



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



**Robert R. Scott, Commissioner**

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December 31, 2025

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The Honorable Ken Weyler, Chairman  
 Fiscal Committee of the General Court and

Her Excellency, Governor Kelly A. Ayotte  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI, authorize the Department of Environmental Services (NHDES) to **RETROACTIVELY** accept and expend \$424,234 in pass through federal funds from the Vermont Energy Investment Corporation (VEIC) to manage New Hampshire's participation in the 5-state coalition New England Heat Pump Accelerator (NEHPA) program, effective as of November 1, 2025 through June 30, 2027 upon Fiscal Committee and Governor & Council approval. 100% Federal Funds.

NHDES is requesting funding to be budgeted as follows:

**IRA Implementation Grant  
 03-44-44-443010-71090000  
 Fiscal Year 2026**

Class	Budget Category	Current Budget	Requested Action	Revised Budget
<b>Income</b>				
000-403801-16	Federal Funds	-0-	424,234	\$ 424,234
<b>Expenditures</b>				
018-500106	Overtime	-0-	2,000	2,000
020-500200	Current Expense	-0-	3,709	3,709
030-500321	Equipment	-0-	2,000	2,000
040-500800	Indirect Cost	-0-	30,918	30,918
041-500801	Audit Fund Set Aside	-0-	424	424
042-500620	Additional Fringe Benefits	-0-	7,019	7,019
059-500117	Temp Full Time	-0-	212,014	212,014
060-500611	Benefits	-0-	112,850	112,850
066-500546	Employee Training	-0-	1,000	1,000

Class con't	Budget Category	Current Budget	Requested Action	Revised Budget
070-500705	In State Travel	-0-	2,800	2,800
080-500710	Out of State Travel	-0-	9,500	9,500
102-500731	Contracts for Program Svc	-0-	40,000	40,000
	<b>TOTAL</b>	-0-	424,234	\$ 424,234

**EXPLANATION**

On August 15, 2023, NHDES received \$3 million in funding from the Environmental Protection Agency (EPA) for a Climate Pollution Reduction Planning grant. Utilizing that funding, NHDES was successful in preparing the necessary deliverables and applying, in partnership with a five-state coalition (ME, NH, MA, RI, and CT), for \$450 million in funding for a five-year grant from the EPA for the New England Heat Pump Accelerator (NEHPA) program. The State of Connecticut serves as the lead coalition state and has received the \$450 million funding from EPA to be distributed among the four remaining coalition states in accordance with the federal grant terms and conditions and the memorandum of agreement between the coalition states. Connecticut has contracted with VEIC, a third-party administrator, to implement the program on a regional scale and distribute the funding among the other four states. Of the total \$450 million in funding, \$1.125 million is being distributed to each coalition state for necessary staffing and administrative purposes associated with implementing the NEHPA in their state during the 4-year grant program period. This funding was not known at the time the FY26/27 Operating Budget was created, and NHDES requests to budget these funds to administer the NEHPA in NH. This request is **RETROACTIVE** as the VEIC award letter to NHDES, dated December 10, 2025, authorizes reimbursement of NEHPA administrative costs back to November 1, 2025, which is the date of VEIC’s contract with coalition lead-state of Connecticut.

The purpose of the NEHPA program is to rapidly accelerate the 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 5-state region. The NEHPA is designed to achieve pollution reductions in the long-term by overcoming systemic barriers to residential building electrification and making heat pumps more affordable in the heating, ventilation, and air conditioning (HVAC) and water heating industries. The five-state coalition is working together to rapidly scale up the adoption of heat pump technologies suited for New England’s cold climate and older housing units by filling gaps in funding and coverage to address access barriers for low to moderate income households. This grant program will provide both significant workforce and economic stimulus in New Hampshire.

In addition to the administrative funds being asked for today, New Hampshire will, in the future, receive a total of up to \$55 million via other distinct NEHPA grant programs administered jointly by NHDES and other coalition states in conjunction with VEIC:

- \$40.5 million will be allocated directly by VEIC, as the Regional Implementer, to stimulate the heat pump supply chain through midstream incentives at the distributor level for New Hampshire’s businesses to directly reduce the consumer retail cost.
- NHDES anticipates receiving up to \$15 million to address specific barriers that low to moderate income households face when trying to install heat pumps in New Hampshire at a statewide level. These grants will be awarded competitively by NHDES in one or more statewide projects over the next 4 years.

