

Vermont Department of Public Service **Energy Storage Access Program (ESAP)**

Responses to Questions

Issued June 12, 2023

Updated June 20, 2023 (scroll to end)

RFP Website:

<https://publicservice.vermont.gov/requests-proposals/psd-seeks-proposals-distribution-utilities-energy-storage-access-program>

The deadline for proposals from all respondents is extended until
Wednesday, July 5.

The deadline for questions is extended until Friday, June 23.

Set A

1. Can the PSD [Department of Public Service] confirm there is no cost share requirement for the utility on Part 1? We see a cost share identified for LMI [low/moderate income] members but it appears that [we] would not contribute any costs directly for this part of the project.
 - a. Response: Under Part 1, a utility may choose to contribute to the project, but there is no cost share requirement for the utility.
2. The PSD has provided completion dates for the various parts of this RFP and additionally states that 5% of grant funding will be held back until the final report has been received by the PSD. What is the expected timeline for the PSD to administer the funding? Is it a lump sum or will the funding be provided over several budget years?
 - a. Response: This grant program reimburses expenses after completion of work performed by the grantee and submission of monthly or quarterly invoices. The grant period will begin on the date the grant agreement is executed and run until the program ends on December 31, 2026. All grant funds must be expended by, and projects completed on or before, December 31, 2026.
3. For many of our towns, school buildings are used as warming shelters. Are school buildings acceptable to meet the objectives of Part 3?
 - a. Response: Yes, a school building owned or operated by a public school district is an eligible location. Per statute (1 VSA § 126), a municipality can be construed to include a city, town, town school district, incorporated school or fire district or incorporated village, and all other governmental incorporated units.
4. Can these grant funds be combined with other funding sources to potentially complete a broader scope of work, e.g. an LMI solar + storage installation?

- a. Response: Yes, provided that grant-funded activities meet the objectives described in this RFP (e.g., storage installation) and meet terms of the grant agreement.

Set B

1. For the LMI Storage Systems Program (Program 1), can a utility bid for one or two large battery energy storage systems (BESS) that serve a larger community rather than bidding for hundreds of wall units for individual households? If so, what percentage of the community would have to be LMI?
 - a. Response: A system that provides similar resiliency benefit and financial compensation is allowable, such as a system that serves a multifamily building, mobile home park, or group of buildings where all (or nearly all) residents qualify. A proposal of even larger scale—such as a neighborhood—should demonstrate how all or nearly all residents qualify and how economies of scale will ultimately allow more LMI households to benefit relative to other approaches. At least 90% of households served should qualify as LMI; grantees can use Census block or block group data to demonstrate this.
2. If a BESS comes with FLM [flexible load management] software, can the bidder break out the pricing and apply for a hardware cost in Programs 1 and/or 3 and a software cost in Program 2?
 - a. Response: Yes. A proposal combining multiple elements is welcome.
3. If a utility bids in Program 1 with a BESS and not individual units, what would the cost share arrangement be? i.e., would the state fund 100% of the BESS or still require the utility to cost share a certain percentage?
 - a. Response: Under Part 1, the cost-share with customers and utilities is not set. Utilities are not required to cover a portion of project costs but may choose to do so.

Set C (Questions Reference LMI Household Storage Program)

1. Do all proposed storage systems need to be installed in LMI households and if yes, is this an ARPA requirement? For example, if a customer experiences frequent outages and/or has critical medical equipment but does not qualify as LMI, could these customers qualify for funding under this program?
 - a. Response: The enabling legislation calls for assisting “low and moderate income customers.” See the response to question B1 for additional details.
2. If a proposed storage system is designed to serve a specific community or development, must all residents of that community qualify as LMI?
 - a. Response: See the response to question B1.
3. Does the Department have a specific method through which they would like LMI verification to occur?
 - a. Response: The Department does not have a specific method selected. Methods could include self-verification (attestation) or verification by DU staff. For reference, one other

ARPA program uses low-income verification assistance provided for a fee by the State's DCF Economic Services Division.

