



vFY23.1
SSREIP Advanced Wood
Heating System Terms,
Conditions, and
Requirements

Small Scale Renewable Energy Incentive Program (SSREIP) Advanced Wood Heating System (AWHS) Terms, Conditions, and Requirements

The Vermont SSREIP is designed to provide funds to help cover the costs of installing new renewable energy systems in the homes, businesses, institutions, and non-profit facilities of Vermont. Funding is provided through the Vermont Clean Energy Development Fund (CEDF) at the Vermont Public Service Department (PSD). The SSREIP is administered by the Renewable Energy Resource Center (RERC) and overseen by the Public Service Department.

SECTION A: GENERAL RULES AND REQUIREMENTS

1. Incentives are available for advanced wood heating projects that meet the requirements set forth in this document. All program requirements must be strictly adhered to, and documentation must be complete in order to receive an incentive payment.
2. Project incentives can only be received by a pre-approved Advanced Wood Heating System Company (henceforth known as the “Company”). The Company installs or oversees the installation of the project, ensuring that the installation is completed in a safe and reliable manner in accordance with all SSREIP requirements.
3. The incentive amount for a specific project will be determined based on the structure described in Section C: Advanced Wood Heating System Rules and Requirements.
4. Customers interested in the Residential income-eligible adder funded through the American Rescue Plan Act (ARPA) must complete income verification with a third party. Adder amounts will be determined based on the provisions found in Section C: Advanced Wood Heating System Rules and Requirements.

To qualify for the income-eligible adder incentive residential customers must complete an income verification process with an external, third-party verifier. Income guidelines are set by county and household number with reference to Area Median Income (AMI) levels.

Customers are qualified at the following levels:

Low-income = <80% AMI

Moderate-income = 80% to <120% AMI)

Additional income-related information can be found on the RERC website rerc-vt.org

5. Once completed projects are given final approval by the RERC, incentive payments are sent by the PSD via check to the Company on behalf of the customer.
6. In order for the PSD to send incentive payments to the Company, the Company must have a State Vendor number. If a Company does not have a Vendor number they can obtain one by sending the PSD a completed W-9 form. The form must have a “wet” signature (but can be scanned and sent via email) and be signed within the last six months. Please submit to andrew.perchlik@vermont.gov. Hard copies can be mailed to:

CLEAN ENERGY DEVELOPMENT FUND c/o PSD

Andrew Perchlik
112 State Street, Third Floor
Montpelier, VT 05620

7. Incentives are for the benefit of the customer. Transfer of the incentive benefit from the Company to the customer must be clearly identified in customer contracts and invoices, as either a credit (preferred method) or a rebate.

8. Select information, such as system type, system size, and location, about the systems installed with SSREIP support may be publicly posted. Additional information may be released upon official request. By accepting SSREIP funds, customers are also approving the use of images of their installed systems by the CEDF.
9. Customers receiving an incentive grant the PSD access to the customers' pellet purchase records from pellet vendors.
10. Customers receiving an incentive cannot also receive a competitive grant award from the Clean Energy Development Fund for the same project.
11. The incentive payments made to the Company under this program will trigger the issuance of Form 1099s and thus may be treated as taxable income by the IRS and the State of Vermont. **It is the responsibility of the recipient of this incentive payment to consult with his/her tax advisor to determine the correct treatment of these payments for Federal and State tax purposes.**
12. If a customer receives an incentive, but then removes the installation for which the incentive was approved, the customer must notify the SSREIP and the CEDF Manager. The customer has a fiscal obligation to the CEDF equal to the incentive amount received from the State of Vermont through the SSREIP. The incentive amount/equipment purchased with the incentive may be considered property of the State and may be required to be returned to the State. In addition, the customer will not be granted any further incentives, unless there are exceptional circumstances as determined by CEDF Manager.
13. Installations may need a project plan review, prior to installation, by the Vermont State Historic Preservation Office (SHPO) to determine if the project will have historical impacts. An SHPO review is required if:
 - The building/house is more than fifty years old OR located in a historic district OR on the Register of Historic Places
 - AND-
 - The project is visible from a public right of way OR will result in ground disturbance ≥ 100 sq ft. and ≥ 6 in deep.
14. Installed systems may be subject to a site visit to verify system installation. Customers must allow for, and reasonably schedule, a site visit if requested by the RERC or PSD.
15. The Clean Energy Development Fund and the PSD reserve the right to modify or terminate this program. Program rules, requirements, terms and conditions, and incentive levels are subject to change or cancellation.
16. **Failure to adhere to the rules and requirements of the SSREI Program may result in non-payment of reserved incentives and in being removed from the SSREI Program.**

SECTION B: RESERVING COMPANY RULES AND REQUIREMENTS

1. In order to be approved to access the Advanced Wood Heating System incentive, Companies must:
 - a. Be licensed in Vermont to do business;
 - b. Be members of the Efficiency Excellence Network at Efficiency Vermont under the Heating, Ventilation and Air Conditioning Trade Group with Advanced Wood Heating certification submitted and approved. Please contact Efficiency Vermont at (855) 832-7283 or een@efficiencyvermont.com for more information or to sign up. This requirement does not pertain to reserving companies who solely work on wood chip systems;
 - c. Have demonstrated technical competence in the design and installation of residential and small commercial advanced wood heating systems;
 - i. This can be demonstrated by taking a manufacturer's installation training course (required for Companies who wish to apply for the custom incentive – Companies must take a manufacturer's installation training course for each make (brand) heating system they intend to install)
 - d. Be insured to \$1,000,000 minimum general liability (aggregate);
 - e. Install systems with a minimum one-year warranty on initial installation and on all major system components; and
 - f. Install systems with manufacturer's warranties on system components.
2. The lead installer (either an employee of the Company or a person under contract by the Company) must have expertise in the design and installation of the relevant type of system and must provide on-site review of the installation and be on-site to complete the final inspection before commissioning.
3. Self-installations are not eligible for an incentive. This includes Company owners who wish to install a system on their home or business. Employee discounts are acceptable; however, the incentive will be capped at 30% of the cost to the employee.

