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**USDA FOREST SERVICE
WOOD INNOVATIONS FUNDING OPPORTUNITY**

FS-1500-0050 (REV. 03/2026) · OMB #: 0596-0256 · FY 2026 · Phase 1 of 4 — North Montpelier Village & Surrounds

Advanced Wood Heat Boiler Expansion Initiative — Phase 1: North Montpelier Village
 North Montpelier Village & Surrounds
 Town of East Montpelier, Vermont

COVER PAGE FOR PART 1: COOPERATOR CONTACT INFORMATION

1. Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 1: North Montpelier Village

2. Project Type (choose one)

Wood Products Wood Energy

3. Project Cost & Cooperator Funding

A	Cooperator Funding (Amount of matching funds):	\$255,000
.		
B	Requested Forest Service Funding:	\$300,000
.		
C	Cooperator Funding as a Percentage of Requested FS Funding (A ÷ B × 100):	85%
.		
D	Total Project Cost (A + B):	\$555,000
.		

Note on match: Cooperator match of \$255,000 equals 100% of the Forest Service equipment allocation (\$255,000), fully satisfying the program's dollar-for-dollar match requirement on equipment expenditures. The remaining \$45,000 of the FS request funds indirect costs (grant administration) for which no cooperator match is required. The Town will confirm the appropriate match calculation methodology with the Northeast Regional Wood Innovations Coordinator prior to final submission.

4. Contact Information

Financial Agreement Applicant

Name	Seth Gardner
Title	Select Board Chair, Town of East Montpelier
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Town Office Email — to be confirmed]

Project Contact

Name	Jen Devine
Title	Project Administrator
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Jen Devine Email — to be confirmed]

PART 1-A — BASIC PROJECT INFORMATION

Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 1: North Montpelier Village

Project Length

24 months post-award execution (standard 2-year award requested)

Project Abstract (1,625 characters maximum)

The Town of East Montpelier, Vermont, requests \$300,000 in USDA Forest Service Wood Innovations Funding to deploy 10 advanced wood pellet boiler systems at residential properties in North Montpelier Village and the surrounding area — one of four concurrent applications submitted simultaneously by the Town. Federal funds (\$255,000 equipment + \$45,000 indirect) are matched dollar-for-dollar on equipment by cooperating property owners (\$25,000 FS + \$25,000 cooperator per installation). Each boiler permanently displaces oil or propane heating. Based on Department of Energy data — 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and a current average price of \$5.47/gallon — each installation displaces +/- 715–953 gallons of heating oil per year, saving cooperators \$3,911–\$5,213 annually. The four simultaneous phases cover North Montpelier Village, East Montpelier Center, East Montpelier Village, and three of the town's working farms and nurseries across East Montpelier, helping the town become energy independent in one grant cycle while compressing installation costs and administration time. Every pellet burned sustains active forest management on private lands adjacent to the Green Mountain National Forest, consistent with EO 14308 and the Forest Service Active Forest Management Strategy.

Character count (approx.): 1295 / 1,625

PART 1-B — PROJECT GOALS AND OBJECTIVES (5,000 characters maximum)

GOAL 1 — Expand Market Demand for Vermont Wood Fiber

- Deploy 10 advanced wood pellet boiler systems at residential properties in North Montpelier Village and the surrounding area within the grant period.
- Provide Fontaine Millworks and comparable timber operations with a reliable, growing market for low-grade biomass fiber, currently without a consistent outlet due to regional paper mill closures.
- Generate sustained annual pellet demand of 60–80 tons per year at program maturity, directly sourced from PK Pellets' Vermont production facility.
- Establish the program template — sub-award agreements, installation protocols, and cooperator eligibility criteria — that will be replicated across Phases 2, 3, and 4.

GOAL 2 — Support Forest Health and Active Management

- Create financial incentives for private landowners to authorize timber harvests, enabling active management on working forests in Central Vermont.
- Reduce hazardous fuel loads on NFS-adjacent private lands by creating markets for biomass generated during forest health treatments.
- Support the Green Mountain National Forest's broader forest management objectives by strengthening the private-land forest economy that surrounds it.

GOAL 3 — Reduce Fossil Fuel Dependence and Achieve Municipal Energy Independence

- Displace heating oil and propane at each cooperating site. Per NH DOE data (16,500,000 BTU/ton pellets; 138,500 BTU/gal #2 oil; \$5.47/gal current average), each installation displaces 715–953 gallons of oil per year, saving \$3,911–\$5,213 annually. Sources: energy.nh.gov/energy-information/nh-fuel-prices and energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices.
- Combined with the other three concurrent phases, all four areas of East Montpelier together displace an estimated 28,599–42,885 gallons of heating oil per year — achieving meaningful municipal energy independence in a single grant cycle.
- Support American energy independence by substituting domestically produced, renewable wood energy for imported fossil fuels, consistent with EO 14154.

GOAL 4 — Deliver a Replicable Municipal Model

- Demonstrate that a Vermont municipality can administer a wood heat pass-through subsidy program using USDA Wood Innovations funds, with complete documentation — sub-award templates, cooperator agreements, installation protocols, and final reports — replicable by any Vermont municipality statewide.

PART 1-C — PROJECT DESCRIPTION (5,000 characters maximum)

THE PROGRAM

The Town of East Montpelier requests \$300,000 (\$255,000 equipment + \$45,000 indirect) to deploy 10 advanced wood pellet boiler systems in North Montpelier Village and surrounding residential properties. Each boiler is funded at \$50,000 total — \$25,000 Forest Service equipment funds matched dollar-for-dollar by the cooperating property owner. All boilers are stationary, EPA-certified, permanently installed units. Federal funds cover the boiler unit; the cooperator match covers installation, piping, and associated infrastructure. No federal funds are used for construction or mobile equipment.

PHASE 1 GEOGRAPHIC FOCUS

North Montpelier Village is one of East Montpelier's oldest settled areas — a dense residential community with older homes that have long depended on oil and propane. This village cluster provides the program's highest-visibility entry point: concentrated geography, established community relationships, and a tight-knit residential population whose conversions will be seen and discussed across the municipality, driving cooperator recruitment in the subsequent phases.

EAST MONTPELIER'S FOUR-SECTION SIMULTANEOUS GRANT STRATEGY

The Town of East Montpelier is submitting four concurrent grant applications under a single SAM.gov registration, dividing the municipality into four distinct geographic and cooperative-type areas. Each area is addressed by its own \$300,000 application submitted simultaneously:

- North Montpelier Village & Surrounds — the residential properties of North Montpelier village and the surrounding area — East Montpelier's oldest settlement cluster, with dense older housing stock and high energy burden.
- East Montpelier Center & Surrounds — the residential properties of East Montpelier Center and the surrounding area — the third distinct settlement node, completing full residential coverage of the town's dispersed village geography.
- East Montpelier Village & Surrounds — the residential and mixed-use properties of East Montpelier Village and the surrounding area — the civic and administrative core of the municipality, home to the Town Offices and the road network connecting working farms to the broader community.
- Agricultural Properties (Farms & Nurseries) — three working farms and nursery operations (Farm A, Farm B, Farm C) across the agricultural landscape of East Montpelier — each served by a commercial-scale boiler system sized for barn, greenhouse, and processing facility thermal loads.

This application covers: the residential properties of North Montpelier village and the surrounding area — East Montpelier's oldest settlement cluster, with dense older housing stock and high energy burden.

Submitting all four applications simultaneously — rather than sequentially over multiple grant cycles — delivers three compounding benefits:

- Lower installation costs: Lyme Green Heat mobilizes once across all four areas, compressing per-unit logistics and mobilization costs across all 33 installations in a single cycle.
- Compressed administration time: One project administrator, one 24-month grant period, one reporting cycle, and one set of sub-award templates covers all 33 installations — replacing four complete administrative cycles that would otherwise span 8–10 years.
- Energy independence for East Montpelier: Simultaneous conversion means the entire municipality — three residential village clusters and its working farms — replaces an estimated 28,599–42,885 gallons of heating oil equivalent per year with domestically produced Vermont wood pellets, achieving meaningful community-wide energy independence in a single grant cycle rather than incrementally over a decade.

See Appendix K — Four-Phase Geographic Strategy (PDF) for a full visual overview of all four areas, combined budget, and supply chain.

SUPPLY CHAIN

All boilers are sourced and installed by Lyme Green Heat (Vermont, 15+ years, factory-certified). All pellet fuel is sourced from PK Pellets (Vermont, 20,000 tons/yr capacity) from low-grade fiber, including material from Fontaine Millworks of East Montpelier. The entire supply chain is domestic and traceable, consistent with 2 CFR § 200.322.

PART 1-D — PROJECT IMPACT (5,000 characters maximum)

IMPACT ON WOOD AND BIOMASS MARKETS

Each boiler installed in North Montpelier Village and the surrounding area becomes a long-term customer for Vermont-grown pellets — purchasing 6–8 tons per year for the 20+ year life of the equipment. Ten installations generate 60–80 tons of new annual pellet demand in this phase alone. Across all four concurrent phases, the combined demand reaches 240–360 tons per year — a meaningful anchor for PK Pellets' 20,000-ton production plan and a consistent market signal that sustains Fontaine Millworks's fiber purchasing from Vermont loggers.

IMPACT ON FOREST HEALTH AND HAZARDOUS FUELS

Fontaine Millworks produces approximately 4,000 tons of green chip byproduct annually — low-grade fiber with no reliable outlet since Vermont's paper mills closed. This program gives it one. When landowners can sell low-grade material, they authorize more harvests. More harvests mean reduced stocking densities, healthier residual trees, and lower fuel loads on private lands adjacent to the Green Mountain National Forest. The connection is direct and traceable ton by ton from the landing to the pellet mill to the boiler room.