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NHDES is requesting to budget the administrative funds as shown below:

Class 018 Overtime: To cover costs for overtime.

Class 020 Current Expenses: To cover costs for supplies.

Class 030 Equipment: To cover costs for new equipment, including computers.

Class 040 Indirect Costs: To cover the indirect cost charges related to the federal program.

Class 041 Audit Fund Set Aside: To cover the cost of Audit Set-Aside charges related to the federal program.

Class 042 Additional Fringe Benefits: To cover the additional fringe benefits.

Class 059 Personal Services Temp: To cover costs for existing full-time positions. These funds are available in support of expanded or new program activities not previously budgeted. Employee support from existing NHDES programs will be used to conduct activities under this program. These funds will be used to replace funding for the following full-time positions, which are currently budgeted:

Classification Title	Position #	Budget 03-44-44-443010	Funding Mix	Amount
Grants Manager (Env Scientists-5)	9T3308	56390000	100% Federal	\$102,232
Community Engagement Specialist (Pub Relations Specs-4)	9T3306	56390000	100% Federal	\$49,690
Planner (Env Scientists-5)	9T3307	56390000	100% Federal	\$3,204
Administrator (General Ops Mgrs-6)	13059	90000000	100% Federal	\$4,996
Technical Programs Manager (NatrI Sciences Mgrs-4)	42223	91060000	100% Other	\$32,005
Program Manager (NatrI Sciences Mgrs-3)	40602	90000000	100% Federal	\$19,887
			TOTAL	\$212,014

Class 060 Benefits: To cover the benefits related to the position salaries.

Class 066 Employee Training: To cover training costs needed to complete program requirements of the Heat Pump Accelerator Program.

Class 070 In State Travel: To cover in-state travel costs to complete program requirements of the Heat Pump Accelerator Program.

Class 080 Out of State Travel: To cover out of state travel costs to complete program requirements of the Heat Pump Accelerator Program.

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Class 102 Contracts for Program Svcs: To cover costs for contracts to provide an ongoing market analysis within New Hampshire as well as technical consultation on heat pump installation capabilities.

In the event that federal funds become no longer available, general funds will not be requested to support this program.

We respectfully request your approval of this item.



Robert R. Scott, Commissioner

**NH DEPARTMENT OF ENVIRONMENTAL SERVICES  
 IRA IMPLEMENTATION GRANT  
 FISCAL SITUATION FY26  
 03-44-44-443010-71090000**

Total Federal Award	\$1,125,000
Less Expenditures thru 06/30/2025	\$0
Remaining Authorization to Budget	\$1,125,000
Less Current FY26 Budget Authorization	\$0
Total Available for Budgeting	\$1,125,000
<b>REQUESTED ACTION</b>	<b>\$424,234</b>
Available to Budget at a later date	\$700,766

<b>Grant Award Number</b>	<b><u>Award Amount</u></b>	<b><u>Expenses to 06/30/2025</u></b>	<b><u>Balance</u></b>
00A01474	\$ 1,125,000	-0-	\$ 1,125,000
TOTAL	\$ 1,125,000	-0-	\$ 1,125,000



December 10, 2025

Air Resources Division  
New Hampshire Department of Environmental Services  
29 Hazen Drive, PO Box 95  
Concord, NH 03302-0095

Subject: Funding Award – New England Heat Pump Accelerator

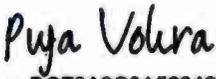
Dear Air Resources Division,

As the Regional Implementor of the New England Heat Pump Accelerator (the Accelerator) pursuant to Contract 2026-037 with the Connecticut Department of Energy and Environmental Protection, VEIC is pleased to award the Air Resources Division of the New Hampshire Department of Environmental Services (NHDES) a total of \$1,125,000 to support its work under the Accelerator for the period from November 1, 2025 through December 31, 2029.

This award will be subject to the terms of an agreement to be entered into by VEIC and NHDES, consistent with the Memorandum of Agreement (MOA) among the Coalition Members, including New Hampshire.

Congratulations on this award.

Sincerely,

**Signed by:**  
  
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Puja Vohra

Managing Director

VEIC