Funding Opportunities for Generators and Energy Storage

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Municipalities play an important role in keeping communities safe during power outages and emergencies. Backup generators and energy storage systems can help maintain critical services like emergency shelters, water and wastewater systems, public safety buildings, and communication networks. While generators provide reliable backup power during long outages, energy storage systems can offer quieter, cleaner, and more flexible support for short-term outages or daily energy needs. In some cases, communities may choose to use battery storage instead of generators, or pair the two systems together for greater resilience. Finding funding for these projects can feel overwhelming, especially for smaller communities with limited staff and budgets. This resource is designed to help local officials understand available funding opportunities for resilient energy projects that support community safety and emergency preparedness.

Funding for Standalone Generators

Municipal Budget – Most municipalities fund generators through the municipal budget or by using equipment reserves.

Share The Cost – For mobile generators, municipalities could share the cost with one or more other municipalities. Sharing the cost can lighten the impact on the municipal budget. Sharing will require an individual and equipment to move the mobile generator between sites.

FEMA Hazard Mitigation Programs - Generators and related equipment (e.g., hook-ups) are eligible under FEMA mitigation programs if they are cost-effective, contribute to a long-term solution to the problem they are intended to address, and meet other program eligibility criteria, including:

- Pre-Disaster Mitigation Program (PDM) - Generators and/or related equipment purchases (e.g., generator hookups) are eligible when the purchase and use of

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the generator directly relates to the hazards being mitigated and is part of a larger project. [Program not funded at this time]

- Hazard Mitigation Grant Program (HMGP) - A permanently installed generator that is a stand-alone project can be considered under regular HMGP funding if the generator protects a critical facility. Portable generators are eligible if they meet all HMGP requirements as described in 44 C.F.R. § 206.434.
- HMGP 5% Initiative Projects - If there is insufficient data to evaluate a generator project using a standard, FEMA Benefit-Cost Analysis (BCA) method, the project may be eligible under the 5 Percent Initiative, as described in current HMA Guidance. Generally, because Vermont municipalities have access to power outage data from utility companies and have access to damages that have been incurred at a critical facility (ex. broken pipes during power outages), generator projects are rarely eligible under the HMGP 5% Initiative.

These programs give a very low priority to generator applications compared to other mitigation projects. A FEMA-approved Local Hazard Mitigation Plan (LHMP) and power outage data are minimum requirements to access this grant. Other helpful data includes cost of repairs and clean up costs at facilities when power is lost (ex. burst pipes), cost of running an emergency shelter for one day, emergency medical services provided by a critical facility, and population served by a critical facility. After obtaining power outage data, contact Lisa Kolb, VEM Mitigation Section Chief, at lisa.kolb@vermont.gov to discuss project competitiveness.

FEMA Assistance to Firefighters Grant (AFG) - The AFG helps fire departments and nonaffiliated emergency medical service organizations obtain critically needed equipment, protective gear, emergency vehicles, training, and other resources necessary for protecting the public and emergency personnel from fire and related hazards. Generators are eligible under operations and safety equipment (portable generators only) and facility modification.

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DOJ Matthew Shepard & James Byrd, Jr. Hate Crimes Program - Supports conducting outreach, educating practitioners and the public, enhancing victim reporting tools, and investigating and prosecuting hate crimes. Hate crimes (sometimes called bias-motivated crimes) are defined as criminal offenses motivated by some form of bias toward victims based on their perceived or actual race, color, religion, national origin, sexual orientation, gender, gender identity, or disability. The Town of Essex was awarded a grant in FY23 to purchase and install a back up generator for its emergency services radio systems.

Congressional Appropriation - Congressional appropriations were formerly known as Earmarks and are currently known as ***Congressionally Directed Spending*** for the Senate and ***Community Project Funding*** for the House of Representatives. Projects are nominated by Members of Congress for funding through the appropriations bill. The Senate and House have different rules for these requests. Projects benefit from advanced discussion with Congressional staff. Projects are most competitive when they are construction ready. If selected, funds pass through a federal agency with that agency's associated grant terms and conditions. Funds may not be available for 1-4 years based on agency capacity. Information is available on websites of Senator Sanders, Senator Welch, and Representative Balint. Projects are usually submitted in late February through mid-March annually.

Funding for Energy Storage

Vermont Bond Bank Energy Efficiency and Renewable Energy Program - Provides low cost and flexible financing for energy efficiency and renewable energy projects. Renewable energy systems with energy storage are eligible.

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U.S. Department of Energy Grid Resilience and Innovation Partnership (GRIP) Program – As part of grid modernization efforts funded through the Inflation Reduction Act, DOE has several grants that will fund energy storage as an alternative to generators.

Funding for Generators and/or Storage as Part of a Larger Project

Funding generators and energy storage through these programs depends on the facility and service supported.

USDA Community Facilities Direct Loan and Grant Program - This program provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial, or business undertakings. Will fund a generator or energy storage as part of a larger project.

USDA Rural Development Water and Waste Disposal Loan and Grant Program – Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas. Will fund a generator or energy storage as part of a larger project.

USDA Rural Development Emergency Community Water Assistance Grants (ECWAG) - Provides from $150,000 to $500,000 to assist a rural community that has experienced a significant decline in quantity or quality of drinking water due to an emergency. Grants cover projects to obtain or maintain adequate quantities of water that meet the standards set by the Safe Drinking Water Act. Emergencies include drought, earthquake, flood, tornado, hurricane, disease outbreak or chemical spill, leakage, or seepage. Will fund a generator or energy storage as part of a larger project.