4. What is considered critical medical equipment?
 - a. Response: There is not a comprehensive list. In this instance, it is intended to include breathing machines (respirators, ventilators); power wheelchairs and scooters; oxygen equipment, including concentrators; suction pumps; home dialysis equipment; electronic and communication devices; and similar electricity-dependent devices.
5. Can funding under this program be used for third party customer outreach and identification of eligible LMI customers?
 - a. Response: Yes, reasonable identification and recruitment costs are eligible. Ideally DUs will start with internal databases identifying likely to be eligible (e.g., through past Tier III program or low-income rate participation, medical equipment flags, CARE registration, etc.).
6. Is a cost share required for moderate income customers and the utility applicant? Please clarify if cost share for awards is required by the utility submitting a proposal or if it is a recommendation.
 - a. Response: Under Part 1, moderate-income customers and utilities are not required to cover a portion of project costs but a utility may choose to contribute funds. As described in the RFP, utilities may require moderate income customers to cover up to 20% of project costs.
7. Regarding the Method of Award criteria (pg. 7), "Expeditious creation of a storage program where one does not currently exist (20 points)," does this refer to creation of storage programs where none exist within a utility or where one does not exist for a specific population (LMI)?
 - a. Response: This refers to the creation of a residential storage program by a utility that does not currently offer one at all.
8. Please clarify the meaning of B.6. Program Narrative (pg. 6): Define/describe any partnerships between the proposed program and those from other DUs [distribution utilities]. For example, are you looking for programs to be offered across multiple DU territories through a DU partnership?
 - a. Response: Yes, this could refer to a partnership between utilities to collaborate on a storage offering, to cooperatively select a vendor, or to share recruitment materials, for example. A program may be offered across multiple DU territories but need not be.

Set D (Questions Reference Municipal Storage Program)

1. Does the Department or BGS have a resource available to applicants that identifies communities where battery storage is recommended for implementation through the building energy assessments conducted under the Municipal Energy Resilience Program?

- a. Response: The BGS Municipal Energy Resilience Program has not begun audits yet, so it may not prove a valuable resource until later in 2023. The Department of Public Service does not currently have a list of suitable municipal buildings.
- 2. Is funding under this program eligible to be used to enable existing storage systems to be mobilized?
 - a. Response: This question is unclear. The program’s intent is to add new battery storage to municipal buildings that improve those facilities’ resilience while also delivering benefits to all ratepayers.

Set E

- 1. In the Program Summary for Part 3: Municipal Storage Systems under Funding Allocation the RFP states “funds will be awarded to one entity (subgrantees allowable).” Does this mean that DPS anticipates making only one award to a single entity under Part 3?
 - a. Response: Awards may be made to one or more distribution utilities, with a strong preference to support multiple utilities. The referenced language is intended to clarify that multiple awards will not be made within a single utility territory. The award would be made to the DU for that territory and not to—for example—individual municipalities receiving the storage systems.
- 2. [We] did not receive notification of the RFP from DPS on May 19 when other Vermont distribution utilities were notified. [We] learned about the RFP on May 30 from another Vermont distribution utility. [We] would like to request an extension of the question deadline to June 16 and an extension of the proposal deadline to July 5.
 - a. Response: Three employees of this DU received notification of the RFP on the same day as other distribution utilities, May 19.

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Set F (Added June 20, 2023)

- 1. [Our DU] has two parties interested in the municipal storage component but already have backup generators at their locations. If an organization/municipality already has a diesel generator, does the existing generator need to be replaced and removed?
 - a. Response: Answer: No, an existing diesel generator does not need to be replaced and removed. The program goal is to improve resiliency for municipal buildings and add storage resources for distribution utilities.

Objective 2(d) for Part 3 (supporting municipal storage systems) on page 13 of the RFP prioritizes installations that “do not already have a backup power system or are replacing an end-of-life fossil fuel backup power system.” As such, all else equal, a

proposal that adds storage to a municipal building for the first time is preferred to a proposal that adds duplicative backup power where a generator already exists. This proposal could be justified, however. For example, a suitable justification could be that a new storage system installation improves a shelter or supplements an outdated, undersized, or faulty diesel generator.