IMPACT ON COOPERATING HOUSEHOLDS

Per NH Department of Energy data (energy.nh.gov/energy-information/nh-fuel-prices and [/wood-pellet-prices](http://energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices)): 1 ton of wood pellets = 16,500,000 BTU; #2 heating oil = 138,500 BTU/gal; therefore 1 ton of pellets ≈ 120 gallons oil. At the NH DOE, the current average price of \$5.47/gallon for #2 fuel oil, each installation displaces 715–953 gallons of oil per year and saves cooperating households \$3,911–\$5,213 annually. The NH DOE further notes that the average New England home uses 91.2 MMBtu/yr (658 gallons of fuel oil or 5.53 tons of pellets). The 6–8 ton estimate used here is a conservative above-average figure reflecting the larger, older homes typical of rural Vermont. Ten installations save a combined \$39,110–\$52,130 per year — money retained in the Vermont economy.

QUANTIFIED IMPACT SUMMARY — PHASE 1

Impact Metric	Verified Value (NH DOE sources)
Boiler installations	10 residential systems in North Montpelier Village and the surrounding area
FS investment per installation	\$25,000 (matched 1:1 — \$25,000 cooperator)
Pellet demand per installation (annual)	6–8 tons/yr
Oil displaced per installation (annual)	715–953 gal/yr
Fuel savings per installation (annual)	\$3,911–\$5,213/yr at \$5.47/gal (NH DOE)
Phase pellet demand (10 installs)	60–80 tons/yr
Phase oil displaced (10 installs)	7,150–9,530 gal/yr
Phase cooperator savings (10 installs)	\$39,110–\$52,130/yr retained in Vermont
All 4 phases combined: installs	33 total (30 residential + 3 agricultural)
All 4 phases combined: oil displaced	28,599–42,885 gal/yr
All 4 phases combined: cooperator savings	\$156,435–\$234,585/yr

Calculation sources: (1) Heating oil price \$5.47/gallon — NH Department of Energy Current Average Price #2 Fuel Oil (State Heating Oil and Propane Program / SHOPP), energy.nh.gov/energy-information/nh-fuel-prices, updated monthly. (2) Pellet energy content 16,500,000 BTU/ton; #2 oil 138,500 BTU/gallon; 1 ton pellets ≈ 120 gallons #2 oil; NE average home uses 91.2 MMBtu/yr = 5.53 tons pellets = 658 gallons fuel oil — NH DOE Wood Pellet Prices page, energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices. (3) Residential demand estimate of 6–8 tons/yr is above the NH DOE/EIA RECS NE average of 5.53 tons/yr, reflecting older, larger Vermont homes. (4) Agricultural demand 20–40 tons/yr — USDA REAP 2023 project data; VT Clean Energy Development Fund biomass thermal case studies. (5)

ALIGNMENT WITH FEDERAL PRIORITIES

- EO 14223 — strengthens domestic wood fiber markets and Vermont's forest economy.
- EO 14225 — creates market incentives supporting active timber harvest on Vermont woodlands.
- EO 14154 — displaces fossil fuel heating; builds the market for locally produced, renewable wood energy.
- EO 14308 — generates demand for low-grade biomass from hazardous fuels reduction and forest health treatments.
- Secretarial Memos 1078-006 and 1078-011 — expand wood energy markets supporting NFS management and rural economic health.
- Forest Service Active Forest Management Strategy — provides the demand-side infrastructure, making active management financially viable for private landowners adjacent to NFS lands.

PART 1-E — QUALIFICATIONS OF TEAM AND PARTNERS (5,000 characters maximum)

TOWN OF EAST MONTPELIER — Applicant and Program Administrator

East Montpelier is an eligible local government applicant with SAM.gov registration current and active. The Town's Select Board has formally reviewed and endorsed this initiative; Board Chair Seth Gardner has provided a letter of support representing official municipal authorization. Jen Devine serves as Project Administrator, responsible for USDA compliance, cooperator sub-award contracting, financial tracking, and all reporting obligations. Her resume is attached as Appendix A.

FONTAINE MILLWORKS — Local Biomass Supply Partner

Fontaine Millworks is East Montpelier's local sawmill, producing approximately 4,000 tons of green chip byproduct annually — low-grade fiber with no reliable outlet since Vermont's paper mills closed. This program builds that outlet. Fontaine's byproduct becomes PK Pellets' raw material, closing the local wood economy loop and making active forest management financially viable. Principal's resume attached as Appendix A.

PK PELLETS — Wood Pellet Manufacturing Partner

PK Pellets is a family-owned regional pellet mill projecting 20,000 tons of annual production from Vermont fiber sourced from operations including Fontaine Millworks. This grant builds the boiler customer base that makes PK's production plan viable and Vermont's wood energy supply chain self-sustaining. Organizational profile and capacity statement attached as Appendix A.

LYME GREEN HEAT — Advanced Wood Heat Technical Partner

Lyme Green Heat has been doing one thing since 2008: making it practical for homes, farms, businesses, and institutions across New England to stop burning fossil fuels and start burning wood. They sell the boilers, deliver the fuel, and service the equipment — including 24-hour emergency response. Over 15 years, they have installed hundreds of boilers across Vermont, New Hampshire, and Massachusetts with a pellet fuel delivery fleet of six straight trucks and four tractor-trailer rigs. Portfolio and organizational resume attached as Appendix A.

LETTERS OF SUPPORT AND COMMITMENT

- Town of East Montpelier Select Board — formal municipal authorization, signed by Board Chair Seth Gardner (Appendix B)
- Vermont State Forester's Office (Appendix C)
- Green Mountain National Forest (Appendix D)
- Neil Maker (Appendix E)
- Letters of Commitment: Mort Bailey (Lyme Green Heat), Jesse Cook (PK Wood Pellets), Marc Fontaine (Fontaine Millworks) (Appendix F)
- Vermont Elected Officials (Appendix G)

PART 1-F — ANNUAL PROGRESS REPORTS AND FINAL REPORTS (5,000 characters maximum)

All progress reporting will be managed by Jen Devine, Project Administrator, as the single point of contact with the USDA Forest Service Regional Wood Innovations Coordinator for the Northeast Region. Annual progress reports will document: (1) number and type of boiler systems installed by cooperator category and geographic area; (2) federal equipment funds disbursed and cooperator match received with supporting documentation; (3) pellet consumption in tons/year traced to PK Pellets and Vermont fiber supply; (4) estimated woody biomass (tons) supported through increased pellet demand, attributable to Fontaine Millworks and partner operations; (5) fossil fuel displacement estimates (gallons oil-equivalent) and cooperator fuel cost savings — calculated using NH DOE-cited figures of 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and the current NH DOE average price of \$5.47/gal; (6) outreach activities conducted; and (7) any challenges and corrective actions. All financial records, sub-award agreements, match documentation, equipment receipts, and correspondence will be retained for a minimum of three years beyond grant close, in compliance with USDA grant management requirements and 2 CFR Part 200. The Town will respond to all USDA monitoring, audit, or program evaluation requests within required timeframes.

PART 1-G — BUDGET TABLES AND JUSTIFICATION IN SUPPORT OF SF-424A

Budget structure: \$255,000 FS equipment + \$255,000 cooperator match + \$45,000 indirect (15% of \$300,000 FS total) = \$555,000 total project cost.

★ All Forest Service equipment funds (\$255,000) and all cooperator match (\$255,000) are in Line 4 (Equipment). Advanced wood pellet boiler systems are stationary, permanently installed equipment — fully eligible under program rules.

Indirect costs: \$45,000 covers 24 months of grant administration, cooperator recruitment, sub-award management, financial oversight, and reporting by Jen Devine, Project Administrator.

Match note: Cooperator match of \$255,000 equals 100% of the Forest Service equipment funds, satisfying the program's dollar-for-dollar match requirement on equipment expenditures. No match is required or provided on indirect costs. No construction costs are included as match or FS expenditure, consistent with program rules.

Budget Table 1

Categories	I. Forest Service Share	II. Cooperator's Share	III. Total
1. Personnel	\$0	\$0	\$0
2. Fringe Benefits	\$0	\$0	\$0
3. Travel	\$0	\$0	\$0
4. Equipment ★	\$255,000	\$255,000	\$510,000
5. Supplies/Materials	\$0	\$0	\$0
6. Contractual	\$0	\$0	\$0
7. Construction	N/A	N/A	N/A
8. Other	\$0	\$0	\$0
9. Direct Charges	\$255,000	\$255,000	\$510,000
10. Indirect (15%)	\$45,000	\$0	\$45,000
11. Total	\$300,000	\$255,000	\$555,000
12. % of Total	54%	46%	100%

Cooperator Contributions Table

Cooperator Name	Cash	Materials	In-Kind	Total
Cooperating residential property owners — North Montpelier Village (10 installs minimum)	\$255,000	\$0	\$0	\$255,000
Totals	\$255,000	\$0	\$0	\$255,000

Budget Narrative — Category 4. Equipment ★

All \$255,000 in Forest Service equipment funds and all \$255,000 in cooperator match are disbursed as pass-through sub-awards to 10 eligible residential cooperators for the acquisition of advanced wood pellet boiler systems. Each sub-award is structured at \$50,000 total: \$25,000 Forest Service equipment funds plus \$25,000 cooperator match. The remaining \$5,000 of equipment FS funds after 10 full installations is retained as contingency for cost overruns or partial-installation support, subject to USDA approval. All boiler systems are stationary, permanently installed EPA-certified units meeting 92%+ thermal efficiency. The purchase of equipment with Forest Service funds creates a federal interest. The Town will comply fully with 2 CFR §§ 200.310, 200.313, and 200.316, and will apply the Buy America preference per 2 CFR § 200.322. Full product specifications in Appendix I.

Category 1. Personnel

None. Grant administration is covered under Line 10 Indirect.

Category 2. Fringe Benefits

None.

Category 3. Travel

None. All project activities occur within East Montpelier and the immediate region.

Category 5. Supplies/Materials

None charged to FS funds. Piping, fittings, and controls are covered by the cooperator match as part of the installation scope.

Category 6. Contractual

None charged to FS funds. Formal sub-award agreements will be executed with each cooperating property owner prior to any equipment disbursement.

Category 7. Construction

None. Construction is not funded and is not eligible for a match under this funding opportunity.

Category 8. Other

None.

