

The American Rescue Plan Act (ARPA) Small Scale Renewable Energy Incentive Program (SSREIP) Income-eligible *Heating with Biodiesel* Pilot Fuel Dealer Participation Agreement

SSREIP INCOME ELIGIBLE BIODIESEL FUEL INCENTIVE TERMS, CONDITIONS, AND REQUIREMENTS

The Income-eligible Biodiesel Fuel incentive pilot project of the SSREIP is designed to offer assistance for American Rescue Plan Act (ARPA) eligible customers to reduce energy/utility costs with grants for the use of (and costs for inspection and minor modifications to convert to) biodiesel heating fuel. Funding is provided from ARPA via the Vermont Clean Energy Development Fund (CEDF) at the Department of Public Service (PSD). The SSREIP is administered by the Renewable Energy Resource Center (RERC) via a contract with the PSD.

The incentives will be based on household income according to thresholds described in paragraph 6 below.

1. The biodiesel fuel incentive will be applied toward a qualifying customer's purchase of qualifying biodiesel fuel. Qualifying fuel must satisfy each of the requirements (a) through (d) below:
 - a. Be B99 Biodiesel. (Should fuel dealers be unable to procure B99 fuel, CEDF will consider revising the fuel requirement to other fuel source percentage blends, B20 for example). Used vegetable (UVO) derived biodiesel is the required fuel for the program.
 - b. Be produced within the U.S.A.
 - c. Not be derived from palm oil from outside the U.S.A., and
 - d. Meet ASTM D6751 for B100
2. Qualifying customers must satisfy each of the requirements (a) through (f) below:
 - a. Be income qualified as at or under 120% of Area Median Income by the program's third party verification process.
 - b. Live in Vermont
 - c. Have a furnace or boiler that is situated in a seasonally heated space with ambient temperature of not less than 50°F.
 - d. Have a fuel storage tank that is located indoors in a heated space (cannot have an outdoor fuel storage tank).
 - e. Not be currently participating in the [Low Income Home Energy Assistance Program \(LIHEAP\)](https://dcf.vermont.gov/benefits/fuel-assistance) (<https://dcf.vermont.gov/benefits/fuel-assistance>).
 - f. Be either:
 - i. a customer converting to biodiesel within the Fuel Dealer's (FD) current service territory in which the FD will respond to a customer's heating emergency 24/7, or
 - ii. a new customer who will be using biodiesel outside the FD's current service territory when the Fuel Dealer communicates, and the customer agrees, to the potential limitations on emergency services prior to entering a new biodiesel sales arrangement when such service may not be possible 24/7 via the Fuel Dealer.
3. The initial incentive for Used Vegetable Oil (UVO) B99 will be calculated at one-third of the current market price for biodiesel (e.g., for B99 at \$5.50/gallon, the incentive would be \$1.83 per gallon with the customer paying \$3.67 per gallon and the Fuel Dealer receiving a payment from the CEDF of \$1.83 per gallon sold.

4. Grants of \$300 per household for home heating equipment inspection and minor changes needed to make the system “biodiesel ready” are available.
 - a. Eligible minor heating system upgrades may include replacement of seals, fuel burners or nozzles, filters, tank cleaning, leak detection, and other modifications required to allow the system to operate appropriately with biodiesel fuel.
 - b. Inspections shall confirm that the biodiesel fuel will be stored inside in a heated space and that measures are in place to avoid cold weather gelling of the fuel
 - c. To receive the \$300 grant the Fuel Dealer must certify that the house heating system has been inspected and approved for use of B99.
5. Maximum assistance amount per household is:
 - a. \$1,000 incentive payment for biofuel delivered per household (multiple deliveries/incentive requests may be made up to the \$1000 maximum).
 - b. \$300 for home heating equipment inspection grants (one time only).
 - c. Total: \$1,300 per household benefit (subject to change per availability of funding).
6. To qualify for this 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 if their household income is verified to be** at or below 120% of their county’s Area Median Income (AMI).

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

7. To confirm the customer’s eligibility to receive the incentive, the Fuel Dealer must submit on the customer’s behalf an *American Rescue Plan Act (ARPA) Heating with Biodiesel Pilot Biodiesel Heating Fuel Income-eligible Incentive Voucher Application*. RERC will review the application, the customer will be directed to the third-party income-verification service, and RERC will receive the result of the income verification and will determine the incentive amount, if any.
8. If RERC approves an incentive, the customer and the Fuel Dealer will receive approval and a voucher for the Biodiesel Heating Fuel Income-eligible Incentive. Incentive payments and grants for inspections will be made directly to the qualified, enrolled fuel dealer on behalf of the ARPA-eligible household.
9. The income-eligible Biodiesel Fuel incentive voucher will be 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.
10. Incentive levels are subject to change based on fund availability.
11. Incentive payments and grants for inspections will be made directly to the qualified, enrolled Fuel Dealer on behalf of the income-verified eligible household.
12. The customer is responsible to pay the Fuel Dealer for the purchase price of the B99 fuel delivery, less the incentive amount. **The Fuel Dealer will subtract the incentive amount from the price of the B99 fuel delivery at the time of purchase and the incentive will be paid directly to the Fuel Dealer by the CEDF.**
13. The Fuel Dealer must completely fill out the Incentive Voucher form and submit it to the CEDF c/o RERC to receive the incentive payment from the CEDF. **Completion of the Incentive Voucher form includes a copy of the invoice showing customer name, location of the delivered fuel, amount of B99 fuel purchased, date of delivery, and other information as required on the voucher.**
14. Incentive requests will be processed within ten business days.
15. Once completed projects are given final approval by the RERC, incentive payments are sent by the PSD via check to the Fuel Dealer on behalf of the customer.
16. In order for the PSD to send incentive payments to the Fuel Dealer, the Fuel Dealer 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:

