



AMENDED NOTICE OF GRANT OPPORTUNITY GAP III ENERGY GRANT 2022-2023

Introduction/Purpose of Amended Notice: The Massachusetts Department of Environmental Protection (MassDEP) is posting this Amended Notice on COMMBUYS to alert interested parties that the Gap III Energy Grant 2022-2023 Opportunity for the Clean Energy Results Program (the CERP Gap III Grant) was recently Amended and is now available at the links referenced below. The Amended CERP Gap III Grant supersedes the original May 26, 2022 posting solely to amend the dates set forth in Section 3: Estimated Procurement Calendar. All other terms, conditions -and requirements of the CERP Gap III Grant remain in full force and effect.

Summary of Grant Opportunity: Under the leadership of the Massachusetts Department of Environmental Protection (MassDEP or the Department), the Clean Energy Results Program (CERP) is an integrated energy and environmental partnership with the Massachusetts Department of Energy Resources and the Massachusetts Clean Energy Center that reduces regulatory or other barriers to clean and energy-efficient development across the state. Through this Grant Opportunity, MassDEP is seeking proposals from Eligible Entities (as defined below) to implement energy efficiency and clean energy facility upgrades to their facilities. In 2022, the MassDEP Gap III Energy Grant program seeks to build on its prior success in the water utility sector by providing Gap funding to additional facility types, presenting significant opportunities for energy cost savings through building energy efficiency upgrades, installation of clean energy, and energy storage systems. MassDEP will offer up to \$7.5 Million in Gap III Energy Grants from its Climate Protection and Mitigation Expendable Trust. This expanded effort will contribute to the state’s overall decarbonization goals and effort to reach 50 percent reduction in greenhouse gas emissions by 2030.

The goal of the Gap III Energy Grant program is to “fill the funding Gap” that remains after other funding opportunities have been integrated by providing financial assistance to Eligible Entities for certain unfunded energy upgrade costs. The Gap Grant serves to leverage incentives from energy utilities and other funding sources to jump-start energy efficiency and clean energy generation projects.

Grant Opportunity Application and Requirements: The Gap III Energy Grant program was issued on **May 26, 2022**, and is posted on MassDEP’s Gap Energy Grant webpage at the following link: <https://www.mass.gov/info-details/massachusetts-gap-energy-grant-program>

Environmental Justice: MassDEP is committed to advancing equity, diversity, and environmental justice (EJ)¹ through its public investments. The agency seeks to prioritize the direction of these resources to benefit EJ communities² and to address environmental inequities. To that end, MassDEP grant and funding programs include criteria and evaluation parameters that emphasize equity, diversity and environmental justice, consistent with each program’s statutory authority and source of funding.

Eligible Entities: Eligible Applicants include the following listed organizations that own, or lease, Facilities that are high energy users, and have committed to performing the energy upgrades that are the focus of the Gap III grant program:

1. Publicly owned drinking water facilities (municipal, district or authority)
2. Publicly owned wastewater facilities (municipal, district or authority)
3. Nonprofit multifamily affordable housing organizations
4. Nonprofit agricultural/food producing organizations and
5. Small businesses engaged in food distribution and processing

Eligible Projects:

6. Eligible energy efficiency projects include but are not limited to the following examples (not an all-inclusive list)³:
 - i. Building envelope treatments
 - ii. Air source heat pumps
 - iii. Variable speed drives
 - iv. Pump and motor replacements
 - v. HVAC upgrades
 - vi. Limited lighting – eligible up to a maximum of 20% adjusted cost⁴
 - vii. Process improvements (aeration, pumping optimization)
 - viii. Anti-sweat door heater controls on refrigerated doors
 - ix. Installation of compressor/condenser control schemes
7. Eligible clean energy projects such as renewable energy generation and energy storage projects include but are not limited to the following examples:
 - i. Solar photovoltaic (PV) systems
 - ii. In-conduit hydropower
 - iii. Wind power
 - iv. Battery storage systems

¹ Environmental Justice (EJ) is based on the principle that all people have a right to be protected from environmental pollution and to live in and enjoy a clean and healthful environment. EJ is the equal protection and meaningful involvement of all people with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies and the equitable distribution of environmental benefits.

² www.mass.gov/info-details/environmental-justice-populations-in-massachusetts#interactive-map

³ Includes any energy-saving measures that will save kilowatt-hours, therms, or gallons of fuel.