Category 10. Indirect Costs (15%)

\$45,000 covers 24 months of grant administration by Jen Devine, Project Administrator: cooperator recruitment and eligibility review, sub-award agreement preparation and execution, financial tracking, equipment commissioning oversight, USDA reporting, and program compliance. The rate is 15% of the \$300,000 Forest Service request, consistent with the USDA Wood Innovations program guidance for municipal applicants. The final rate will be confirmed with the Northeast Regional Wood Innovations Coordinator prior to submission.

APPENDICES

Reference	Description
Appendix A	Resumes and Organizational Profiles: Jen Devine (Project Administrator); Fontaine Millworks (Principal); PK Pellets (Organizational Profile & Capacity Statement); Lyme Green Heat (Portfolio & Organizational Resume)
Appendix B	Town of East Montpelier Select Board Letter of Support, signed by Board Chair Seth Gardner
Appendix C	Letter of Support: Vermont State Forester's Office
Appendix D	Letter of Support: Green Mountain National Forest
Appendix E	Letter of Support: Neil Maker
Appendix F	Letters of Commitment: Mort Bailey (Lyme Green Heat), Jesse Cook (PK Wood Pellets), Marc Fontaine (Fontaine Millworks)
Appendix G	Letters of Support: Vermont Elected Officials
Appendix H	Sample Cooperator Sub-Award Agreement Template
Appendix I	Boiler System Product Specifications, EPA Certifications, Awards Documentation, and U.S. Distribution/Manufacturing Information
Appendix J	PK Wood Pellets Pellet Production Projections (20,000 tons, current year)
Appendix K	Four-Phase Geographic Strategy — Visual Overview (PDF): all four areas, combined budget, supply chain, and verified calculation sources

Town of East Montpelier · Phase 1 — North Montpelier Village · End of Application
 USDA Forest Service Wood Innovations Funding Opportunity · FS-1500-0050 (REV. 03/2026) · FY 2026

EM Center

**USDA FOREST SERVICE
WOOD INNOVATIONS FUNDING OPPORTUNITY**

FS-1500-0050 (REV. 03/2026) · OMB #: 0596-0256 · FY 2026 · Phase 2 of 4 — East Montpelier Center & Surrounds

**Advanced Wood Heat Boiler Expansion Initiative —
Phase 2: East Montpelier Center**

East Montpelier Center & Surrounds
Town of East Montpelier, Vermont

COVER PAGE FOR PART 1: COOPERATOR CONTACT INFORMATION

1. Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 2: East Montpelier Center

2. Project Type (choose one)

Wood Products Wood Energy

3. Project Cost & Cooperator Funding

A	Cooperator Funding (Amount of matching funds):	\$255,000
B	Requested Forest Service Funding:	\$300,000
C	Cooperator Funding as a Percentage of Requested FS Funding (A ÷ B × 100):	85%
D	Total Project Cost (A + B):	\$555,000

Note on match: Cooperator match of \$255,000 equals 100% of the Forest Service equipment allocation (\$255,000), fully satisfying the program's dollar-for-dollar match requirement on equipment expenditures. The remaining \$45,000 of the FS request funds indirect costs (grant administration) for which no cooperator match is required. The Town will confirm the appropriate match calculation methodology with the Northeast Regional Wood Innovations Coordinator prior to final submission.

4. Contact Information

Financial Agreement Applicant

Name	Seth Gardner
Title	Select Board Chair, Town of East Montpelier
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Project Contact

Name	Jen Devine
Title	Project Administrator
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Jen Devine Email — to be confirmed]

PART 1-A — BASIC PROJECT INFORMATION

Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 2: East Montpelier Center

Project Length

24 months post-award execution (standard 2-year award requested)

Project Abstract (1,625 characters maximum)

The Town of East Montpelier, Vermont requests \$300,000 in USDA Forest Service Wood Innovations Funding to deploy 10 advanced wood pellet boiler systems at residential properties in East Montpelier Center and the surrounding area — one of four concurrent applications submitted simultaneously by the Town. Federal funds (\$255,000 equipment + \$45,000 indirect) are matched dollar-for-dollar on equipment by cooperating property owners (\$25,000 FS + \$25,000 cooperator per installation). Each boiler permanently displaces oil or propane heating. Based on NH Department of Energy data — 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and a current average price of \$5.47/gallon — each installation displaces 715–953 gallons of heating oil per year, saving cooperators \$3,911–\$5,213 annually. The four simultaneous phases cover North Montpelier Village, East Montpelier Center, East Montpelier Village, and the town's working farms and nurseries across East Montpelier, achieving community-wide energy independence in one grant cycle while compressing installation costs and administration time. Every pellet burned sustains active forest management on private lands adjacent to the Green Mountain National Forest, consistent with EO 14308 and the Forest Service Active Forest Management Strategy.

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- Deploy 10 advanced wood pellet boiler systems at residential properties in East Montpelier Center and the surrounding area within the grant period.
- Generate sustained annual pellet demand of 60–80 tons per year at program maturity, directly sourced from PK Pellets' Vermont production facility.
- Provide Fontaine Millworks and comparable timber operations with a reliable, growing market for low-grade biomass fiber, currently without a consistent outlet due to regional paper mill closures.
- Leverage the civic profile of East Montpelier Center — home to Town Offices and the community school — to maximize program visibility and accelerate cooperator recruitment across the municipality. Demonstrate the shortest verifiable supply chain in the program: Fontaine Millworks fiber → PK Pellets production → installations within the same municipality.

GOAL 2 — Support Forest Health and Active Management

- Create financial incentives for private landowners to authorize timber harvests, enabling active management on working forests in Central Vermont.
- Reduce hazardous fuel loads on NFS-adjacent private lands by creating markets for biomass generated during forest health treatments.
- Support the Green Mountain National Forest's broader forest management objectives by strengthening the private-land forest economy that surrounds it.

GOAL 3 — Reduce Fossil Fuel Dependence and Achieve Municipal Energy Independence

- Displace heating oil and propane at each cooperating site. Per NH DOE data (16,500,000 BTU/ton pellets; 138,500 BTU/gal #2 oil; \$5.47/gal current average), each installation displaces 715–953 gallons of oil per year, saving \$3,911–\$5,213 annually. Sources: energy.nh.gov/energy-information/nh-fuel-prices and energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices.
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- Demonstrate that a Vermont municipality can administer a wood heat pass-through subsidy program using USDA Wood Innovations funds, with complete documentation — sub-award templates, cooperator agreements, installation protocols, and final reports — replicable by any Vermont municipality statewide.

PART 1-C — PROJECT DESCRIPTION (5,000 characters maximum)

THE PROGRAM

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PHASE 2 GEOGRAPHIC FOCUS

East Montpelier Center is the civic and administrative core of the municipality — home to the Town Offices, the community school, and the road network that connects working farms, mills, and residential neighborhoods across East Montpelier. The properties targeted here are residential and small mixed-use buildings whose conversion to wood heat carries the highest institutional visibility in the program. When the civic center of a Vermont town converts to wood heat, it sends a durable public signal that drives cooperator recruitment in the other three concurrent phases. East Montpelier Center is also the area closest to Fontaine Millworks, creating the shortest and most traceable supply chain in the program: fiber produced within the same municipality travels to PK Pellets and returns as fuel to properties a short distance away.

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- East Montpelier Center & Surrounds — the residential properties of East Montpelier Center and the surrounding area — the second distinct settlement node, completing full residential coverage of the town's dispersed village geography.
- East Montpelier Village & Surrounds — the residential and mixed-use properties of East Montpelier Village and the surrounding area — the civic and administrative core of the municipality, home to the Town Offices and the road network connecting working farms to the broader community.
- Agricultural Properties (Farms & Nurseries) — three working farms and nursery operations (Farm A, Farm B, Farm C) across the agricultural landscape of East Montpelier — each served by a commercial-scale boiler system sized for barn, greenhouse, and processing facility thermal loads.

This application covers: the residential and mixed-use properties of East Montpelier Center and the surrounding area — the civic and administrative core of the municipality, home to the Town Offices and the road network connecting working farms to the broader community.

Submitting all four applications simultaneously — rather than sequentially over multiple grant cycles — delivers three compounding benefits:

- Lower installation costs: Lyme Green Heat mobilizes once across all four areas, compressing per-unit logistics and mobilization costs across all 33 installations in a single cycle.
- Compressed administration time: One project administrator, one 24-month grant period, one reporting cycle, and one set of sub-award templates covers all 33 installations — replacing four complete administrative cycles that would otherwise span 8–10 years.
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See Appendix K — Four-Phase Geographic Strategy (PDF) for a full visual overview of all four areas, combined budget, and supply chain.

SUPPLY CHAIN

All boilers are sourced and installed by Lyme Green Heat (Vermont, 15+ years, factory-certified). All pellet fuel is sourced from PK Pellets (Vermont, 20,000 tons/yr capacity) from low-grade fiber, including material from Fontaine Millworks of East Montpelier. The entire supply chain is domestic and traceable, consistent with 2 CFR § 200.322.

PART 1-D — PROJECT IMPACT (5,000 characters maximum)

IMPACT ON WOOD AND BIOMASS MARKETS

Each boiler installed in East Montpelier Center and the surrounding area becomes a long-term customer for Vermont-grown pellets — purchasing 6–8 tons per year for the 20+ year life of the equipment. Ten installations generate 60–80 tons of new annual pellet demand in this phase alone. Across all four concurrent phases, the combined demand reaches 240–360 tons per year — a meaningful anchor for PK Pellets' 20,000-ton production plan and a consistent market signal that sustains Fontaine Millworks's fiber purchasing from Vermont loggers.

IMPACT ON FOREST HEALTH AND HAZARDOUS FUELS

Fontaine Millworks produces approximately 4,000 tons of green chip byproduct annually — low-grade fiber with no reliable outlet since Vermont's paper mills closed. This program gives it one. When landowners can sell low-grade material, they authorize more harvests. More harvests mean reduced stocking densities, healthier residual trees, and lower fuel loads on private lands adjacent to the Green Mountain National Forest. The connection is direct and traceable ton by ton from the landing to the pellet mill to the boiler room.

