

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 reserved by a pre-approved Advanced Wood Heating System Reserving Company (henceforth known as the “Reserving Company”). The Reserving 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. That section also sets forth the Maximum Incentive Amount allowable for each type of project.
5. Once completed projects are given final approval, incentive payments are sent by the Public Service Department via check to the Reserving Installer on behalf of the customer.
6. In order for the State to send incentive payments to the Reserving Company, the Reserving Company must have a State Vendor number. If a Reserving 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. Hard copies can be mailed to:

CLEAN ENERGY DEVELOPMENT FUND c/o PSD

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

Under limited circumstances, non-residential customers may receive the incentive payment directly; however, the customer must submit an up-to-date W-9 directly to the Clean Energy Development Fund. Please contact the Renewable Energy Resource Center at time of reservation application submission for incentives that need to be paid directly to the customer.

7. Incentives are intended for the benefit of the customer. Transfer of incentive benefit from the Reserving Company to the customer must be clearly identified in customer contracts and invoices, as either a credit (preferred method) or a rebate. Before project installation can begin, a signed and dated Incentive Reservation Form must be submitted to the SSREIP, and an official incentive reservation approval letter containing an incentive reservation number must be issued by the SSREIP. If project installation begins prior to incentive reservation approval, no incentive will be provided for that project.
8. Projects must be completed, and Final Project Documentation and Incentive Request Forms must be submitted, by the deadline listed on the official incentive reservation approval letter.
9. Projects that do not submit completed Final Project Documentation and Incentive Request Forms within the timeframe specified above may “return to the back of the line” and re-submit a new incentive reservation request form if installation has

not yet begun, and the program still has funds available; the original incentive identification number must be provided. Re-submissions are not guaranteed approval.

10. Select information, such as system type, system size, location, and total installed costs, about the systems installed with SSREIP support may be publicly posted. Additional information may be released upon official request.
11. Customers receiving an incentive grant the CEDF access to pellet purchase records from pellet vendors.
12. Customers receiving an incentive cannot also receive a grant through the Clean Energy Development Fund.
13. 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.**
14. The incentive payments made to the Reserving Installer 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.**
15. 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.
16. 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.
17. To qualify for this incentive as a non-profit public serving institution, projects must be for low-income housing non-profits, municipalities, public schools, or non-profit hospitals/health care centers.
18. 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.
19. **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

1. In order to be approved to access the Advanced Wood Heating System incentive, Reserving 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, reserving companies for pellet systems 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 for more information or to sign up. This requirement does not pertain to reserving companies who solely work on wood chip systems.
2. The official representative for each Reserving Company must certify that s/he has read, understands, and will ensure that the Reserving Company will abide by all program requirements listed in the *SSREIP Terms, Conditions and Requirements* in order to access the SSREIP incentives. After any changes to the *Terms, Conditions and Requirements*, a new certification must be signed by each Reserving Company to remain eligible to access the SSREIP.
3. The Reserving Company must oversee system design and installation and identify, by name and title, the lead installer for each project (hereinafter, Installer).

4. The lead installer (either an employee of the Reserving Company or a person under contract by the Reserving 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). Reserving Companies must provide a minimum one-year warranty on all major system components and initial installation.
5. Self-installations are not eligible for an incentive. This applies to Reserving 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 Reserving Company, the Reserving 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 table below summarizes the base incentive and adder calculations, including the maximum allowable amount, by incentive category:

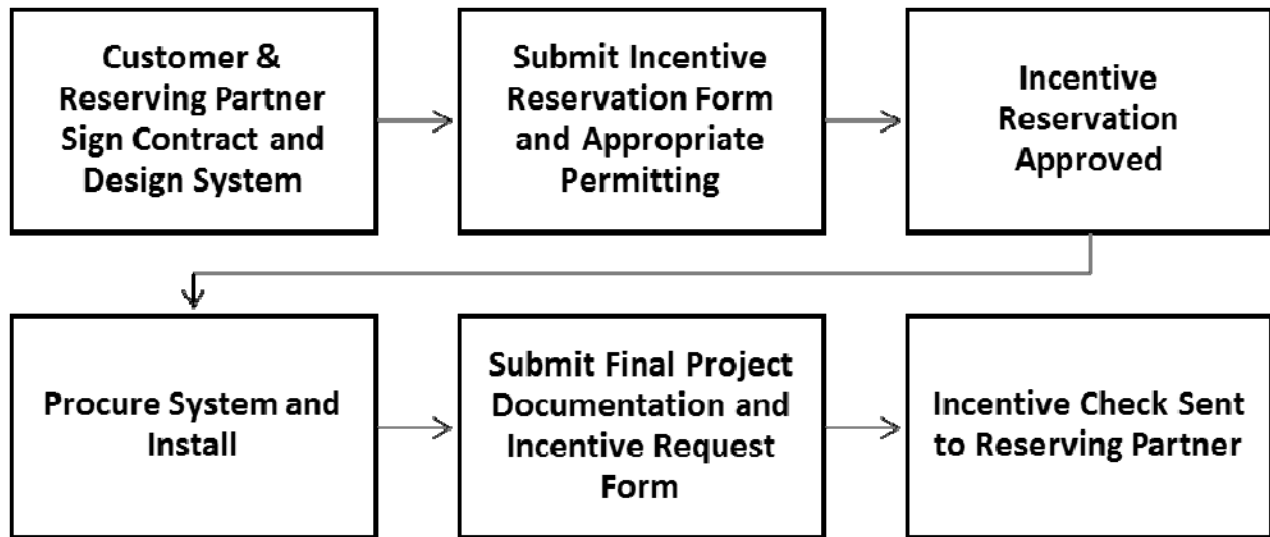
| | FLAT-RATE INCENTIVE | CUSTOM INCENTIVE |
|----------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|
| BASE INCENTIVE CALCULATION | \$3,000 | \$1.25 per sq-ft heated space connected to the system |
| MAXIMUM BASE INCENTIVE | \$3,000 or 30% of total installed cost, whichever is less | \$20,000 or 30% of total installed cost, whichever is less |
| THERMAL STORAGE TANK ADDER CALCULATION | \$0 | \$10.00 per MBH |
| MAXIMUM THERMAL STORAGE TANK ADDER | \$0 | \$5,000 |