⁴ LED lighting, sensor and control upgrades must be implemented with other energy-saving measures and will be eligible up to a maximum of 20% of the adjusted project costs (i.e., total lighting cost - energy utility incentive =adjusted project costs)

- v. Existing combined heat and power (CHP) projects that utilize biogas from anaerobic digestion (AD)
 - vi. Solar thermal rooftop collectors for preheating water
 - vii. Water source heat pumps and geothermal systems
 - viii. Sewer heat recovery
8. Both energy efficiency and clean energy project applicants also have the option of selecting project adders to be included in their Gap grant applications. These adders offer additional energy savings and sources of revenue and will also earn the application additional points in the grant team’s evaluation process. Applicants may elect to include the following options:
- i. **Demand Response Services - provide long-term revenue for facilities through energy management.** With demand response, a facility allows the electrical grid (utility) and ISO New England to utilize its power during critical times in return for financial compensation. Demand Response is a temporary reduction or shift in a facility’s electricity use during the hours when the electrical grid experiences peak demand (e.g., hot summer days).
 - ii. **Clean Energy Projects - helps Eligible Applicants save money by generating on-site renewable power.** Renewable energy generation, energy storage projects and renewable thermal energy projects like those noted above are all eligible adders providing long term revenue and increasing decarbonization.

Facility Ownership and Authorization to perform Energy Efficiency and Clean Energy

Projects: Projects may be completed at a Facility that is owned by the Eligible Entity applicant, or at a Facility leased by the applicant (under a Long-Term Lease) with the written consent of the Facility owner. To be eligible for a Gap Energy Grant, applications that propose any physical work at one or more leased Facilities must be accompanied by a letter signed by the Facility owner(s) demonstrating their commitment to pursue the project’s stated energy efficiency or clean energy goals and actions. For purposes of this Gap III Grant, a Long-Term Lease means a lease agreement of real property entered into between the Eligible Applicant and the property owner of which the lease period is no less than five (5) years, excluding any period for which the lease may be renewed or extended.

Application Deadline: Applications are due electronically by 5 p.m. on the following dates.

- 1. Drinking Water and Wastewater facilities – **July 15, 2022**
- 2. Nonprofit and small businesses – **July 29, 2022**

Funding Availability: The total funding for the Gap III Grant Program is \$7.5 million. Of this amount, up to \$5 million in grants will be awarded to water or wastewater facility projects, and

up to \$2.5 million will be awarded to nonprofit multifamily affordable housing, agricultural and food producing organizations, and small business in food distribution and processing. The total maximum funding currently available for individual projects under this Grant Program is \$200,000 per entity. There will be two categories of grant applications - one funding track for smaller projects with funding up to but not greater than \$100,000; and a second funding track for larger projects with funding up to but not greater than \$200,000. Gap grant applications will be reviewed, and awards made, based on total estimated project costs within the specific funding category. If at the end of the grant process there are funds that remain unallocated, and in the sole discretion of MassDEP's grant team, additional projects may be funded or previously selected projects may receive additional funding. Applicants should only propose projects whose scope and timelines can be completed within two years from the effective date of grant contract execution. In MassDEP's sole discretion, the two-year grant contract period may be extended upon written request to MassDEP from a grant recipient, based upon demonstrated fact and project-specific circumstances, prior to the expiration of the two-year contract term.

Applicant Cost Share (10% Minimum Requirement) and Other Funding Obligations: A Gap III Energy Grant is designed to fill the financial gap in funding that an energy efficiency or clean energy project has after all other sources (and opportunities) of funding have been integrated. Applicants are expected to identify all other funding sources and provide a minimum 10% cost share contribution of the total adjusted project costs. More information on cost share and other funding requirements can be found in the Gap III Energy Grant documents.

Grant Application Process: The Clean Energy Results Program's Gap III Energy Grant documents and instructions can be found on the MassDEP's Gap Grant webpage <https://www.mass.gov/info-details/massachusetts-gap-energy-grant-program>. The webpage contains the grant application form, a procurement schedule, a description of the application process, and all project proposal and qualification requirements. Eligible entities should note that two Bidders' Informational Conferences on the Gap III Energy Grant will be held on the following dates: June 2, 2022 and June 14, 2022 at 10 a.m. via Zoom. To obtain dial-in information or the Zoom link for either Bidder's Informational Conferences, please register on the Gap Grant webpage on the MassDEP website. **Eligible entities may attend either Informational Conference but should note that Grant application schedule and deadlines are industry specific and firm.**

Evaluation Criteria: The evaluation criteria components for MassDEP's review and scoring of proposals are as specified in the Gap III Energy Grant documents on MassDEP's Gap Grant webpage.

Additional Information: For additional information regarding the Gap III Energy Grant, please refer to the MassDEP Gap Grant website link: <https://www.mass.gov/info-details/massachusetts-gap-energy-grant-program>.