IMPACT ON COOPERATING HOUSEHOLDS

Per NH Department of Energy data (energy.nh.gov/energy-information/nh-fuel-prices and [/wood-pellet-prices](http://energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices)): 1 ton of wood pellets = 16,500,000 BTU; #2 heating oil = 138,500 BTU/gal; therefore 1 ton pellets ≈ 120 gallons oil. At the NH DOE current average price of \$5.47/gallon for #2 fuel oil, each installation displaces 715–953 gallons of oil per year and saves cooperating households \$3,911–\$5,213 annually. The NH DOE further notes that the average New England home uses 91.2 MMBtu/yr (658 gallons fuel oil or 5.53 tons pellets). The 6–8 ton estimate used here is a conservative above-average figure reflecting the larger, older homes typical of rural Vermont. Ten installations save a combined \$39,110–\$52,130 per year — money retained in the Vermont economy.

QUANTIFIED IMPACT SUMMARY — PHASE 2

Impact Metric	Verified Value (NH DOE sources)
Boiler installations	10 residential systems in East Montpelier Center and the surrounding area
FS investment per installation	\$25,000 (matched 1:1 — \$25,000 cooperator)
Pellet demand per installation (annual)	6–8 tons/yr
Oil displaced per installation (annual)	715–953 gal/yr
Fuel savings per installation (annual)	\$3,911–\$5,213/yr at \$5.47/gal (NH DOE)
Phase pellet demand (10 installs)	60–80 tons/yr
Phase oil displaced (10 installs)	7,150–9,530 gal/yr
Phase cooperator savings (10 installs)	\$39,110–\$52,130/yr retained in Vermont
All 4 phases combined: installs	33 total (30 residential + 3 agricultural)
All 4 phases combined: oil displaced	28,599–42,885 gal/yr
All 4 phases combined: cooperator savings	\$156,435–\$234,585/yr

Calculation sources: (1) Heating oil price \$5.47/gallon — NH Department of Energy Current Average Price #2 Fuel Oil (State Heating Oil and Propane Program / SHOPP), energy.nh.gov/energy-information/nh-fuel-prices, updated monthly. (2) Pellet energy content 16,500,000 BTU/ton; #2 oil 138,500 BTU/gallon; 1 ton pellets ≈ 120 gallons #2 oil; NE average home uses 91.2 MMBtu/yr = 5.53 tons pellets = 658 gallons fuel oil — NH DOE Wood Pellet Prices page, energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices. (3) Residential demand estimate of 6–8 tons/yr is above the NH DOE/EIA RECS NE average of 5.53 tons/yr, reflecting older, larger Vermont homes. (4) Agricultural demand 20–40 tons/yr — USDA REAP 2023 project data; VT Clean Energy Development Fund biomass thermal case studies. (5) Boiler efficiency 87–91% — EPA Certified Wood Heater Database, epa.gov/burnwise.

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- EO 14223 — strengthens domestic wood fiber markets and Vermont's forest economy.
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PART 1-E — QUALIFICATIONS OF TEAM AND PARTNERS (5,000 characters maximum)

TOWN OF EAST MONTPELIER — Applicant and Program Administrator

East Montpelier is an eligible local government applicant with SAM.gov registration current and active. The Town's Select Board has formally reviewed and endorsed this initiative; Board Chair Seth Gardner has provided a letter of support representing official municipal authorization. Jen Devine serves as Project Administrator, responsible for USDA compliance, cooperator sub-award contracting, financial tracking, and all reporting obligations. Her resume is attached as Appendix A.

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All progress reporting will be managed by Jen Devine, Project Administrator, as single point of contact with the USDA Forest Service Regional Wood Innovations Coordinator for the Northeast Region. Annual progress reports will document: (1) number and type of boiler systems installed by cooperator category and geographic area; (2) federal equipment funds disbursed and cooperator match received with supporting documentation; (3) pellet consumption in tons/year traced to PK Pellets and Vermont fiber supply; (4) estimated woody biomass (tons) supported through increased pellet demand, attributable to Fontaine Millworks and partner operations; (5) fossil fuel displacement estimates (gallons oil-equivalent) and cooperator fuel cost savings — calculated using NH DOE-cited figures of 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and the current NH DOE average price of \$5.47/gal; (6) outreach activities conducted; and (7) any challenges and corrective actions. All financial records, sub-award agreements, match documentation, equipment receipts, and correspondence will be retained for a minimum of three years beyond grant close, in compliance with USDA grant management requirements and 2 CFR Part 200. The Town will respond to all USDA monitoring, audit, or program evaluation requests within required timeframes.

PART 1-G — BUDGET TABLES AND JUSTIFICATION IN SUPPORT OF SF-424A

Budget structure: \$255,000 FS equipment + \$255,000 cooperator match + \$45,000 indirect (15% of \$300,000 FS total) = \$555,000 total project cost.

★ All Forest Service equipment funds (\$255,000) and all cooperator match (\$255,000) are in Line 4 (Equipment). Advanced wood pellet boiler systems are stationary, permanently installed equipment — fully eligible under program rules.

Indirect costs: \$45,000 covers 24 months of grant administration, cooperator recruitment, sub-award management, financial oversight, and reporting by Jen Devine, Project Administrator.

Match note: Cooperator match of \$255,000 equals 100% of the Forest Service equipment funds, satisfying the program's dollar-for-dollar match requirement on equipment expenditures. No match is required or provided on indirect costs. No construction costs are included as match or FS expenditure, consistent with program rules.

Budget Table 1

Categories	I. Forest Service Share	II. Cooperator's Share	III. Total
1. Personnel	\$0	\$0	\$0
2. Fringe Benefits	\$0	\$0	\$0
3. Travel	\$0	\$0	\$0
4. Equipment ★	\$255,000	\$255,000	\$510,000
5. Supplies/Materials	\$0	\$0	\$0
6. Contractual	\$0	\$0	\$0
7. Construction	N/A	N/A	N/A
8. Other	\$0	\$0	\$0
9. Direct Charges	\$255,000	\$255,000	\$510,000
10. Indirect (15%)	\$45,000	\$0	\$45,000
11. Total	\$300,000	\$255,000	\$555,000
12. % of Total	54%	46%	100%

Cooperator Contributions Table

Cooperator Name	Cash	Materials	In-Kind	Total
Cooperating residential and mixed-use property owners — East Montpelier Center (10 installs minimum)	\$255,000	\$0	\$0	\$255,000
Totals	\$255,000	\$0	\$0	\$255,000

Budget Narrative — Category 4. Equipment ★

All \$255,000 in Forest Service equipment funds and all \$255,000 in cooperator match are disbursed as pass-through sub-awards to 10 eligible residential cooperators for the acquisition of advanced wood pellet boiler systems. Each sub-award is structured at \$50,000 total: \$25,000 Forest Service equipment funds plus \$25,000 cooperator match. The remaining \$5,000 of equipment FS funds after 10 full installations is retained as contingency for cost overruns or partial-installation support, subject to USDA approval. All boiler systems are stationary, permanently installed EPA-certified units meeting 92%+ thermal efficiency. The purchase of equipment

with Forest Service funds creates a federal interest. The Town will comply fully with 2 CFR §§ 200.310, 200.313, and 200.316, and will apply the Buy America preference per 2 CFR § 200.322. Full product specifications in Appendix I.

Category 1. Personnel

None. Grant administration is covered under Line 10 Indirect.

Category 2. Fringe Benefits

None.

Category 3. Travel

None. All project activities occur within East Montpelier and the immediate region.

Category 5. Supplies/Materials

None charged to FS funds. Piping, fittings, and controls are covered by cooperator match as part of installation scope.

Category 6. Contractual

None charged to FS funds. Formal sub-award agreements will be executed with each cooperating property owner prior to any equipment disbursement.

Category 7. Construction

None. Construction is not funded and is not eligible match under this funding opportunity.

Category 8. Other

None.

Category 10. Indirect Costs (15%)

\$45,000 covers 24 months of grant administration by Jen Devine, Project Administrator: cooperator recruitment and eligibility review, sub-award agreement preparation and execution, financial tracking, equipment commissioning oversight, USDA reporting, and program compliance. Rate is 15% of the \$300,000 Forest Service request, consistent with USDA Wood Innovations program guidance for municipal applicants. The final rate will be confirmed with the Northeast Regional Wood Innovations Coordinator prior to submission.

APPENDICES

Reference	Description
Appendix A	Resumes and Organizational Profiles: Jen Devine (Project Administrator); Fontaine Millworks (Principal); PK Pellets (Organizational Profile & Capacity Statement); Lyme Green Heat (Portfolio & Organizational Resume)
Appendix B	Town of East Montpelier Select Board Letter of Support, signed by Board Chair Seth Gardner
Appendix C	Letter of Support: Vermont State Forester's Office
Appendix D	Letter of Support: Green Mountain National Forest
Appendix E	Letter of Support: Neil Maker
Appendix F	Letters of Commitment: Mort Bailey (Lyme Green Heat), Jesse Cook (PK Wood Pellets), Marc Fontaine (Fontaine Millworks)
Appendix G	Letters of Support: Vermont Elected Officials
Appendix H	Sample Cooperator Sub-Award Agreement Template
Appendix I	Boiler System Product Specifications, EPA Certifications, Awards Documentation, and U.S. Distribution/Manufacturing Information
Appendix J	PK Wood Pellets Pellet Production Projections (20,000 tons, current year)
Appendix K	Four-Phase Geographic Strategy — Visual Overview (PDF): all four areas, combined budget, supply chain, and verified calculation sources

EM Village

**USDA FOREST SERVICE
WOOD INNOVATIONS FUNDING OPPORTUNITY**

FS-1500-0050 (REV. 03/2026) · OMB #: 0596-0256 · FY 2026 · Phase 3 of 4 — East Montpelier Village & Surrounds

Advanced Wood Heat Boiler Expansion Initiative — Phase 3: East Montpelier Village
East Montpelier Village & Surrounds
Town of East Montpelier, Vermont

COVER PAGE FOR PART 1: COOPERATOR CONTACT INFORMATION

1. Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 3: East Montpelier Village

2. Project Type (choose one)

Wood Products Wood Energy

3. Project Cost & Cooperator Funding

A	Cooperator Funding (Amount of matching funds): .	\$255,000
B	Requested Forest Service Funding: .	\$300,000
C	Cooperator Funding as a Percentage of Requested FS Funding (A ÷ B × 100): .	85%
D	Total Project Cost (A + B): .	\$555,000

Note on match: Cooperator match of \$255,000 equals 100% of the Forest Service equipment allocation (\$255,000), fully satisfying the program's dollar-for-dollar match requirement on equipment expenditures. The remaining \$45,000 of the FS request funds indirect costs (grant administration) for which no cooperator match is required. The Town will confirm the appropriate match calculation methodology with the Northeast Regional Wood Innovations Coordinator prior to final submission.

