

---

This act summary is provided for the convenience of the public and members of the General Assembly. It is intended to provide a general summary of the act and may not be exhaustive. It has been prepared by the staff of the Office of Legislative Counsel without input from members of the General Assembly. It is not intended to aid in the interpretation of legislation or to serve as a source of legislative intent.

---

**Act No. 172 (H.518). Municipalities; municipal buildings; energy efficiency; grant program; loan fund**

**An act relating to municipal energy resilience initiatives**

This act requires the Department of Buildings and General Services (BGS) to issue a request for proposal by September 1, 2022, and contract with an independent third party to conduct a comprehensive energy resilience assessment of covered municipal buildings and facilities, which shall include a scope of work, timeline for completion, recommendations for improvements, and estimated costs. The act also directs BGS to develop guidelines for municipalities to receive an assessment and requires that the assessments are completed on or before January 15, 2024. The act appropriates \$5,000,000.00 in American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds to hire a contractor to conduct the assessment, and \$1,000,000.00 in ARPA State and Local Fiscal Recovery Funds for BGS to hire two full-time, limited-service positions for three fiscal years to administer the assessments.

This act also establishes a grant program in FY 2023 for municipalities to receive recommendations on the use of more efficient heating systems and to make necessary improvements to reduce fossil fuel usage and increase efficiency in municipally owned buildings. The grant program is administered by BGS, which shall award grants of not more than \$500,000.00 for approved projects and not more than \$4,000.00 for facilitation of community meetings and communication about municipal energy resilience. A municipality is authorized to receive technical assistance from a regional planning commission for its grant application. The act appropriates \$36,600,000.00 to BGS in ARPA State and Local Fiscal Recovery Funds for the grant program and \$1,000,000.00 in ARPA State and Local Fiscal Recovery Funds for BGS to hire two full-time, limited-service positions for three fiscal years to administer the program.

This act also establishes the Municipal Energy Loan Program, administered by BGS, to provide financing to municipalities for equipment replacement, studies, weatherization, construction of improvements affecting the use of energy resources, the implementation of energy efficiency and conservation measures, and the use of renewable resources. The act establishes the Municipal Energy Revolving Fund to provide financing for the Loan Program. In FY 2023, the act transfers \$2,800,000.00 from the Infrastructure Investment and Jobs Act to seed the Revolving Fund. Finally, this act directs the Commissioner of Buildings and

General Services to submit a recommendation for a fee amount to be charged to pay for administrative costs associated with the Revolving Fund on or before January 15, 2023.

In addition, this act extends the relationship between BGS and Efficiency Vermont to implement the State Energy Management Program until 2027.

Effective Date: July 1, 2022