

EECBG Q&A Round 2

July 18, 2024

Q1: I am reviewing the RFP and I was wondering if subcontractors had to already be selected by the town prior to submitting an application or if the PSD would assign a subcontractor if our application was granted?

A1: Subcontractors do not have to be selected by the town prior to submitting an application. The PSD does not assign subcontractors to any awards. Any subrecipients or subcontractors under the EECBG award will be subject to terms and conditions from the US Department of Energy and State of Vermont.

Q2: In reading the modification to Category 1, Strategy Development and Implementation:

- A. would you please confirm that no activities related to MERP assessments are eligible, even if MERP implementation funding will not be sought?
- B. is planning for a specific activity, such as design of a bike path, eligible if construction funding has not been secured already? The first sentence of the new text suggests that it is not eligible; however, the text "...already guaranteed to happen..." suggests it would be ineligible only if construction funding already has been secured (or will be secured during the EECBG performance period?).
- C. as a final nuance clarification, could Category 1 activities include any of the following: develop or update a municipal energy plan, develop and implement community engagement for a future energy project, and/or planning a multi-municipality energy effort for a future project like Window Dressers?
- D. I think my underlying question for Category 1 is whether the activity eligibility is really about developing a comprehensive energy strategy rather than planning for an individual project.
- E. I read the federal description of the category as developing a comprehensive energy strategy (for municipalities, creating/updating the energy element of the municipal plan or an enhanced energy plan). The PSD program guidance caused me to wonder if I was being too narrow in my interpretation. Does Category 1 allow for other types of planning activities, such as community engagement or a non-construction-oriented energy initiative.

A2: Sub-Item Answers

- A. Correct. In this section, Municipalities may not seek EECBG funds under this competitive RFP for "planning activities" related to MERP assessments regardless of whether the community seeks MERP funding or not. The limitation in this section deals with whether "planning activities" are related to the implementation of work scopes developed under the MERP. If a municipality has funds identified or is seeking funds for known projects that will require labor or environmental review under NEPA, then these planning activities are not

allowed. If the “planning activities” are not connected to the MERP, then they would be allowed as long as there is no labor required and no projects have been scoped that will require NEPA review (i.e., completion of the EQ-1).

- B. Yes, municipalities may seek funding for infrastructure planning for activities such as adding bike lanes or pathways if construction funding has not been secured; however, this type of expenditure would qualify under Category 7 (not Category 1). These funds must be used for preliminary planning of the infrastructure (i.e., not for construction) and may not be used for work that is already guaranteed to happen. One example of a potential activity would be a general assessment of where a municipality might place bike pathways and how much they might cost. If the municipality has already identified and selected an area to place a pathway and want to pay to design that pathway so it can be constructed in the near future it may not be eligible. The U.S. Department of Energy (DOE) will be reviewing PSD’s subaward selections under EECBG and will make final determinations on when planning activities would trigger environmental review under NEPA. The PSD has provided the guidance we were given by DOE on this topic.
- C. Funding under Category 1 may be used for development or updates to municipal energy plans; development and implementation of community engagement for future energy projects; or planning a multi-municipality energy program. Note that no funding may be used to implement activities which have already been approved that will require labor.
- D. Yes, the main thrust of Category 1 is toward development of municipal energy strategies including updating municipal energy plans with particular focus on equity and underrepresented or disadvantaged communities.
- E. Category 1 specifies development of strategies for energy efficiency and conservation that are informed by stakeholder feedback and include opportunities for community engagement.

Q3: I wanted to clarify what is eligible for hiring a consultant to do planning verses when it crosses the line to implementation.

For a bike lane proposal, if a town hired a consultant to conduct an engineering analysis at a pre-design level to determine feasibility and potential cost (basically doing a feasibility analysis), would this count as planning and be eligible.

The same question could be applied to hiring an energy consultant. Can the town hire someone to help prioritize energy actions in town buildings or on town land and do research into which companies do this type of work and for how much? Could the consultant also have a company come out and scope a site to see if the recommended technology (say for example, a heat pump) would be appropriate for the site and recommend what type and give a cost to implement? If it stopped at that point, it is still pre-planning as a town would need that kind of information in order to determine prioritization based on real cost analysis.

Thank you for helping me clarify this line between planning and moving toward implementation.

A3: For the bike lane proposal, a consultant could be hired to conduct an engineering analysis at a pre-design level with the purpose of determining the feasibility and potential costs of such a project. As with the response to Question 2B, if the intent is to design the bike pathway to inform a decision as to whether to move ahead with the project, then the planning activities would be eligible.

Regarding the energy consultant, hiring someone to help prioritize energy actions in town buildings or lands, and identifying companies capable of performing required scopes of work with the intent to characterize potential options to pursue for a subsequent decision would be eligible under EECBG. However, if the municipality already knows it is going to move forward with a project, then having a contractor perform a site visit could potentially cross over into implementation. The U.S. Department of Energy will be reviewing PSD's subaward selections under EECBG and will make final determinations on when planning activities would trigger environmental review under NEPA.