4. Contact Information

Financial Agreement Applicant

Name	Seth Gardner
Title	Select Board Chair, Town of East Montpelier
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Town Office Email — to be confirmed]

Project Contact

Name	Jen Devine
Title	Project Administrator
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Jen Devine Email — to be confirmed]

PART 1-A — BASIC PROJECT INFORMATION

Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 3: East Montpelier Village

Project Length

24 months post-award execution (standard 2-year award requested)

Project Abstract (1,625 characters maximum)

The Town of East Montpelier, Vermont requests \$300,000 in USDA Forest Service Wood Innovations Funding to deploy 10 advanced wood pellet boiler systems at residential properties in East Montpelier Village and surrounding area — one of four concurrent applications submitted simultaneously by the Town. Federal funds (\$255,000 equipment + \$45,000 indirect) are matched dollar-for-dollar on equipment by cooperating property owners (\$25,000 FS + \$25,000 cooperator per installation). Each boiler permanently displaces oil or propane heating. Based on NH Department of Energy data — 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and a current average price of \$5.47/gallon — each installation displaces 715–953 gallons of heating oil per year, saving cooperators \$3,911–\$5,213 annually. The four simultaneous phases cover North Montpelier Village, East Montpelier Center, East Montpelier Village, and the town's working farms and nurseries across East Montpelier, achieving community-wide energy independence in one grant cycle while compressing installation costs and administration time. Every pellet burned sustains active forest management on private lands adjacent to the Green Mountain National Forest, consistent with EO 14308 and the Forest Service Active Forest Management Strategy.

Character count (approx.): 1294 / 1,625

PART 1-B — PROJECT GOALS AND OBJECTIVES (5,000 characters maximum)

GOAL 1 — Expand Market Demand for Vermont Wood Fiber

- Deploy 10 advanced wood pellet boiler systems at residential properties in East Montpelier Village and surrounding area within the grant period.
- Generate sustained annual pellet demand of 60–80 tons per year at program maturity, directly sourced from PK Pellets' Vermont production facility.
- Provide Fontaine Millworks and comparable timber operations with a reliable, growing market for low-grade biomass fiber currently without a consistent outlet due to regional paper mill closures.
- Complete residential coverage of East Montpelier's three distinct village settlement nodes and prove the pass-through subsidy model works across Vermont's characteristic dispersed rural settlement pattern — creating a statewide replication template for any Vermont municipality to adopt.

GOAL 2 — Support Forest Health and Active Management

- Create financial incentives for private landowners to authorize timber harvests, enabling active management on working forests in Central Vermont.
- Reduce hazardous fuel loads on NFS-adjacent private lands by creating markets for biomass generated during forest health treatments.
- Support the Green Mountain National Forest's broader forest management objectives by strengthening the private-land forest economy that surrounds it.

GOAL 3 — Reduce Fossil Fuel Dependence and Achieve Municipal Energy Independence

- Displace heating oil and propane at each cooperating site. Per NH DOE data (16,500,000 BTU/ton pellets; 138,500 BTU/gal #2 oil; \$5.47/gal current average), each installation displaces 715–953 gallons of oil per year, saving \$3,911–\$5,213 annually. Sources: energy.nh.gov/energy-information/nh-fuel-prices and energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices.
- Combined with the other three concurrent phases, all four areas of East Montpelier together displace an estimated 28,599–42,885 gallons of heating oil per year — achieving meaningful municipal energy independence in a single grant cycle.
- Support American energy independence by substituting domestically produced, renewable wood energy for imported fossil fuels, consistent with EO 14154.

GOAL 4 — Deliver a Replicable Municipal Model

- Demonstrate that a Vermont municipality can administer a wood heat pass-through subsidy program using USDA Wood Innovations funds, with complete documentation — sub-award templates, cooperator agreements, installation protocols, and final reports — replicable by any Vermont municipality statewide.

PART 1-C — PROJECT DESCRIPTION (5,000 characters maximum)

THE PROGRAM

The Town of East Montpelier requests \$300,000 (\$255,000 equipment + \$45,000 indirect) to deploy 10 advanced wood pellet boiler systems in East Montpelier Village and surrounding residential properties. Each boiler is funded at \$50,000 total — \$25,000 Forest Service equipment funds matched dollar-for-dollar by the cooperating property owner. All boilers are stationary, EPA-certified, permanently installed units. Federal funds cover the boiler unit; cooperator match covers installation, piping, and associated infrastructure. No federal funds are used for construction or mobile equipment.

PHASE 3 GEOGRAPHIC FOCUS

East Montpelier Village is the third of three distinct residential settlement nodes within the municipality. Vermont's characteristic geography — communities organized around multiple dispersed villages connected by rural roads and working landscapes — means that completing coverage of all three nodes is significant. Phase 3 proves that the program works across the full geographic range of a dispersed rural Vermont municipality. When Phases 1, 2, and 3 are complete, the Town will have documented a full-municipality residential wood heat conversion using one SAM.gov registration, one administrative team, one supply chain, and one set of sub-award templates. That documentation is a statewide replication asset: any of Vermont's 240+ municipalities can adopt it directly in a future grant cycle.

EAST MONTPELIER'S FOUR-SECTION SIMULTANEOUS GRANT STRATEGY

The Town of East Montpelier is submitting four concurrent grant applications under a single SAM.gov registration, dividing the municipality into four distinct geographic and cooperator-type areas. Each area is addressed by its own \$300,000 application submitted simultaneously:

- North Montpelier Village & Surrounds — the residential properties of North Montpelier village and surrounding area — East Montpelier's oldest settlement cluster, with dense older housing stock and high energy burden.
- East Montpelier Center & Surrounds — the residential and mixed-use properties of East Montpelier Center and surrounding area — the civic and administrative core of the municipality, home to the Town Offices and the road network connecting working farms to the broader community.
- East Montpelier Village & Surrounds — the residential properties of East Montpelier Village and surrounding area — the third distinct settlement node, completing full residential coverage of the town's dispersed village geography.
- Agricultural Properties (Farms & Nurseries) — three working farms and nursery operations (Farm A, Farm B, Farm C) across the agricultural landscape of East Montpelier — each served by a commercial-scale boiler system sized for barn, greenhouse, and processing facility thermal loads.

This application covers: the residential properties of East Montpelier Village and surrounding area — the third distinct settlement node, completing full residential coverage of the town's dispersed village geography.

Submitting all four applications simultaneously — rather than sequentially over multiple grant cycles — delivers three compounding benefits:

- Lower installation costs: Lyme Green Heat mobilizes once across all four areas, compressing per-unit logistics and mobilization costs across all 33 installations in a single cycle.
- Compressed administration time: One project administrator, one 24-month grant period, one reporting cycle, and one set of sub-award templates covers all 33 installations — replacing four complete administrative cycles that would otherwise span 8–10 years.
- Energy independence for East Montpelier: Simultaneous conversion means the entire municipality — three residential village clusters and its working farms — replaces an estimated 28,599–42,885 gallons of heating oil equivalent per year with domestically produced Vermont wood pellets, achieving meaningful community-wide energy independence in a single grant cycle rather than incrementally over a decade.

See Appendix K — Four-Phase Geographic Strategy (PDF) for a full visual overview of all four areas, combined budget, and supply chain.

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★ All Forest Service equipment funds (\$255,000) and all cooperator match (\$255,000) are in Line 4 (Equipment). Advanced wood pellet boiler systems are stationary, permanently installed equipment — fully eligible under program rules.

Indirect costs: \$45,000 covers 24 months of grant administration, cooperator recruitment, sub-award management, financial oversight, and reporting by Jen Devine, Project Administrator.

Match note: Cooperator match of \$255,000 equals 100% of the Forest Service equipment funds, satisfying the program's dollar-for-dollar match requirement on equipment expenditures. No match is required or provided on indirect costs. No construction costs are included as match or FS expenditure, consistent with program rules.

Budget Table 1

Categories	I. Forest Service Share	II. Cooperator's Share	III. Total
1. Personnel	\$0	\$0	\$0
2. Fringe Benefits	\$0	\$0	\$0
3. Travel	\$0	\$0	\$0
4. Equipment ★	\$255,000	\$255,000	\$510,000
5. Supplies/Materials	\$0	\$0	\$0
6. Contractual	\$0	\$0	\$0
7. Construction	N/A	N/A	N/A
8. Other	\$0	\$0	\$0
9. Direct Charges	\$255,000	\$255,000	\$510,000
10. Indirect (15%)	\$45,000	\$0	\$45,000
11. Total	\$300,000	\$255,000	\$555,000
12. % of Total	54%	46%	100%

Cooperator Contributions Table

Cooperator Name	Cash	Materials	In-Kind	Total
Cooperating residential property owners — East Montpelier Village (10 installs minimum)	\$255,000	\$0	\$0	\$255,000
Totals	\$255,000	\$0	\$0	\$255,000

Budget Narrative — Category 4. Equipment ★

All \$255,000 in Forest Service equipment funds and all \$255,000 in cooperator match are disbursed as pass-through sub-awards to 10 eligible residential cooperators for the acquisition of advanced wood pellet boiler systems. Each sub-award is structured at \$50,000 total: \$25,000 Forest Service equipment funds plus \$25,000 cooperator match. The remaining \$5,000 of equipment FS funds after 10 full installations is retained as contingency for cost overruns or partial-installation support, subject to USDA approval. All boiler systems are stationary, permanently installed EPA-certified units meeting 92%+ thermal efficiency. The purchase of equipment

with Forest Service funds creates a federal interest. The Town will comply fully with 2 CFR §§ 200.310, 200.313, and 200.316, and will apply the Buy America preference per 2 CFR § 200.322. Full product specifications in Appendix I.

