

Sustainable Refrigeration Summit

Connecting the Pieces for
Supermarket Refrigeration Solutions



NORTH AMERICAN
**Sustainable
Refrigeration
Council**

nasrc.org

Commercial Refrigeration Grant Program

October 26, 2022



Agenda

- ▶ Background
- ▶ Project types
- ▶ Eligibility
- ▶ Evaluation
- ▶ Application process

Background

- ▶ Many refrigeration systems use HFCs, which leak to the atmosphere over time.
- ▶ Commercial refrigeration accounts for roughly 30% of estimated HFC emissions in MA, making it the largest single contributing end-use.
- ▶ Technologies using low GWP (<1500) and ultra-low-GWP (<10) are available, but adoption is low.
- ▶ The grant program aims to incentivize the adoption of these technologies and encourage associated workforce development and information sharing.
- ▶ In addition, funding is available for permanent leak detection systems at existing stores using high GWP refrigerants that may not be able to convert to lower GWP alternatives.

Incentives - new equipment

Project Type	Maximum Incentive Amount
Installation of ultra-low-GWP (<10) refrigerant systems at a new facility	Lower of \$75,000 or incremental cost of ultra-low-GWP system for projects located in Environmental Justice populations
	Lower of \$50,000 or incremental cost of ultra-low-GWP system for all other projects
Installation of ultra-low-GWP (<10) refrigerant systems at an existing facility	Lower of \$200,000 or incremental cost of ultra-low-GWP system for projects located in Environmental Justice populations
	<ul style="list-style-type: none">• Full or partial system conversion Lower of \$150,000 or incremental cost of ultra-low-GWP system for all other projects

Incentives - existing equipment

Project Type	Maximum Incentive Amount
Refrigerant retrofit from high-GWP (>3900) to lower-GWP (<1500) refrigerant	Lower of \$75,000 or 50% of refrigerant retrofit costs for projects located in Environmental Justice populations
	Lower of \$50,000 or 25% of refrigerant retrofit costs for all other projects
Installation of permanent refrigerant leak detection system at an existing facility using high-GWP (>3900) refrigerant	Lower of \$15,000 or 75% of costs for projects located in Environmental Justice populations
	Lower of \$10,000 or 50% of costs for all other projects

Eligibility requirements

- ▶ Projects must have planned completion dates within 3 years.
- ▶ Applicant must own or operate a retail food location, food bank, or nonprofit institution in Massachusetts.
- ▶ All projects must use certified technicians. Technicians must be certified under the United States Environmental Protection Agency (U.S. EPA) 608 program and licensed in the state of Massachusetts.
- ▶ Any refrigerant from systems that are replaced or retrofit at existing facilities must be removed or treated in accordance with existing laws and regulations.
- ▶ Applicants may apply for multiple project types and multiple project locations. A unique application must be submitted for each location.
- ▶ Projects must obtain all relevant state, local, regional, and federal permits.
- ▶ For retrofit and leak detection projects, the existing system must use 50lb or more of a refrigerant with a GWP >3900.

Evaluation metrics

- ▶ **Environmental Justice:** Applicants will receive additional evaluation points for proposed projects located in an Environmental Justice* population.
- ▶ **Cost Effectiveness:** Proposed projects will be evaluated regarding the cost effectiveness of the project (\$/MTCO₂E).
- ▶ **Business Size:** Applicants who are a small or independent grocer or retailer, as determined by the number of locations, will receive additional evaluation points.
- ▶ **Workforce Development:** Applicants who propose a robust workforce development plan to provide free hands on and/or virtual training to local contractors on the proposed technology will receive additional evaluation points. Partnerships with equipment manufacturers, trade associations, contractor groups, and/or other partners are strongly encouraged. Expectations for the scale of the workforce development plan will be proportional to the size of the applicant.
- ▶ **Project Feasibility:** The proposed project's overall feasibility will be evaluated, based on the applicant's project narrative and timeline, and supporting documentation.

*<https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts>

Evaluation metrics (cont.)

- ▶ **Information Sharing:** The applicant must demonstrate a commitment to sharing information with the Massachusetts retail food/grocery industry on the implementation of low-GWP commercial refrigeration systems. Expectations for the scale of information sharing will be proportional to the size of the applicant, and applicants can propose various information sharing options in their applications.
- ▶ **Supplier Diversity:** Applicants will receive additional points if the applicant, contractor, and/or installer selected for the project is listed as a certified business with the Supplier Diversity Office.*
- ▶ **Timeline:** Projects with proposed timelines for completion in less than 3 years of the effective date of contract execution will receive a more favorable evaluation scoring. All projects must be completed within the 3-year implementation deadline.
- ▶ **First Low-GWP Project:** MassDEP will award bonus points to projects that are the first low-GWP refrigeration project the applicant (or its parent company) has undertaken.

*<https://www.mass.gov/orgs/supplier-diversity-office-sdo>

Emissions reductions calculations

- ▶ MassDEP will calculate estimated avoided greenhouse gas (GHG) emissions based on information provided by the applicant. Applicants will need to provide the following information to inform MassDEP's emissions calculations:
 - ▶ Refrigerant used in existing system
 - ▶ Refrigerant charge, in pounds, of the old refrigerant
 - ▶ Annual leak rate of existing system
 - ▶ New refrigerant
 - ▶ Refrigerant charge, in pounds, of the new refrigerant
 - ▶ Estimated future annual leak rate
- ▶ Emissions reductions for new facilities will be based on a comparison to a new R-448A or R-449A system.

Application process

- ▶ Review requirements and example contract documentation available on MassDEP's website at: <https://www.mass.gov/how-to/apply-for-a-massdep-commercial-refrigeration-grant>
- ▶ Submit an application by filling out an online form and providing required documentation before 5pm on **February 3, 2023**.
- ▶ Example supporting documentation:
 - ▶ Spec sheets, if available, for all equipment
 - ▶ Documentation of existing system leak rate, if applicable
 - ▶ Scope of work, quotes and estimates for all equipment and installation
 - ▶ Project implementation schedule/timeline
 - ▶ Supplier Diversity Office certification documentation (if applicable) for the applicant, contractor, and/or installer
 - ▶ Proposed workforce development and training plan
 - ▶ Letters of support or memoranda of understanding with workforce development partners
 - ▶ Supplemental description of how information will be shared with Massachusetts retail food/grocery

Thank you

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