



ECONOMIC DEVELOPMENT AND THE FUTURE OF HEAT PROGRAM

Note to state, regional, and local economic developers: If you intend to use this program as part of an overall incentive offer to a company, you must submit a written request to National Grid's Economic Development Department in advance of the project announcement.

Program Summary

National Grid is committed to providing a wide range of energy solutions to assist businesses in our service territory and helping New York State reach its aggressive clean energy goals. The Economic Development and Future of Heat program supports economic development by investing in technologies that enable customers to become more efficient and productive while contributing to New York's ongoing energy transformation.

Economic Development and the Future of Heat program provides matching grants of up to \$500,000 to fund projects in the National Grid service territory that involve an investment in “non-pipeline alternatives” to traditional natural gas delivery, installation of emerging and efficient natural gas utilizing technologies, and the creation of new jobs and new capital investment in the service territory. The two eligible investment tracks are Customer and Community. Projects involving a single customer facility are eligible for Customer Track and larger scale multiple building projects may be eligible for Community Track.

Minimum Program Requirements: *Please review the program requirements and guidelines below prior to completing an application for funding.*

Note: Program assistance is only available to customers in good standing, located within National Grid's downstate New York service territory. Applicants must be current in payments with National Grid or have executed a deferred payment agreement with the Company.

To be eligible for this program, the **applicant** must:

- ❑ Be the owner or developer of the eligible site or building with documented support of a state, regional or local development agency; **or**
- ❑ Be a municipality with documented support of a state, regional or local development agency; **or**
- ❑ Be a not-for-profit 501(c)3 or 501(c)6 economic development agency responsible for development of the site or building.

To be eligible for the **Customer Track**, the **facility (business)** must:

- ❑ Be in the National Grid downstate gas service territory; **and**
- ❑ Be currently served under or expected to be served under a non-residential National Grid gas rate service classification; **and**

- Be used for business purposes that can be classified in one of the following industry sectors:
 - Manufacturing
 - Regional warehousing/distribution centers
 - Scientific research and development
 - Data enters
 - “Back office” operations such as data processing or customer service operations
 - Regional/national administrative centers or headquarter facilities
 - Agri-Business and/or Aquaculture
 - Projects that are eligible for Excelsior Jobs Program tax credits from New York State, (must have active or pending award) regardless of their industry classification; **and**
- Be undertaking a business attraction or expansion project generating new jobs with energy and non- energy related investment in the National Grid service territory **and**
- Result in the installation of a non-pipeline alternative to traditional gas service or emerging natural gas technology including but not limited to geothermal, solar thermal, thermal storage, combined heat and power (“CHP”), fuel cells, biomass, microgrids, anaerobic digestion, and thermal cooling/chilling **or**
- Be undertaking a feasibility analysis related to such an installation **and**
- Be receiving funding through a federal, state, local or utility clean energy program.

Within the **Customer Track**, projects including digesters involved in producing pipeline quality natural gas for injection into National Grid’s gas distribution system could be eligible for additional funding up to \$150,000 under the following requirements, the facility (business) must:

- Be located in the National Grid downstate service territory; **and**
- Be currently served under or expected to be served under a non-residential or ag-residential National Grid rate service classification - **and** produce natural gas for injection into National Grid’s gas distribution system (as documented in an agreement between the applicant and National Grid); **and**
- Be used for business purposes as classified above; **and**
- Be undertaking investment that will create or retain jobs in the National Grid service territory; **and**
- Result in the development and deployment of sustainable gas “Renewable Natural Gas” (RNG) such as bio-methane or gas blends processed to pipeline quality standards produced from landfill gas recovery, municipal wastewater operations, municipal solid wastes, wood and pulp wastes, food waste, farm or dairy wastes, or any other renewable material that is both produced and processed in New York State for delivery in National Grid’s gas distribution system; **and**
- Be receiving funding through a federal, state, local or utility clean energy program; **and**
- Be developed and deployed in accordance with National Grid system and regulatory standards.

To be eligible for the **Community Track**, the **project** must:

- ❑ Be located within National Grid's downstate service territory; **and**
- ❑ Be currently served under or expected to be served under a non-residential national grid gas rate service classification; **and**
- ❑ Result in the installation of a non-pipeline alternative to traditional gas service or an emerging natural gas technology including but not limited to geothermal, solar thermal, thermal storage, CHP, fuel cells, biomass, microgrids, anaerobic digestion, and thermal cooling/chilling; **or**
- ❑ Be undertaking a feasibility analysis related to such an installation **and**
- ❑ Have a regional economic development sponsor; **and**
- ❑ Be receiving funding through a federal, state, local or utility clean energy program; **and**
- ❑ Show specific evidence of job creation and capital investment by businesses or other economic entities attracted or retained by the project; **and**
- ❑ Demonstrate a larger regional economic impact in the project area; **and**
- ❑ Have a marketing plan to attract or be used for commercial, industrial, or mixed-use businesses. For mixed use facilities, the minimum total square footage associated with commercial use must be at least 25 percent of the total project square footage.
- ❑ Preference may be given to projects located in low-moderate income and/or underserved communities.

Funding and Eligibility Guidelines

Program funding and parameters are established annually by National Grid. Grants are available on a continual basis until all funding is expended or until the end of National Grid's current rate agreement. Funding is released to a grant award recipient only after the recipient has met all conditions of the program. In all circumstances, funding should be viewed by the applicant as a reimbursement for work completed following grant approval in the form of an award letter.

The grant award recipient should expect to execute a funding agreement with National Grid. The agreement will outline expectations of the grant program and the conditions for the release of funds.

The maximum allowable grant award for the **Customer Track** is \$250,000, except for projects involving renewable natural gas installations as described above, which may qualify for up to an additional \$150,000 as noted below.

The maximum allowable grant award for the **Community Track** is \$500,000. All applications are evaluated on a variety of factors. Some applications may not result in the maximum grant award. If you are applying to more than one program for the same project, you must indicate that clearly on the application.

Under no circumstance will funding be released after the expiration of the current rate agreement for KEDLI or without prior written consent from National Grid.

- ❑ Grant amounts will be determined based on the size of the **total** investment made in the project/facility (including energy and non-energy related investments) as follows:

<u>Total Investment</u>	<u>Total Avail Funding not to Exceed*:</u>
Below \$50,000	\$15,000
\$50,000 to \$250,000	\$25,000
\$250,000 to \$1 Million	\$50,000
\$1 Million to \$3 Million	\$100,000
\$3 Million to \$5 Million	\$250,000
Above \$5 Million (Community Track only)	\$500,000

*Customer Track projects involving renewable natural gas installations as described above may qualify for up to an additional \$150,000 at any of the above levels of Total Investment.

- ❑ Program funds may only be used to offset twenty-five percent (25%) of project costs (3:1 funding match required).
- ❑ Grant program funds must not exceed applicant's equity or repayable debt contribution to the project (applicant must provide a minimum of 25% of the total funding from its own capital).
- ❑ Funding for feasibility analyses will be capped at \$100,000. Recipients of feasibility analysis funding may apply for an additional grant for project implementation.

How to Apply

To apply for the Economic Development and the Future of Heat program please:

- ❑ Complete the program application online, **and**
- ❑ Upload all required documentation as noted at the end of your online application.

For additional information, please visit www.shovelready.com.