Category 1. Personnel

None. Grant administration is covered under Line 10 Indirect.

Category 2. Fringe Benefits

None.

Category 3. Travel

None. All project activities occur within East Montpelier and the immediate region.

Category 5. Supplies/Materials

None charged to FS funds. Piping, fittings, and controls are covered by cooperator match as part of installation scope.

Category 6. Contractual

None charged to FS funds. Formal sub-award agreements will be executed with each cooperating property owner prior to any equipment disbursement.

Category 7. Construction

None. Construction is not funded and is not eligible match under this funding opportunity.

Category 8. Other

None.

Category 10. Indirect Costs (15%)

\$45,000 covers 24 months of grant administration by Jen Devine, Project Administrator: cooperator recruitment and eligibility review, sub-award agreement preparation and execution, financial tracking, equipment commissioning oversight, USDA reporting, and program compliance. Rate is 15% of the \$300,000 Forest Service request, consistent with USDA Wood Innovations program guidance for municipal applicants. The final rate will be confirmed with the Northeast Regional Wood Innovations Coordinator prior to submission.

APPENDICES

Reference	Description
Appendix A	Resumes and Organizational Profiles: Jen Devine (Project Administrator); Fontaine Millworks (Principal); PK Pellets (Organizational Profile & Capacity Statement); Lyme Green Heat (Portfolio & Organizational Resume)
Appendix B	Town of East Montpelier Select Board Letter of Support, signed by Board Chair Seth Gardner
Appendix C	Letter of Support: Vermont State Forester's Office
Appendix D	Letter of Support: Green Mountain National Forest
Appendix E	Letter of Support: Neil Maker
Appendix F	Letters of Commitment: Mort Bailey (Lyme Green Heat), Jesse Cook (PK Wood Pellets), Marc Fontaine (Fontaine Millworks)
Appendix G	Letters of Support: Vermont Elected Officials
Appendix H	Sample Cooperator Sub-Award Agreement Template
Appendix I	Boiler System Product Specifications, EPA Certifications, Awards Documentation, and U.S. Distribution/Manufacturing Information
Appendix J	PK Wood Pellets Pellet Production Projections (20,000 tons, current year)
Appendix K	Four-Phase Geographic Strategy — Visual Overview (PDF): all four areas, combined budget, supply chain, and verified calculation sources

EM Ag Properties

**USDA FOREST SERVICE
WOOD INNOVATIONS FUNDING OPPORTUNITY**

FS-1500-0050 (REV. 03/2026) · OMB #: 0596-0256 · FY 2026 · Phase 4 of 4 — Agricultural Properties (Farms & Nurseries)

Advanced Wood Heat Boiler Expansion Initiative — Phase 4: Agricultural Properties
Working Farms & Nurseries — Farm A, Farm B, Farm C
Town of East Montpelier, Vermont

COVER PAGE FOR PART 1: COOPERATOR CONTACT INFORMATION

1. Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 4: Agricultural Properties

2. Project Type (choose one)

Wood Products Wood Energy

3. Project Cost & Cooperator Funding

A	Cooperator Funding (Amount of matching funds):	\$255,000
B	Requested Forest Service Funding:	\$300,000
C	Cooperator Funding as a Percentage of Requested FS Funding (A ÷ B × 100):	85%
D	Total Project Cost (A + B):	\$555,000

Note on match: Cooperator match of \$255,000 equals 100% of the Forest Service equipment allocation (\$255,000), fully satisfying the program's dollar-for-dollar match requirement on equipment expenditures. The remaining \$45,000 of the FS request funds indirect costs (grant administration) for which no cooperator match is required. The Town will confirm the appropriate match calculation methodology with the Northeast Regional Wood Innovations Coordinator prior to final submission.

4. Contact Information

Financial Agreement Applicant

Name	Seth Gardner
Title	Select Board Chair, Town of East Montpelier
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Town Office Email — to be confirmed]

Project Contact

Name	Jen Devine
Title	Project Administrator
Organization/Company	Town of East Montpelier, Vermont
Street Address/P.O. Box	East Montpelier Town Offices
City, State Zip	East Montpelier, VT 05651
Phone	802-223-3313
E-mail Address	[Jen Devine Email — to be confirmed]

PART 1-A — BASIC PROJECT INFORMATION

Project Title

Advanced Wood Heat Boiler Expansion Initiative — Phase 4: Agricultural Properties

Project Length

24 months post-award execution (standard 2-year award requested)

Project Abstract (1,625 characters maximum)

The Town of East Montpelier, Vermont requests \$300,000 in USDA Forest Service Wood Innovations Funding to deploy three commercial-scale advanced wood pellet boiler systems at working farms and nursery operations in East Montpelier — one of four concurrent applications. Federal funds (\$255,000 equipment + \$45,000 indirect) are matched dollar-for-dollar on equipment by three cooperating agricultural property owners (\$42,500 FS + \$42,500 coop each, \$85,000 per farm). Based on NH DOE data (\$5.47/gal #2 oil; 16,500,000 BTU/ton pellets; 138,500 BTU/gal oil), each agricultural installation displaces 2,383–4,765 gallons of heating oil per year, saving \$13,035–\$26,065 annually. Agricultural boilers consume 20–40 tons/yr each — the demand equivalent of 3–5 residential units — making Phase 4 the highest-impact application per federal dollar in the program. Four concurrent phases transform East Montpelier's full heating base in one grant cycle, compressing costs and administration while achieving community energy independence.

Character count (approx.): 1030 / 1,625

PART 1-B — PROJECT GOALS AND OBJECTIVES (5,000 characters maximum)

GOAL 1 — Create the Highest-Volume, Most Durable Pellet Demand in the Program

- Deploy commercial-scale advanced wood pellet boiler systems at Farm A, Farm B, and Farm C within the grant period.
- Generate 60–120 tons of new annual pellet demand — comparable to an entire 10-installation residential phase — from just three installations, making Phase 4 the most efficient phase per federal dollar invested.
- Provide PK Pellets with high-volume, reliable commercial customers whose purchasing behavior is stable over 20–30-year equipment lifespans — the anchor customers that make PK's Vermont production plan viable through every market cycle.

GOAL 2 — Support Forest Health and Active Management

- Create financial incentives for private landowners adjacent to working farms to authorize timber harvests, enabling active management on Central Vermont forests.
- Reduce hazardous fuel loads on NFS-adjacent private lands by creating a high-volume market for biomass from forest health treatments.

GOAL 3 — Reduce Agricultural Fossil Fuel Dependence

- Per NH DOE data (energy.nh.gov/energy-information/nh-fuel-prices): current average #2 fuel oil price \$5.47/gallon; 1 ton pellets = 16,500,000 BTU = ~120 gallons oil (138,500 BTU/gal). Each agricultural installation displaces 2,383–4,765 gallons of oil per year, saving \$13,035–\$26,065 annually. Three farms combined save \$39,105–\$78,195/yr retained in Vermont's agricultural economy.
- Support American energy independence by substituting domestically produced renewable wood energy for imported fossil fuels, consistent with EO 14154.

GOAL 4 — Create a Statewide Agricultural Boiler Program Template

- Phase 4 creates the first documented template for a Vermont municipality to administer USDA Wood Innovations agricultural boiler sub-awards. Vermont has hundreds of working farms burning oil and propane. The Phase 4 template is directly replicable by any Vermont municipality or agricultural organization in future grant cycles.

PART 1-C — PROJECT DESCRIPTION (5,000 characters maximum)

THE PROGRAM

The Town of East Montpelier requests \$300,000 (\$255,000 equipment + \$45,000 indirect) to deploy commercial-scale advanced wood pellet boiler systems at three agricultural properties. Each installation is funded at \$85,000 total — \$42,500 Forest Service equipment funds matched dollar-for-dollar by the cooperating farm. The \$85,000 per-farm investment (\$42,500 FS + \$42,500 coop) reflects the commercial scale of agricultural boiler systems: barns, greenhouses, and processing facilities require high-output, continuous-duty units whose equipment cost is proportionally higher than residential units. All boilers are stationary, EPA-certified, permanently installed units. Federal funds cover the boiler unit; cooperator match covers installation, piping, fuel storage infrastructure, and agricultural facility integration. No federal funds are used for construction or mobile equipment.

PHASE 4 COOPERATING PROPERTIES

- Farm A — [Working farm or nursery in East Montpelier. Specific property description, thermal load assessment, and system specification to be confirmed with Lyme Green Heat during the pre-award period and provided to USDA upon request prior to sub-award execution. Letter of commitment attached as Appendix F.]
- Farm B — [Working farm or nursery in East Montpelier. Details as above. Letter of commitment attached as Appendix F.]
- Farm C — [Working farm or nursery in East Montpelier. Details as above. Letter of commitment attached as Appendix F.]

WHY AGRICULTURAL INSTALLATIONS ARE THE HIGHEST-IMPACT USE OF PROGRAM FUNDS

Agricultural properties carry thermal loads 3–5 times greater than typical New England residences — the NH DOE states the average NE home uses 91.2 MMBtu/yr (5.53 tons pellets; energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices). A farm heating a barn, greenhouse, or processing facility at 20–40 tons/yr is consuming 3.6–7.2× the residential average. That means three agricultural installations generate as much annual pellet demand as an entire 9–18-installation residential phase — while requiring only three sub-award agreements, three site assessments, and three commissioning reports. Phase 4 is the most efficient phase in the program per federal dollar of equipment investment.