Andrew Perchlik
CLEAN ENERGY DEVELOPMENT FUND
Vermont Department of Public Service

17. 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.**
18. A customer or fuel dealer will forfeit the incentive and may be barred from receiving future incentives if they provide the Vermont SSREIP with false information.
19. The Vermont SSREIP, the CEDF, and the State of Vermont do not warranty or retain any liability for any devices or components of heating systems purchased, installed, or adjusted, nor for heating fuel used under this incentive program, regarding the quality of, functionality of, or satisfaction with the device, installation, or fuel.

PARTICIPATION AGREEMENT

The Fuel Dealer agrees to work in partnership with the State of Vermont to implement the Vermont Income-eligible Biodiesel Fuel incentive pilot by:

1. Communicating with their customers on how the Fuel Dealer would respond to cold weather heating emergencies:
 - a. For new or existing customers within the company's current service territory who will be converting to biodiesel from #2 fuel oil, the Fuel Dealer agrees to respond to the customers' heating emergency calls 24/7. Fuel Dealers will communicate this to these existing customers.
 - b. For new customers who will be using biodiesel outside the company's current service territory, the Fuel Dealer agrees to communicate the potential limitations on emergency services prior to entering a new biodiesel sales arrangement when such service may not be possible 24/7 via the Fuel Dealer.
2. Trouble-shooting biodiesel usage in the home as with regular #2 heating oil fuel customers.
3. Agreeing to deny a home from participating in the pilot when, upon home inspection, the property fails to meet the requirements for heating with biodiesel.
4. QA/QC: Percentage of blend and fuel source to be verified by the Fuel Dealers with a self-certification of the number of gallons of biodiesel and the type of fuel (UVO) documented with a bill of lading (BOL) for the deliveries.
5. Allowing CEDF to audit the Fuel Dealer's records for the dates, quantities, and types of biodiesel fuel delivery to participating customers and other pertinent information.
6. Deducting the incentive dollar amount from the purchase price of B99 biodiesel fuel delivered then adding this to the grant dollar amount for the inspection of the existing heating system and submitting the incentive payment request to the RERC for processing.
7. Agreeing to the *SSREIP Heating with Biodiesel Pilot Terms, Conditions, and Requirements* (TCR) of the program contained in this document. Please note that the TCR is subject to change.
8. Agreeing to provide additional information to the RERC as may be requested along with this participation agreement. This information required will be identified by RERC and may include, but not be limited to, a Unique Entity Identification number (UEI) or IRS Taxpayer Identification number (TIN).
9. Agreeing to complete Incentive Request forms and submitting them to the State c/o RERC. The Incentive Request must include customers' itemized invoices that include the incentive amount as a line-item. **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 Incentive Request. The SSREIP needs to verify that the end-use customer is receiving full benefit of the incentive.**

Additionally, to be approved to access Income-eligible Heating with Biodiesel Pilot incentives, the Fuel Dealer must:

- a. Be licensed in Vermont to do business; and
- b. Be insured to \$1,000,000 minimum general liability (aggregate) and submit a copy of the current Certificate of Insurance (COI) at time of submitting this participation agreement.

FUEL DEALER CERTIFICATION

I have read and understand, and my company (identified below) will abide by all program terms, conditions and requirements listed in this *American Rescue Plan Act (ARPA) Small Scale Renewable Energy Incentive Program (SSREIP) Income-eligible Heating with Biodiesel Pilot Fuel Dealer Participation Agreement*. I understand that the CEDF reserves the right to request written documentation demonstrating compliance with the terms, conditions and requirements listed herein.

COMPANY NAME (PRINT)

COMPANY AUTHORIZED REPRESENTATIVE SIGNATURE

DATE

COMPANY AUTHORIZED REPRESENTATIVE NAME (PRINT)

FUEL DEALER CONTACT INFORMATION

Primary Contact Name _____

Company Name _____

Company Location Address _____

City _____ State _____ Zip Code _____

Towns/Counties Served: _____

Company Mailing Address (if different) _____

Company Phone Number _____

Website _____

Email Address _____

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

In state: **Please submit your W-9 form to the State of Vermont at your earliest convenience.** The W-9 must have a hard signature (not electronic) and must have been signed within the last six months. **If the State of Vermont does not have a W-9 or a Vendor Number on file, they cannot disburse payment to the Fuel Dealer.** Please print and sign the w-9 and then submit via email to: andrew.perchlik@Vermont.gov.

Out of state fuel dealers: Do you have a Vermont Sales and Use Tax Account Number? ¹ YES (ACCT #) _____ NO

MAIL, EMAIL, OR FAX SIGNED AND COMPLETED FORM TO:

VERMONT SMALL SCALE RENEWABLE ENERGY INCENTIVE PROGRAM

Attn: Fuel Dealer Participation Agreement
20 Winooski Falls Way, Suite 501
Winooski, VT 05404

EMAIL: info@rerc-vt-org

Fax to ATTN: RERC (802) 658-1643