3. Residential customers are subject to a program lifetime cap of \$5,000, regardless of incentive type (flat-rate or custom). 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.rerc-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.rerc-vt.org/advanced-wood-heating-systems>. To be included, systems must meet one of the following criteria:
 - a. Included on the NYSEERDA list of approved systems for the Renewable Heat New York small commercial wood pellet boiler incentive program; or
 - b. For systems not on the NYSEERDA 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. All systems applying for the custom incentive must be listed on the SSREIP Custom Advanced Wood Heating System Eligible Equipment Inventories located at <http://www.rerc-vt.org/advanced-wood-heating-systems>. To be included, systems must meet one of the following criteria:
 - a. Included on the NYSEERDA list of approved systems for the Renewable Heat New York small commercial wood pellet boiler incentive program; or
 - b. For systems not on the NYSEERDA list, but you have evidence to demonstrate compliance with the 85% efficiency and 0.08 MMBtu for PM2.5 requirements (pellet systems) or compliance with the 80% efficiency and 0.10 MMBtu for Total PM requirements (chip systems), that evidence should be submitted to the SSREIP for evaluation and possible approval to be added to the SSREIP Custom Advanced Wood Heating System Eligible Equipment Inventory.
17. Systems that utilize multiple fuels (corn, coal, cordwood, duel fuel systems that can burn oil, etc.) are not eligible.
18. 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, Reserving Companies must calculate the estimated annual and peak heat load requirements of the building and show that the heating system to be installed is not oversized. Calculations must be supplied in the reservation applications and are subject to approval.

SECTION D: PROCESSING REQUIREMENTS

PROGRAM PARTICIPATION STEPS



1. Commercial/Industrial customers and Non-Profit Public Serving Entities with projects that must go out to bid may use the Advanced Wood Heating (Custom Bid) Reservation Application to reserve initial funds without a Reserving Company selected. Once the company or organization receives approval from the RERC, they have three months to select a bid and Reserving Company and submit a full application (found at www.erc-vt.org/advanced-wood-heating-systems -- please contact the RERC at 877-888-7372 if you need a printed copy). Once the full application is approved, installation may begin. Please note that the amount of funds reserved in the initial Custom Bid Reservation Application may change based on actual project specifications after the bid is selected.

INCENTIVE RESERVATION FORM

1. The customer and Reserving Company must each read and agree to be bound by the SSREIP Terms, Conditions and Requirements. This document can be found at <http://www.erc-vt.org/advanced-wood-heating-systems>. If you need a printed copy, please contact the RERC at (877) 888-7372. The customer and Reserving Company must each sign and date the Incentive Reservation Form, which certifies that they acknowledge, understand, and agree to be bound by the terms of the SSREIP.
2. All reservation applications must be submitted on the most current Incentive Reservation Form. All pages of the application must come from the same version of that form.
3. A current customer mailing address, if it differs from the installation address, is required.
4. Full model numbers are required for system components.
5. The customer and Reserving Company must certify on the Incentive Reservation Form that installation of the project has not yet begun. If installation has begun before the reservation for the incentive is approved, the incentive will not be paid.
6. Systems requesting the custom advanced wood heating system incentive may be required to undergo a System Design Review. Systems that are under 100 kW (341 kBtu/hr) may bypass the System Design Review, and systems that are going to a new construction and have been designed by a mechanical engineer may also bypass the System Design Review. Additionally, certain Reserving Companies may be eligible for an expedited application review, which also bypasses the System Design Review. In order to qualify for the expedited application review, Reserving Companies must have had three similar projects be approved and installed without required design modifications from the SSREIP in the prior two years.
 - o "Similar projects" indicate projects that use the same manufacturer and fuel type for the heating system, and are used for similar applications. Please contact the SSREIP if you are unsure if your company qualifies for the expedited application review prior to application submission.