EAST MONTPELIER'S FOUR-SECTION SIMULTANEOUS GRANT STRATEGY

The Town of East Montpelier is submitting four concurrent grant applications under a single SAM.gov registration, dividing the municipality into four distinct geographic and cooperator-type areas. Each area is addressed by its own \$300,000 application submitted simultaneously:

- North Montpelier Village & Surrounds — the residential properties of North Montpelier village and surrounding area — East Montpelier's oldest settlement cluster, with dense older housing stock and high energy burden.
- East Montpelier Center & Surrounds — the residential and mixed-use properties of East Montpelier Center and surrounding area — the civic and administrative core of the municipality, home to the Town Offices and the road network connecting working farms to the broader community.
- East Montpelier Village & Surrounds — the residential properties of East Montpelier Village and surrounding area — the third distinct settlement node, completing full residential coverage of the town's dispersed village geography.
- Agricultural Properties (Farms & Nurseries) — three working farms and nursery operations (Farm A, Farm B, Farm C) across the agricultural landscape of East Montpelier — each served by a commercial-scale boiler system sized for barn, greenhouse, and processing facility thermal loads.

This application covers: three working farms and nursery operations (Farm A, Farm B, Farm C) across the agricultural landscape of East Montpelier — each served by a commercial-scale boiler system sized for barn, greenhouse, and processing facility thermal loads.

Submitting all four applications simultaneously — rather than sequentially over multiple grant cycles — delivers

three compounding benefits:

- Lower installation costs: Lyme Green Heat mobilizes once across all four areas, compressing per-unit logistics and mobilization costs across all 33 installations in a single cycle.
- Compressed administration time: One project administrator, one 24-month grant period, one reporting cycle, and one set of sub-award templates covers all 33 installations — replacing four complete administrative cycles that would otherwise span 8–10 years.
- Energy independence for East Montpelier: Simultaneous conversion means the entire municipality — three residential village clusters and its working farms — replaces an estimated 28,599–42,885 gallons of heating oil equivalent per year with domestically produced Vermont wood pellets, achieving meaningful community-wide energy independence in a single grant cycle rather than incrementally over a decade.

See Appendix K — Four-Phase Geographic Strategy (PDF) for a full visual overview of all four areas, combined budget, and supply chain.

SUPPLY CHAIN

All agricultural boiler systems are sourced and installed by Lyme Green Heat, whose tractor-trailer delivery fleet (four rigs) is specifically equipped to service large-volume commercial and agricultural accounts. All pellet fuel is sourced from PK Pellets (Vermont, 20,000 tons/yr) from low-grade fiber including Fontaine Millworks material. The entire supply chain is domestic and traceable, consistent with 2 CFR § 200.322.

PART 1-D — PROJECT IMPACT (5,000 characters maximum)

IMPACT ON WOOD AND BIOMASS MARKETS

A single agricultural installation consuming 20–40 tons of pellets per year creates the wood fiber market demand equivalent of three to five residential boilers. Three agricultural installations in Phase 4 generate 60–120 tons of new annual pellet demand — comparable to a full residential phase — from just three cooperators. These are the most durable long-term customers in the entire supply chain: a farm that converts its barn heating to wood pellets does not reverse that decision. Farm A, Farm B, and Farm C become anchor customers for PK Pellets' production plan and for Fontaine Millworks's fiber market through every market cycle.

IMPACT ON FOREST HEALTH

Each ton of pellets purchased by Farm A, Farm B, or Farm C creates demand for a fraction of Fontaine Millworks's 4,000-ton annual green chip byproduct — currently without a reliable market since Vermont's paper mills closed. Each ton sold enables a logging job to be financially viable. Each viable logging job incentivizes a private landowner to authorize forest management. Active management produces healthier forests with lower fuel loads on private lands adjacent to the Green Mountain National Forest, directly advancing EO 14308 and the Forest Service Active Forest Management Strategy.

IMPACT ON COOPERATING FARMS — NH DOE VERIFIED

Per NH Department of Energy data (energy.nh.gov/energy-information/nh-fuel-prices and [/wood-pellet-prices](http://energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices)): current average #2 fuel oil price \$5.47/gallon; 1 ton pellets = 16,500,000 BTU ≈ 120 gallons #2 oil (138,500 BTU/gal). Each agricultural installation displaces 2,383–4,765 gallons of oil per year, saving \$13,035–\$26,065 annually. Three farms combined save \$39,105–\$78,195/yr — money retained in Vermont's agricultural economy rather than flowing to fossil fuel suppliers.

QUANTIFIED IMPACT SUMMARY — PHASE 4

Impact Metric	Verified Value (NH DOE sources)
Boiler installations	3 commercial agricultural systems (Farm A, B, C)
FS per farm / Coop per farm	\$42,500 FS + \$42,500 cooperator = \$85,000 per farm
Pellets per farm (annual)	20–40 tons/yr (3–5× residential rate)
Oil displaced per farm (annual)	2,383–4,765 gal/yr
Fuel savings per farm (annual)	\$13,035–\$26,065/yr at \$5.47/gal (NH DOE)
Phase pellet demand (3 farms)	60–120 tons/yr
Phase oil displaced (3 farms)	7,149–14,295 gal/yr
Phase cooperator savings	\$39,105–\$78,195/yr
Demand equivalent in residential units	Each farm = 3–5 residential boilers in annual pellet demand
All 4 phases combined: oil displaced	28,599–42,885 gal/yr
All 4 phases combined: cooperator savings	\$156,435–\$234,585/yr

Calculation sources: (1) Heating oil price \$5.47/gallon — NH Department of Energy Current Average Price #2 Fuel Oil (State Heating Oil and Propane Program / SHOPP), energy.nh.gov/energy-information/nh-fuel-prices, updated monthly. (2) Pellet energy content 16,500,000 BTU/ton; #2 oil 138,500 BTU/gallon; 1 ton pellets ≈ 120 gallons #2 oil; NE average home uses 91.2 MMBtu/yr = 5.53 tons pellets = 658 gallons fuel oil — NH DOE Wood Pellet Prices page, energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices. (3) Residential demand estimate of 6–8 tons/yr is above the NH DOE/EIA RECS NE average of 5.53 tons/yr, reflecting older, larger Vermont homes. (4) Agricultural demand 20–40 tons/yr — USDA REAP 2023 project data; VT Clean Energy Development Fund biomass thermal case studies. (5)

ALIGNMENT WITH FEDERAL PRIORITIES

- EO 14223 — strengthens domestic wood fiber markets and Vermont's forest economy.
- EO 14225 — creates market incentives supporting active timber harvest on Vermont woodlands.
- EO 14154 — displaces fossil fuel heating at agricultural scale; builds high-volume domestic wood energy demand in Vermont's farming sector.
- EO 14308 — generates high-volume demand for low-grade biomass from hazardous fuels reduction and forest health treatments.
- Secretarial Memos 1078-006 and 1078-011 — expands wood energy markets supporting NFS management and rural economic health.
- Forest Service Active Forest Management Strategy — provides demand-side infrastructure making active management financially viable for private landowners adjacent to NFS lands.

PART 1-E — QUALIFICATIONS OF TEAM AND PARTNERS (5,000 characters maximum)

TOWN OF EAST MONTPELIER — Applicant and Program Administrator

East Montpelier is an eligible local government applicant with SAM.gov registration current and active. The Town's Select Board has formally reviewed and endorsed this initiative; Board Chair Seth Gardner has provided a letter of support representing official municipal authorization. Jen Devine serves as Project Administrator, responsible for USDA compliance, cooperator sub-award contracting, financial tracking, and all reporting obligations. Her resume is attached as Appendix A.

FONTAINE MILLWORKS — Local Biomass Supply Partner

Fontaine Millworks is East Montpelier's own sawmill, producing approximately 4,000 tons of green chip byproduct annually — low-grade fiber with no reliable outlet since Vermont's paper mills closed. This program builds that outlet. Fontaine's byproduct becomes PK Pellets' raw material, closing the local wood economy loop and making active forest management financially viable. Principal resume attached as Appendix A.

PK PELLETS — Wood Pellet Manufacturing Partner

PK Pellets is a family-owned regional pellet mill projecting 20,000 tons of annual production from Vermont fiber sourced from operations including Fontaine Millworks. This grant builds the boiler customer base that makes PK's production plan viable and Vermont's wood energy supply chain self-sustaining. Organizational profile and capacity statement attached as Appendix A.

LYME GREEN HEAT — Advanced Wood Heat Technical Partner

Lyme Green Heat has been doing one thing since 2008: making it practical for homes, farms, businesses, and institutions across New England to stop burning fossil fuels and start burning wood. They sell the boilers, deliver the fuel, and service the equipment — including 24-hour emergency response. Over 15 years they have installed hundreds of boilers across Vermont, New Hampshire, and Massachusetts with a fuel delivery fleet of six straight trucks and four tractor-trailer rigs. Portfolio and organizational resume attached as Appendix A.

COOPERATING AGRICULTURAL PROPERTIES — Farm A, Farm B, Farm C: Three working farms and nursery operations in East Montpelier. Letters of commitment from each property owner confirming participation intent and \$42,500 cash match capability are attached as Appendix F. Full site assessments and system specifications from Lyme Green Heat will be completed during the pre-award period and provided to USDA upon request prior to sub-award execution.

LETTERS OF SUPPORT AND COMMITMENT

- Town of East Montpelier Select Board — formal municipal authorization, signed by Board Chair Seth Gardner (Appendix B)
- Vermont State Forester's Office (Appendix C)
- Green Mountain National Forest (Appendix D)
- Neil Maker (Appendix E)
- Letters of Commitment: Mort Bailey (Lyme Green Heat), Jesse Cook (PK Wood Pellets), Marc Fontaine (Fontaine Millworks) (Appendix F)
- Vermont Elected Officials (Appendix G)

PART 1-F — ANNUAL PROGRESS REPORTS AND FINAL REPORTS (5,000 characters maximum)

All progress reporting will be managed by Jen Devine, Project Administrator, as single point of contact with the USDA Forest Service Regional Wood Innovations Coordinator for the Northeast Region. Annual progress reports will document: (1) number and type of boiler systems installed by cooperator category and geographic area; (2) federal equipment funds disbursed and cooperator match received with supporting documentation; (3) pellet consumption in tons/year traced to PK Pellets and Vermont fiber supply; (4) estimated woody biomass (tons) supported through increased pellet demand, attributable to Fontaine Millworks and partner operations; (5) fossil fuel displacement estimates (gallons oil-equivalent) and cooperator fuel cost savings — calculated using NH DOE-cited figures of 16,500,000 BTU/ton pellets, 138,500 BTU/gal #2 oil, and the current NH DOE average price of \$5.47/gal; (6) outreach activities conducted; and (7) any challenges and corrective actions. All financial records, sub-award agreements, match documentation, equipment receipts, and correspondence will be retained for a minimum of three years beyond grant close, in compliance with USDA grant management requirements and 2 CFR Part 200. The Town will respond to all USDA monitoring, audit, or program evaluation requests within required timeframes.