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USDA Powering Affordable Clean Energy (PACE) Program – Uses loans and loan forgiveness to support renewable energy projects that use wind, solar, hydropower, geothermal, or biomass, as well as for renewable energy storage projects. Generated power must be resold to off-takers, which can include utility and non-utility customers. At least 50 percent of the population served by the proposed project must live in communities with populations of 20,000 or fewer. May fund a generator or energy storage as part of a larger project.

VT ANR Drinking Water State Revolving Fund – Supports water system improvements with priority given to projects that address the most significant health problems and facilitate compliance with the Safe Drinking Water Act. Example projects include treatment plant or distribution system construction or expansion, drinking water treatment improvement, fixing leaky or old pipes (water distribution), improving sources of water supply, and replacing or constructing finished water storage tanks. Will fund a generator and may fund energy storage as part of a larger project.

VT ANR Clean Water State Revolving Fund – Provides low interest loans to municipalities for planning, final design, and construction of wastewater systems. Only projects listed in the Vermont Intended Used Plan are eligible for funding. To be listed, projects must be submitted/resubmitted annually at https://dec.vermont.gov/water-investment/water-financing/srf/intended-use-plans. Will fund a generator and may fund energy storage as part of a larger project.

Northern Border Regional Commission Catalyst - Supports projects that address transportation, telecommunications, energy, and basic public infrastructure; business and workforce development; health care, nutrition and food security, and other public services; resource conservation; tourism; recreation; and open space preservation consistent with economic development. This grant will fund basic public infrastructure, including public meeting spaces. Incorporating the project's

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relationship to economic activity will increase application competitiveness. NBRC prioritizes construction-ready projects and prefers job-creation projects that help reduce poverty, unemployment, and outmigration. Will fund a generator and may fund energy storage as part of a larger project.

EPA Water Infrastructure Finance and Innovation Program (WIFIA) – Provides loans to projects with national or regional significance. There is a minimum project size of $5 million for small communities with populations of 25,000 or less. WIFIA can fund up to 49 percent of eligible project costs. Loan repayment may be deferred up to five years after substantial completion of the project. Maximum loan life is 35 years from substantial completion. May fund a generator or energy storage as part of a larger project.

US EDA Public Works and Economic Adjustment Assistance (PWEAA) – Supports construction, non-construction, technical assistance, and revolving loan fund projects for public works (infrastructure, facilities and buildings, brownfields) and economic assistance (Comprehensive Economic Development Strategy development and implementation). Eligible activities include land acquisition, design and engineering, and construction. May fund a generator or energy storage as part of a larger project. It is helpful to contact your regional planning commission or regional development corporation prior to initiating an application. Projects are more competitive if they link to a regional Comprehensive Economic Development Strategy.

US EDA Disaster Supplemental Program - Supports disaster recovery in areas where a Presidential disaster declaration was issued. Eligible activities including economic recovery strategic planning grants, public works construction projects including broadband and resiliency projects, workforce development, capitalization of revolving loan funds, and economic development projects that enhance density in the vicinity of other economic development. May fund a generator or energy storage as part of a larger project. In calendar years 2023 and 2024, Vermont had multiple qualified

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declarations making projects in the following counties eligible for funding: Addison, Caledonia, Chittenden, Essex, Franklin, Lamoille, Orange, Orleans, and Washington. Projects in Rutland, Windsor, and Windham Counties may be eligible and should verify this with US EDA. The project does not have to be related to that disaster for an application to qualify, but it should discuss disaster impacts. It is helpful to contact your regional planning commission or regional development corporation prior to initiating an application. Projects are more competitive if they link to a regional Comprehensive Economic Development Strategy.

HUD Community Development Block Grant Disaster Recovery (CDBG-DR) - Flexible grants to recover from Presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations. In response to Presidentially declared disasters, Congress may appropriate additional funding for this program to rebuild affected areas and provide crucial seed money to start the recovery process. Coverage for specific states are available on HUD's CDBR-DR Notices webpage. Projects must document benefits to low- and moderate-income persons. This funding passes through the Vermont Agency of Commerce and Community Development when available. Will fund a generator and may fund energy storage as part of a larger project.

US Army Corps of Engineers Water Infrastructure Financing Program (CWIFP) – Provides long-term, low-cost loans for infrastructure projects that address community water resource needs, promote economic prosperity, and improvement environmental quality. Infrastructure must be non-federally owned, operated, and maintained. Example projects include hazard mitigation for flood, hurricane and storm damage, environmental restoration, and navigation improvement. Current appropriations enable the program to provide loans for maintaining, upgrading, and repairing dams identified in the National Inventory of Dams for non-Federal borrowers. Will fund projects or a group of projects from the same or different entities

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with eligible costs over $20 million. Funds up to 49% of project costs or 80% for small communities. May fund a generator or energy storage as part of a larger project.

Where to Find Help

Need one-on-one help advancing your local project or to narrow funding opportunities? If so, you can schedule a convenient time to meet with our Project & Funding Specialist by booking time directly into her calendar or emailing bwaninger@vlct.org. Whether your project is just in the idea phase, has started to gain momentum, has stalled completely, or you just need help prioritizing projects before you get started, let us help you.

Many municipalities lack capacity for grant writing and administration. VLCT's resource, *Increasing Municipal Capacity for Grants*, offers ideas for assistance with grants. Many of the capacity builders also provide project management services. Hiring experienced project management services can increase the speed of project development and help avoid cost, permitting, and other development surprises.

This resource is adapted from ***Funding for Generators***, a 2019 publication of the Environmental Finance Center Network. Accessed online on May 20, 2026. https://efcnetwork.org/wp-content/uploads/2019/07/Resources-for-Generators-NC-2019.pdf. VLCT has added additional funding opportunities.

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