



The State of New Hampshire  
**Department of Environmental Services**



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**Robert R. Scott, Commissioner**

December 4, 2024

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His Excellency, Governor Christopher T. Sununu  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Authorize the Department of Environmental Services (NHDES) to budget and expend prior year carry forward funds in the AEP Settlement account, in the amount of \$73,785 in order to provide funding for personnel and travel costs associated with implementation of the New England Heat Pump Accelerator Program and other related activities, effective upon Governor and Council approval through June 30, 2025. 100% AEP Settlement Funds.

Funding to be budgeted as follows:

**AEP Settlement**  
**03-44-44-443010-50350000**  
**FY2025**

Class	Title	FY25 Budget	Requested Action	Revised Budget
<b>Revenue</b>				
005-406882	Settlement Funds	(\$29,719)	(\$73,785)	(\$103,504)
<b>Expenditures</b>				
020-500200	Current Expenses	\$500	0	\$500
039-500188	Telecommunications	\$275	0	\$275
040-500800	Indirect Costs	\$10,500	\$5,525	\$16,025
042-500620	Additional Fringe Benefits	\$5,023	\$3,360	\$8,383
050-500109	Personnel Services Temp	\$0	\$42,000	\$42,000
059-500117	Temporary Full Time	\$7,691	0	\$7,691
060-500601	Benefits	\$5,330	\$18,900	\$24,230
066-500554	Employee Training	\$100	0	\$100
067-500557	Training of Providers	\$150	0	\$150
080-500716	Out-of-State Travel	\$150	\$4,000	\$4,150
<b>TOTAL</b>		\$29,719	\$73,785	\$103,504

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### EXPLANATION

The AEP Settlement account was the result of a federal lawsuit settlement with American Electric Power Company to which New Hampshire was a party. The purpose of this request is to rebudget carry forward unexpended AEP settlement funds to allow NHDES to fund administrative costs associated with the Heat Pump Accelerator Program as described below, which use is authorized pursuant to the AEP agreement.

The federal Inflation Reduction Act of 2022 created the Climate Pollution Reduction Grant (CPRG) program, which is being administered by the U.S. Environmental Protection Agency (EPA). The CPRG program is designed to provide approximately \$4.3 billion in grants to states, local governments, and other entities to implement measures that would provide economic stimulus and reduce emissions of air pollutants. In the Notice of Funding Opportunity for the CPRG Implementation Grants General Competition, EPA stated that it designed the competition to incentivize eligible applicants to apply for funding together as a coalition to implement emission reduction measures regionally and across state boundaries.

Connecticut submitted a \$500 million CPRG application to EPA to implement the New England Heat Pump Accelerator (HPA) Program on behalf of a coalition of New England states which includes New Hampshire. The HPA Program would leverage the power of a multistate market to rapidly accelerate adoption of cold-climate air-source heat pumps, heat pump water heaters, and ground source heat pumps in single-family and multifamily residential buildings across the region.

EPA awarded the five-state HPA coalition \$450 million in CPRG funding. It is anticipated that \$40 million will be allocated to New Hampshire. NHDES has agreed to allocate a certain portion of the funding to entities within New Hampshire and provide staff for an Advisory Council that has been established to collaborate about implementation of the HPA Program. This request is to increase the FY25 budget of the AEP Settlement account in Classes 40, 42, 50, 60, and 80 for the purpose of administrative costs associated with these activities.

NHDES is requesting to budget these funds as shown below:

*Class 040 Indirect Costs:* This is to cover the indirect cost charges related to the program.

*Class 042 Additional Fringe Benefits:* This is to cover the additional fringe benefits associated with employees.

*Class 050 Personnel Services Temp:* The additional amount of \$42,000 in class 050 will not be used for new positions. Employee support from other NHDES organizational units will be utilized to administer this program.

Classification Title	Position #	Account 03-44-44-443010	Funding Mix	Amount
SOC19-2040-5 Environmental Scientist	9T3308	5639-010	100% Federal Funds	\$42,000

*Class 060 Benefits:* This is to cover the benefits associated with employees.

*Class 080 Out of State Travel Reimbursement:* To cover the travel expenses associated with employees traveling to HPA Program Coalition meetings.

We respectfully request your approval of this item.

  
Robert R. Scott, Commissioner