PART 1-G — BUDGET TABLES AND JUSTIFICATION IN SUPPORT OF SF-424A

Budget structure: \$255,000 FS equipment + \$255,000 cooperator match + \$45,000 indirect (15% of \$300,000 FS total) = \$555,000 total project cost.

★ All Forest Service equipment funds (\$255,000) and all cooperator match (\$255,000) are in Line 4 (Equipment).
 $\$255,000 \div 3 \text{ farms} = \$85,000 \text{ per farm } (\$42,500 \text{ FS} + \$42,500 \text{ cooperator match each}).$

Agricultural note: The \$85,000 per-farm total (\$42,500 FS + \$42,500 match) reflects the commercial scale of agricultural boiler systems relative to residential units. Barns, greenhouses, and processing facilities require high-output, continuous-duty systems whose equipment cost is proportionally higher than residential units.

Match note: Cooperator match of \$255,000 equals 100% of the Forest Service equipment funds. No match is required on indirect costs. No construction costs are included as match or FS expenditure, consistent with program rules.

Budget Table 1

Categories	I. Forest Service Share	II. Cooperator's Share	III. Total
1. Personnel	\$0	\$0	\$0
2. Fringe Benefits	\$0	\$0	\$0
3. Travel	\$0	\$0	\$0
4. Equipment ★	\$255,000	\$255,000	\$510,000
5. Supplies/Materials	\$0	\$0	\$0
6. Contractual	\$0	\$0	\$0
7. Construction	N/A	N/A	N/A
8. Other	\$0	\$0	\$0
9. Direct Charges	\$255,000	\$255,000	\$510,000
10. Indirect (15%)	\$45,000	\$0	\$45,000
11. Total	\$300,000	\$255,000	\$555,000
12. % of Total	54%	46%	100%

Cooperator Contributions Table

Cooperator	Cash	Materials	In-Kind	Total
Farm A	\$42,500	\$0	\$42,500	\$85,000
Farm B	\$42,500	\$0	\$42,500	\$85,000
Farm C	\$42,500	\$0	\$42,500	\$85,000
Totals	\$127,500	\$0	\$127,500	\$255,000

Note: Each farm contributes \$42,500 cash and \$42,500 in documented in-kind contributions (installation site preparation, fuel storage infrastructure, and equipment integration buildout valued at reasonable rates). Combined cash + in-kind = \$85,000 per farm, \$255,000 total.

Budget Narrative — Category 4. Equipment ★

All \$255,000 in Forest Service equipment funds and all \$255,000 in cooperator match (\$127,500 cash + \$127,500

in-kind) are disbursed as pass-through sub-awards to three cooperating agricultural properties — Farm A, Farm B, and Farm C — for commercial-scale advanced wood pellet boiler systems. Each sub-award is \$85,000 total: \$42,500 Forest Service + \$42,500 cooperator. All boiler systems are stationary, permanently installed EPA-certified commercial units. The purchase of equipment with Forest Service funds creates a federal interest. The Town will comply fully with 2 CFR §§ 200.310, 200.313, and 200.316, and will apply the Buy America preference per 2 CFR § 200.322. Full specifications in Appendix I.

Category 10. Indirect Costs (15%)

\$45,000 covers 24 months of grant administration by Jen Devine, Project Administrator: agricultural cooperator recruitment, site assessment coordination with Lyme Green Heat, sub-award preparation, financial tracking, commissioning oversight, USDA reporting, and program compliance. Rate is 15% of the \$300,000 Forest Service request, consistent with USDA Wood Innovations program guidance for municipal applicants. Final rate to be confirmed with the Northeast Regional Wood Innovations Coordinator prior to submission.

Categories 1–3, 5–8

None — \$0 in all remaining categories.

APPENDICES

Reference	Description
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Appendix I	Boiler System Product Specifications, EPA Certifications, Awards Documentation, and U.S. Distribution/Manufacturing Information
Appendix J	PK Wood Pellets Pellet Production Projections (20,000 tons, current year)
Appendix K	Four-Phase Geographic Strategy — Visual Overview (PDF): all four areas, combined budget, supply chain, and verified calculation sources

Four Phase Appendix

Town of East Montpelier, Vermont

Advanced Wood Heat Boiler Expansion Initiative

Four-Phase Simultaneous Grant Strategy · FS-1500-0050 (REV. 03/2026) · FY 2026

Four concurrent USDA Wood Innovations applications · One SAM.gov registration · \$1,200,000 federal request · \$1,020,000
cooperator match · \$2,220,000 total project value

Why simultaneous — three compounding benefits

Lower installation costs	Compressed administration	Energy independence now
Lyme Green Heat mobilizes once for all 33 installations across four areas — reducing per-boiler logistics and mobilization costs compared to four separate grant cycles.	One project administrator, one 24-month grant period, one reporting cycle, and one set of sub-award templates covers all 33 installations instead of four complete administrative cycles over 8–10 years.	Simultaneous conversion means all four areas of East Montpelier achieve fossil fuel independence in one grant cycle — displacing an estimated 28,599–42,885 gallons of heating oil per year across the full municipality.

The four geographic areas and cooperator types

Residential properties in the oldest settlement cluster of East Montpelier, a dense residential area with a high energy burden. First cluster installed, establishing the program template.	• 10 residential boiler systems • \$255,000 FS equipment + \$255,000 coop match + \$45,000 indirect = \$555,000 total • \$25,000 FS + \$25,000 coop per installation • 60–80 tons/yr annual pellet demand • 7,150–9,530 gal/yr heating oil displaced • \$39,110–\$52,130/yr cooperator fuel savings
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Residential and mixed-use properties at the civic core of East Montpelier — home to Town Offices and the road network connecting working farms to the broader municipality. Closest area to Fontaine Millworks.	• 10 residential boiler systems • \$255,000 FS equipment + \$255,000 coop match + \$45,000 indirect = \$555,000 total • \$25,000 FS + \$25,000 coop per installation • 60–80 tons/yr annual pellet demand • 7,150–9,530 gal/yr heating oil displaced • \$39,110–\$52,130/yr cooperator fuel savings
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Residential properties in East Montpelier Village — the third distinct settlement node — are completing full residential coverage of the town's dispersed village geography and proving the model replicable statewide.	• 10 residential boiler systems • \$255,000 FS equipment + \$255,000 coop match + \$45,000 indirect = \$555,000 total • \$25,000 FS + \$25,000 coop per installation • 60–80 tons/yr annual pellet demand • 7,150–9,530 gal/yr heating oil displaced • \$39,110–\$52,130/yr cooperator fuel savings
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Three working farms and nursery operations (Farm A, Farm B, Farm C) with commercial-scale boiler systems sized for barn, greenhouse, and processing facility loads. Each agricultural unit equals the pellet demand of 3–5 residential boilers.	• 3 commercial agricultural boiler systems • \$255,000 FS equipment + \$255,000 coop match + \$45,000 indirect = \$555,000 total • \$42,500 FS + \$42,500 coop per farm (\$85,000 per installation) • 60–120 tons/yr annual pellet demand • 7,149–14,295 gal/yr heating oil displaced • \$39,105–\$78,195/yr cooperator fuel savings
---	--

Combined four-phase program totals

Installations	10 per phase (30 total)	3 farms	33 total
FS equipment funds	\$255,000 per phase	\$255,000	\$1,020,000
Cooperator match	\$255,000 per phase	\$255,000	\$1,020,000
Indirect (15% of FS total)	\$45,000 per phase	\$45,000	\$180,000

Total FS request	\$300,000 per phase	\$300,000	\$1,200,000
Total project value	\$555,000 per phase	\$555,000	\$2,220,000
Annual pellet demand	60–80 tons/yr per phase	60–120 tons/yr	240–360 tons/yr
Annual oil displaced	7,150–9,530 gal/yr per phase	7,149–14,295 gal/yr	28,599–42,885 gal/yr
Annual cooperator savings	\$39,110–\$52,130/yr per phase	\$39,105–\$78,195/yr	\$156,435–\$234,585/yr

Shared supply chain — all four phases draw on the same Vermont partners



Verified calculation sources — all numbers in this document are derived from the following cited authorities:

- Heating oil price: \$5.47/gallon — NH Department of Energy, Current Average Price #2 Fuel Oil. Source: energy.nh.gov/energy-information/nh-fuel-prices (updated monthly under U.S. DOE State Heating Oil and Propane Program / SHOPP).
- Pellet energy content: 16,500,000 BTU/ton; #2 oil energy content: 138,500 BTU/gallon; 1 ton pellets ≈ 120 gallons #2 oil — NH Department of Energy Wood Pellet Prices page. Source: energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices.
- New England average home annual heat load: 91.2 MMBtu/yr = 658 gallons fuel oil = 5.53 tons wood pellets — NH DOE Wood Pellet Prices page, citing EIA Residential Energy Consumption Survey (RECS). Source: energy.nh.gov/energy-information/nh-fuel-prices/wood-pellet-prices.
- Residential pellet demand (6–8 tons/yr): conservative above-average estimate for older Vermont homes, above the NH DOE/EIA NE average of 5.53 tons/yr.
- Agricultural pellet demand (20–40 tons/yr): USDA Rural Energy for America Program (REAP) 2023 project data; Vermont Clean Energy Development Fund biomass thermal case studies.
- Pellet boiler efficiency (87–91%): EPA Certified Wood Heater Database (epa.gov/burnwise); manufacturer documentation provided in Appendix I.