain federal mapping criteria.
- Whether the project is wholly owned by the municipality. Third-party ownership may be discouraged.
- Identification of any conflicts of interest.

Genesis of Municipal Solar Grant Program

1. **Strong municipal interest in solar projects:** Municipalities submitted many inquiries about solar grant funding as NHDOE developed its e-mail distribution list for its newsletter.
2. **Leverage program design from NHDOE's Renewable Energy Fund programs:** NHDOE's Sustainable staff oversee the [LMI Community Solar Grant Program](#) and the [C&I Solar Incentive Program](#). NHDOE staff can leverage the structure of these programs to create the Municipal Solar Grant Program.
3. **A focus on "disadvantaged" communities:** NHDOE wants to give preference to "disadvantaged" municipalities that may have never considered a solar project before. This will help our program meet the Biden Administration's [Justice40 Initiative](#). The Municipal Solar Grant Program will likely have a strong emphasis on equity.

A key focus of the program will be to ensure simplicity and accessibility while balancing federal regulatory requirements.

Federal Requirements

- With federal dollars comes federal strings...
- Those funded under the Municipal Solar Grant Program must:
 - Comply with Build America, Buy America. More can be found [here](#).
 - Comply with Davis-Bacon, meaning all employees engaged in construction-related activities must be paid prevailing wages. More can be found [here](#).
 - Comply with the National Environmental Policy Act (NEPA) and NH's Historic Preservation Programmatic Agreement. More can be found [here](#).
 - Be actively registered in the federal System of Award Management (SAM) and not be debarred from dealing with federal funds. More can be found [here](#).
 - Comply with federal 2 CFR Part 200 as amended by 2 CFR Part 910 rules and the EECBG Statute located at 42 U.S.C. Chapter 152, Subchapter IV, Part C.

Build America, Buy America (BABA)

- Build America, Buy America is a **NEW** domestic content procurement preference requirement. This is **NOT** the Buy American folks may recall from the ARRA days. The standards under BABA are higher and should be taken seriously.
- No federal funds may be used for an “infrastructure project” unless:
 - All iron and steel used in the project is produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
 - All manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
 - All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.
- **NOTE:** Grantees can seek a waiver from BABA requirements, but it requires recipients to demonstrate a good faith effort to procure BABA-compliant materials for their project. Waivers can take 90-120+ days to review.

Justice40 Initiative

- In January 2021, the Biden Administration issued [Executive Order 14008, Tackling the Climate Crisis at Home and Abroad](#). This order established the [Justice40 Initiative](#), which directs that 40% of the overall benefits of certain Federal investments flow to disadvantaged communities.
- **How will this Program identify disadvantaged communities?** NHDOE intends to utilize federal mapping tools to help identify disadvantaged municipalities:
 - [Energy Justice Dashboard](#) – identifies disadvantaged census tracts based on 36 indicators collected. These indicators fall within four primary categories: fossil fuel dependence, energy burden, environmental and climate hazards, and socio-economic vulnerabilities.
 - [Climate & Economic Justice Screening Tool](#) – identifies disadvantaged census tracts based on indicators around eight primary categories: climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development. These census tracts are typically overburdened and underserved.
- NHDOE may also explore other metrics – a municipality’s property tax rate, the MHI in the municipality compared to SMHI, or USDOE’s [Low-Income Energy Affordability Data \(LEAD\) Tool](#) – to identify other disadvantaged communities that are not captured by federal Justice40 tools.

Discussion Topic: Grant distribution

- How should NHDOE offer grants through this program? A flat amount? As a percentage with a flat dollar ceiling (ex: 25% of project costs or \$40,000, whichever is less?) Other ways?
- Should there be a match requirement?
- Should the program offer higher grants for “disadvantaged” communities?
- What is the typical cost range for solar projects that are at or below 60 kW?
- To what extent might federal requirements like NEPA or BABA be an issue in deploying federal funding effectively and efficiently?
- Any other questions, ideas, or concerns on how grants would be distributed?

Discussion Topic: Project eligibility

- Should project eligibility be restricted to rooftop solar projects or grounded-mounted? Do municipalities explore rooftop projects more often over ground-mounted?
- Would it be burdensome for municipalities to demonstrate that they undertook a competitive process for proposals before applying to our Program?
- Should NHDOE show a preference for solar projects on or near certain municipal buildings over others, such as a solar project on an emergency center or a community center?
- Should the Program be restricted to funding one solar installation per municipality, or multiple projects in the same municipality that whose total installed capacity is at or below 60 kW?
- Any other questions, ideas, or concerns on project eligibility for the Program?

Discussion Topic: Project selection process

- Scoring will likely follow a similar formatting to that found under the [LMI Community Solar Grant Program](#) with some changes.
- Would including a scoring criteria that disincentivizes power purchase agreements or third-party ownership create a significant barrier for municipalities in completing projects?
- Beyond the federal tools previously listed, should NHDOE consider other metrics or tools to identify “disadvantaged” communities? Some ideas may be:
 - A municipality’s property tax rate?
 - The municipality’s MHI compared to the SMHI?
 - Using USDOE’s [Low Income Energy Affordability \(LEAD\)](#) to identify communities with significant energy burden?
- Are there any unique ways to incentivize larger projects without penalizing smaller municipalities that might only have the capacity for smaller projects?
- Any other questions, ideas, or concerns on project eligibility for the Program?

Next steps

- The US Department of Energy requires that states apply for their allocations by July 31, 2023.
- NHDOE expects to release a draft Municipal Solar Grant Program RFP shortly after this stakeholder session. Stakeholders are welcomed to provide additional feedback on the RFP at another stakeholder session to be scheduled before the end of July. More information will go out via NHDOE's e-mail distribution list.
 - If you wish to be on NHDOE's e-mail distribution list, please send an e-mail to Paige Relf at Paige.N.Relf@energy.nh.gov with your name, e-mail, and the name of any organization you are a part of. This distribution list will be the primary means by which NHDOE notifies interested stakeholders on Municipal Solar Grant Program developments.
- Once NH's application is submitted, it could take 60-90 days for USDOE to review NH's EECBG application.
- The Municipal Solar Grant Program will likely not be live until February-March 2024. Additional stakeholder meetings may occur while NH's application is being reviewed.
- Interested in learning more about EECBG? See the EECBG Application Hub for more information [here](#).

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