- Some projects may be randomly selected for design review as part of a Quality Control effort. Please be prepared to respond to such requests in a timely manner.
7. A response (either approval or denial) to an incentive reservation will be provided within 10 business days from when a complete Incentive Reservation Form is received. If a reservation application is submitted outside of regular business hours (Monday through Friday, 8 am to 5 pm, excluding state and federal holidays), it will be considered “received” on the next regular business day, if it is complete.
 8. **If the installation involves installing anything new (ex. chimneys or other ventilation) that is visible from a public right-of-way on or altering the exterior of a building more than fifty years old or located in a historic district, or if any installation requires ground disturbance, the project plans must be submitted the Vermont Division for Historic Preservation for review and approval prior to starting the installation.** For more information, please see Section G: State Historic Preservation Act of the Reservation Application form.
 - Because the Final Project Documentation and Incentive Request must include a letter of compliance from the Vermont Division for Historic Preservation (VDHP), applicants must apply for a letter of compliance **prior** to beginning the installation of the project. Be aware that VDHP only accepts electronic copies of documentation, preferably in PDF format, for review.

FINAL PROJECT DOCUMENTATION & INCENTIVE REQUEST FORM

1. Full documentation is needed before review will begin. **Final Project Documentation and Incentive Request Form with missing and/or incorrect documentation will be returned to the Reserving Company.**
2. The Final Project Documentation and Incentive Request Form must be completed, signed, and dated. All pages must come from the same version of that form. To the extent the response to any portion of the Form is “N/A,” a detailed reason for that response must be provided.
3. The following is a list of required forms and supporting documents to be submitted with the Final Project Documentation and Incentive Request Form:
 - a. The Reserving Installer and the name of the Installer responsible for system design, project oversight, and final inspection must be listed.
 - b. Total installed system cost – this must match the value listed on the customer invoice.
 - c. An Invoice that includes the incentive amount as a line-item. If the installed system is smaller than originally approved, the incentive amount on the invoice must reflect the decreased incentive amount justified by the change. **The invoice that is submitted must be an exact copy of the final itemized invoice that is sent to the customer – not an invoice created just to submit with the Final Project Documentation and Incentive Request. The SSREIP needs to verify that the end-use customer is receiving full benefit of the incentive.** The invoice must include total cost of the system with component costs broken down:
 - Appliance(s) (boiler or furnace);
 - Fuel storage;
 - Thermal storage (if applicable);
 - Labor; and
 - Any other associated costs (fuel conveyance, controls, circulators, etc.).
 - d. A warranty of at least 1 year on the major system components and initial installation.
 - e. If applicable, a copy of the letter of no adverse effect issued from the Vermont Department for Historic Preservation.
 - f. Photographs of system installation per instructions on Final Project Documentation and Incentive Request Form (must be submitted electronically with reservation number). If there are blurred or incomplete photos, the review process will be delayed.
 - g. Further documentation may be requested at the discretion of the SSREIP or CEDF.
4. The customer must review all pages **including** the supporting documents listed above. Only after reviewing these documents should the customer initial where necessary and sign and date Final Project Documentation and Incentive Request Form.
5. A completed Final Project Documentation and Incentive Request Form and supporting documents may be submitted by fax or email (as a pdf; jpg or pdf files are acceptable for photos) in lieu of standard mailing.
6. Final Project Documentation and Incentive Request Forms should be processed and incentive payments issued within 30 days of receipt of complete and correct final project documentation. If documentation is missing or incorrect it will delay the process.

ADMINISTRATIVE INFORMATION

1. When contacting the SSREIP about a particular project, please reference the reservation number.
2. Please send all queries regarding incentive reservation payments (including checks) to the SSREIP.
3. Important program information is distributed via email. Please be sure to submit current email addresses on your paperwork.
4. Each Incentive Reservation Form must be submitted individually. Multiple Incentive Reservation Forms on a single email or fax will not be accepted.
5. 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

128 Lakeside Avenue, Suite 401

Burlington, VT 05401

Email: info@rec-vt.org

Phone: (877) 888-7372

Fax to ATTENTION: RERC (802) 658-1643

SECTION E: RESERVING COMPANY CERTIFICATION

I have read, understand, and will abide by all program requirements listed in the current *SSREIP Terms, Conditions and Requirements* at <http://www.nerc-vt.org/advanced-wood-heating-systems>. I understand that the CEDF reserves the right to request written documentation demonstrating compliance with the terms and conditions listed above.

COMPANY REPRESENTATIVE SIGNATURE

DATE

COMPANY REPRESENTATIVE NAME (PRINT)

COMPANY NAME

CONTACT INFORMATION

Primary Contact Name

Company Mailing Address

City

State

Zip Code

Company Phone Number

Website

Email Address

I wish to reserve projects for the following fuels: PELLET (MUST BE AN EFFICIENCY EXCELLENCE NETWORK MEMBER BY JULY 1)

WOOD CHIP

I would like to be listed on the RERC's website as a Preferred Installer: YES (INFO ABOVE WILL BE POSTED) NO