

CITY OF NEW HAVEN

Justin Elicker, Mayor

OFFICE OF CLIMATE AND SUSTAINABILITY

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March 26th, 2024

Honorable Tyisha Walker-Myers
President, Board of Alders
City of New Haven
165 Church St
New Haven, CT 06510

RE: ORDER AUTHORIZING THE MAYOR OF THE CITY OF NEW HAVEN TO APPLY FOR AND ACCEPT THE CLIMATE POLLUTION REDUCTION GRANT AWARD FROM US ENVIRONMENTAL PROTECTION AGENCY TO REDUCE ENERGY BILLS AND CLIMATE POLLUTION THROUGH THE ESTABLISHMENT OF A NETWORKED GEOTHERMAL SYSTEM SERVING UNION STATION AND THE UNION SQUARE DEVELOPMENT, AND TO ENTER INTO ASSOCIATED AGREEMENTS IN ORDER TO ACCEPT GRANT FUNDING AND CARRY OUT THE ASSOCIATED GRANT PROGRAM ACTIVITIES.

Dear Honorable Tyisha Walker-Myers,

The City of New Haven (the “City”) is requesting authorization to apply for and accept funding from the Environmental Protection Agency’s (EPA) Climate Pollution Reduction Grant program.

The grant would fund a generational investment by the City of New Haven in the design and construction of the Union Station Area Thermal Energy Network (USATEN) a networked geothermal system to provide the lowest-cost, carbon free heating and cooling to Union Station and the Union Square development across Union Avenue. Networked geothermal systems are unique in their ability to equitably bring affordable clean energy to residents and businesses at the neighborhood scale. USATEN would be designed to support the future addition of adjacent municipal buildings, such as the New Haven Police Department headquarters, and to expand to the nearby Hill South neighborhood.

The City of New Haven would be responsible for managing the design, procurement, and construction of USATEN, and would work closely with the New Haven Parking Authority (NHPA) and the New Haven Housing Authority (NHHA) to complete the grant activities. The City would

work together with the NHPA in order to design, procure, and install a geothermal heat pump to heat and cool the building while eliminating on-site fossil fuel use at Union Station. The City would coordinate the construction of USATEN with the NHHA in order to ensure that the networked geothermal system is sized and configured to allow the new buildings constructed at Union Square to tap into the system using geothermal heat pumps for their heating, cooling, and hot water needs. This will result in utility bills for residents and ongoing operating costs for NHHA that are lower than any other form of energy.

The grant request from the EPA is designed to cover all of the costs that the City cannot recoup through Energize CT geothermal heat pump reimbursement rebates and the federal government's geothermal 40% geothermal direct pay reimbursement incentive. In order to take advantage of these reimbursements, the City would need to provide 40% of the project costs, which the federal government would reimburse after the project is placed in service and Energize CT rebates are claimed.

We respectfully request your honorable Board's favorable action on the attached Order authorizing the Mayor to apply for and accept funding through the Climate Pollution Reduction Grant program.

Thank you for your consideration of this matter. If you have any questions or concerns, please feel free to contact me at (475) 331-3769.

Respectfully submitted,

Steven Winter

Executive Director