Because the incentive payment is made to the Company, the Company should **clearly indicate how the transfer of the incentive benefit to the employee/customer will be made.**

SECTION C: ADVANCED WOOD HEATING SYSTEM RULES & REQUIREMENTS

1. All advanced wood heating systems must be installed in Vermont.
2. The tables below summarize the base incentive and adder calculations.

Base Incentive
\$3,000

Income Level	Income-eligible Adders	Total Incentive (adder + base incentive)
Low Income (<80% AMI)	\$8,000	\$11,000
Moderate Income (80% - 120% AMI)	\$6,000	\$9,000

3. Residential customers are subject to a program lifetime cap of \$6,000 for CEDF-funded SSREIP incentives, \$10,000 for ARRA-funded incentives, and \$10,000 for ARPA-funded incentives. Commercial, industrial, and non-profit public-serving institutions are subject to a program lifetime cap of \$25,000 in incentives.
4. The flat-rate base incentive and income-eligible adder are only available for pre- approved advanced wood heating systems utilizing wood pellets for fuel (no green woodchips or cordwood) that are single-unit systems up to 100 kW (341,000 Btu/hr) in rated heating capacity. Pre-approved units may be found on the SSREIP Flat-Rate Advanced Wood Heating System Eligible Equipment Inventory at: <http://www.erc-vt.org/advanced-wood-heating-system/eligible-equipment-inventory-eei>
5. The income-eligible adder voucher is valid for 6 months from date of issue. If the voucher expires before the installation is complete the customer must reapply and is not guaranteed another voucher.
6. Eligible advanced wood heating systems must have a documented efficiency rating of 85% or greater. The system efficiency shall be measured on a Higher Heating Value (HHV) basis for peak rating (not seasonal average) by an accredited third-party. Eligible systems must also have a documented emissions for particulate matter below 0.08 lbs/mmBtu for PM2.5 and comply with all applicable Environmental Protection Agency and Vermont air quality requirements.
7. Eligible advanced wood heating systems must be utilized as primary central heating systems and must include:
 - a. Fuel storage capacity minimum is one (1) ton and is such that the system may continuously operate for a period of at least 14 days under peak load conditions;
 - b. Automated fuel feed from a bulk storage container/area to the burn chamber in an integrated path;
 - c. Automated on/off fuel feed control based on a demand for heat; and
 - d. Bulk fuel storage container systems must be able to receive automated bulk delivery of pellets.
 - e. Customers cannot also receive the Pellet Storage incentive unless they are adding an additional storage beyond what is required for the Advanced Wood Heating System program.
8. All prospective applicants (residential, commercial/industrial, or non-profit public serving institutional) must use less than 75,000 Btu per square foot of heated building space per heating season. The SSREIP will not grant incentives to systems oversized to compensate for inefficient homes/buildings.

9. Certain wood heating systems require thermal storage installation pursuant to EPA regulations. Please see the latest Eligible Equipment Inventory for further information.
10. If the project is receiving additional Clean Energy Development Fund or State of Vermont financial support, the combined funds (with the Small Scale Renewable Energy Incentive Program) may not exceed 50% of total installed costs unless customers are also receiving the income-eligible adder for which the combined funds may not exceed 100% of the total installed cost.
11. The installation needs to be purchased, or garnered through an up-front lease payment, by the customer (i.e. there must be up-front installation costs of an amount equal to or greater than the incentive amount to the customer in order to validate the incentive).
12. Required permits must be properly obtained and posted.
13. All equipment must be properly installed according to manufacturer's requirements and all applicable local, state, and federal codes, ordinances and permits.
14. Incentives are available only for projects that use new equipment and that result in a functional, independent system. Systems with used components are not eligible for an incentive.
15. All systems applying for the incentive must be listed on the SSREIP Flat-Rate Advanced Wood Heating System Eligible Equipment Inventories located at <http://www.erc-vt.org/advanced-wood-heating-systems>.
16. Systems that utilize multiple fuels (corn, coal, cordwood, dual-fuel systems that can burn oil, etc.) are not eligible.
17. The system installed must have rated heat output capacity that is less than the existing heating system's rated output, if no heated space is being added to the building. In the case of new construction, Companies must calculate the estimated annual and peak heat load requirements of the building and ascertain that the heating system to be installed is not oversized.

ADMINISTRATIVE INFORMATION

1. Important program information is distributed via email. Please be sure to submit current email addresses on your paperwork.
2. Each Incentive Reservation Form must be submitted individually. Multiple Incentive Reservation Forms on a single email or fax will not be accepted.
3. Please send all queries regarding incentive payments (including checks) to SSREIP. If you are mailing in original documents, please keep a copy for your records. The mailing address and contact information for the Renewable Energy Resource Center is:

VERMONT SMALL SCALE RENEWABLE ENERGY INCENTIVE PROGRAM

c/o Renewable Energy Resource Center
20 Winooski Falls Way, Suite 501
Winooski, VT 05404

EMAIL: info@erc-vt.org

QUESTIONS? 877-888-7372 or info@erc-vt.org