

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

The Vermont SSREIP is designed to provide funds to help cover the costs of installing new renewable energy systems on the homes, businesses, institutions, and non-profit facilities of Vermont. Funding is provided through the Vermont Clean Energy Development Fund. 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 arranges the installation of the project and ensures that the installation is completed in a safe and reliable manner.
3. Incentives are available for advanced wood heating projects that meet the requirements set forth in Section C: Advanced Wood Heating System Rules and Requirements as well as the other rules set forth herein.
4. 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.
5. Once completed projects are given final approval, incentive payments are sent by the Public Service Department via check to the Company on behalf of the customer.
6. In order for the State 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 Public Service Department a completed W-9 form. Please submit via email to [andrew.perchlik@vermont.gov](mailto:andrew.perchlik@vermont.gov). Hard copies can be mailed to:

**CLEAN ENERGY DEVELOPMENT FUND c/o PSD**

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7. Incentives are intended for the benefit of the customer. Transfer of 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. 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.
8. Customers receiving an incentive grant the CEDF access to pellet purchase records from pellet vendors.
9. Customers receiving an incentive cannot also receive a grant through the Clean Energy Development Fund.
10. Individual customers may receive *both* an incentive *and* the Vermont Investment Tax Credit (V.S.A. Title 32 §5822). **Please refer to a tax professional for more information.**
11. The incentive payments made to the Company under this program will trigger the issuance of 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. Alternatively, 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. Installed systems may be subject to a site visit to verify system installation. Customers must be willing to allow and reasonably schedule such a site visit if requested.
14. The Clean Energy Development Fund and the Public Service Department reserve the right to modify or terminate this program. Program rules, requirements, terms and conditions, and incentive levels are subject to change or cancellation.
15. **Failure to adhere to the rules and requirements of the SSREI Program may result in non-payment of reserved incentive and in being removed from the SSREI Program.**

## SECTION B: RESERVING COMPANY RULES AND REQUIREMENTS

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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. Have demonstrated technical competence in the design and installation of small commercial advanced wood heating systems;
    - i. This can be demonstrated by proof of taking a manufacturer's installation training course (required for Reserving Companies who wish to apply for the custom incentive – Reserving Companies must take a manufacturer's installation training course for each)
  - c. Be insured to \$1,000,000 minimum general liability (aggregate);
  - d. Install systems with one-year warranty on initial installation; and
  - e. Install systems with manufacturer's warranties on system components.
  - f. Starting July 1, 2017, Companies must be members of the Efficiency Excellence Network at Efficiency Vermont under the Heating, Ventilation and Air Conditioning Trade Group with Modern Wood Heating certification submitted and approved. Please contact Efficiency Vermont at (855) 832-7283 or [een@efficiencyvermont.com](mailto: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.
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 (i.e., the time when the interconnected system is turned on and capable of supplying energy to the grid). Companies must provide a minimum one-year warranty on all major system components and initial installation.
3. Self-installations are not eligible for an incentive. This applies to 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

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

	FLAT-RATE INCENTIVE
BASE INCENTIVE	\$3,000
THERMAL STORAGE TANK ADDER CALCULATION	\$0
MAXIMUM THERMAL STORAGE TANK ADDER	\$0

3. Residential customers are subject to a program lifetime cap of \$5,000. Commercial, industrial, and non-profit public-serving institutions are subject to a program lifetime cap of \$25,000.
4. The flat-rate incentive is only available for advanced wood heating systems utilizing pellets for fuel (no woodchips or cordwood) and for single-unit (pre-approved boiler or furnace) systems, up to 100 kW (341 kBtu/hr). 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-systems>.
5. Advanced wood heating systems utilizing pellets for fuel must have a documented efficiency rating of 85% or greater. This system efficiency shall be measured on a HHV basis for peak rating (not seasonal average) by accredited third-party certification. These 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 standards for particulate matter emissions.
6. Advanced wood heating systems utilizing woodchips for fuel must have a documented efficiency rating of 80% or greater. This system efficiency shall be measured on a HHV basis for peak rating (not seasonal average) as documented by accredited third-party testing agencies or third-party accredited field testing of comparable units. These systems must also have a documented emissions for particulate matter below 0.10 lbs/MMBtu for Total PM and comply with all applicable Environmental Protection Agency and Vermont standards for particulate matter emissions.
7. Incentive are for new, high-efficiency wood boilers or furnaces utilized as primary central heating systems. System must include:
  - a. Fuel storage capacity 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 or chips.
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.
11. The installation needs to be purchased or garnered through an up-front lease payment structure (i.e. there must be up-front installation costs 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 flat-rate incentive must be listed on the SSREIP Flat-Rate Advanced Wood Heating System Eligible Equipment Inventories located at <http://www.nerc-vt.org/advanced-wood-heating-systems>. To be included, systems must meet one of the following criteria:
  - a. Included on the NYSERDA list of approved systems for the Renewable Heat New York small commercial wood pellet boiler incentive program; or
  - b. For systems not on the NYSERDA list, but you have evidence to demonstrate compliance with the 85% efficiency and 0.08 MMBtu for PM2.5 requirements, that evidence should be submitted to the SSREIP for evaluation and possible approval to be added to the SSREIP Flat-Rate Advanced Wood Heating System Eligible Equipment Inventory. Note that these units may not exceed 100 kW (341 kBtu/hr) output for the flat-rate incentive.
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 to ascertain that the heating system to be installed is not oversized.

### ADMINISTRATIVE INFORMATION

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1. Please send all queries regarding incentive payments (including checks) to the SSREIP.
2. Important program information is distributed via email. Please be sure to submit current email addresses on your paperwork.
3. Each Incentive Reservation Form must be submitted individually. Multiple Incentive Reservation Forms on a single email or fax will not be accepted.
4. 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**

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