

Energy Revolving Fund

Voters approved Warrant Article 27 this March which established an Energy Revolving Fund. The fund is designed to accumulate savings and revenue generated from municipal energy and resiliency initiatives, with the objective of achieving long-term cost savings for the Town. The fund will be used to support energy- and resiliency-related projects, enabling efficient funding without the need for annual appropriations for every transaction. No tax dollars will be required for the fund.

How the Revolving Fund Works

- **Funding Sources:** The fund will be supported by savings and revenues from projects such as the Poverty Plains Group Net Metering initiative and proceeds from the sale of Renewable Energy Certificates (RECs) produced by solar installations at municipal facilities, as well as other future energy and resiliency initiatives.
- **Mechanism:** Unlike a traditional capital reserve (which acts like a savings account), a revolving fund functions more like a checking account, allowing for the continuous receipt and expenditure of energy revenues. This ensures the Town can fund projects efficiently and promptly.

Legal Authority and Governance

The Rye Energy Revolving Fund is established under RSA 31:95-h, which allows towns to create revolving funds for specific purposes, including facilitating transactions related to municipal group net metering. Key provisions include:

- The fund's money accumulates year-to-year and is not part of the town's general fund.
- The Town Treasurer has custody of the fund and pays out funds only upon order of the Select Board (or other designated body).
- Funds may only be expended for their intended purpose.

Warrant Article 27 (adopted)

To see if the Town will vote to establish a Rye Energy Revolving Fund pursuant to RSA 31:95-h, I(h) for the purpose of funding energy- and resiliency-related projects pursuant to the Town's approved Electric Aggregation Plan and to designate the Select Board as agents to expend from said fund. If approved, this fund will be established upon the effective date of any amendment to RSA 31:95-h authorizing revolving funds for energy services, as proposed by SB590, and the fund so established may be used for such purposes. This Fund is to be funded by proceeds and savings resulting from municipal initiatives such as Group Net Metering, sales of Renewable Energy Certificates, and other future energy and resiliency initiatives that result in revenue to the Town. The money in the fund shall be allowed to accumulate from year to year and shall not be considered part of the town's general fund unassigned fund balance. The Town Treasurer shall have custody of all moneys in the fund and shall pay out the same only upon order of the Select Board with no further approval required by the Town Meeting to expend.

This article is recommended by the Selectmen (3-0)

Possible Energy Revolving Fund Uses

The Energy Revolving Fund can support municipal energy and resilience work, including the following:

Use	Examples
Grant support	Matching funds, or upfront costs needed before reimbursement
Planning/technical work	Energy audits, feasibility studies, design, and cost estimates
Municipal energy upgrades	Efficiency improvements, heat-pump conversions, monitoring equipment, and solar or battery planning
Resilience improvements	Backup power, floodproofing, drainage, stormwater, or culvert assessments
Community Power	Public education, CPCNH coordination, reliability planning
Public outreach	Workshops, printed materials, mailings, digital content