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## **AMENDED NOTICE OF GRANT OPPORTUNITY** **GAP IV ENERGY GRANT 2025-2026**

**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 2025, the MassDEP Gap IV Energy Grant program seeks to build on its prior success in the water utility and food and agricultural sectors by providing Gap funding to these 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 \$5 Million in Gap IV 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 IV 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 IV Energy Grant program is being issued on **August 26, 2025**, 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>

**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 IV grant program:

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

## **Eligible Projects:**

5. Eligible energy efficiency projects include but are not limited to the following examples (not an all-inclusive list)<sup>1</sup>:
  - i. Building envelope treatments (e.g. insulation, air sealing, weatherstripping).
  - ii. Heat pumps (air source, variable refrigerant flow, water source, ground source, excluding wastewater energy recovery technologies)<sup>2</sup>.
  - iii. Variable speed or frequency drives.
  - iv. Pump and motor replacements.
  - v. High efficiency HVAC upgrades and water heating upgrades<sup>3</sup>.
  - vi. Limited lighting – eligible up to a maximum of 20% adjusted cost<sup>4</sup>.
  - vii. Process improvements (e.g. aeration, pumping optimization).
  - viii. Anti-sweat door heater controls on refrigerated doors.
  - ix. Installation of compressor/condenser control schemes.
  - x. Electrical transformers.
6. 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 energy storage systems.
  - v. 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.
7. 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 choose 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

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<sup>1</sup> Includes any energy-saving measures that will save kilowatt-hours, therms, or gallons of fuel.

<sup>2</sup> Refer to MassDEP's [Wastewater Energy Recovery Pilot Program](#) for resources to support these technologies.

<sup>3</sup> Please see [Mass Save® Instant HVAC and Water Heating Incentives](#).

<sup>4</sup> 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)

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 and energy storage options at their facility, while also providing long term revenue through decarbonization.** 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 must be completed at a Facility that is owned by the Eligible Entity applicant.

**Application Deadline:** Applications for both sectors are due electronically on **September 19, 2025, at 5 p.m.**

**Funding Availability:** The total funding for the Gap IV Grant Program is \$5 million. The maximum amount of funding for any individual grantee is \$350,000, and the minimum amount is \$75,000. There will be two categories of grant applications - one funding track for smaller projects with total project costs between \$75,000 - \$200,000; and a second funding track for larger projects, with total project costs greater than \$200,000. Gap grant applications will be reviewed, and awards made based on total estimated project costs, and energy and greenhouse gas emissions savings 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 renewed and/or 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 IV 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 IV Energy Grant documents.

**Grant Application Process:** The Clean Energy Results Program's Gap IV 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 IV Energy Grant will be held on the following dates: August 20, 2025, and September 9, 2025, 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, and Grant application schedule and deadlines are the same for both sectors.**

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

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