

# DOCKET

09-OII-1

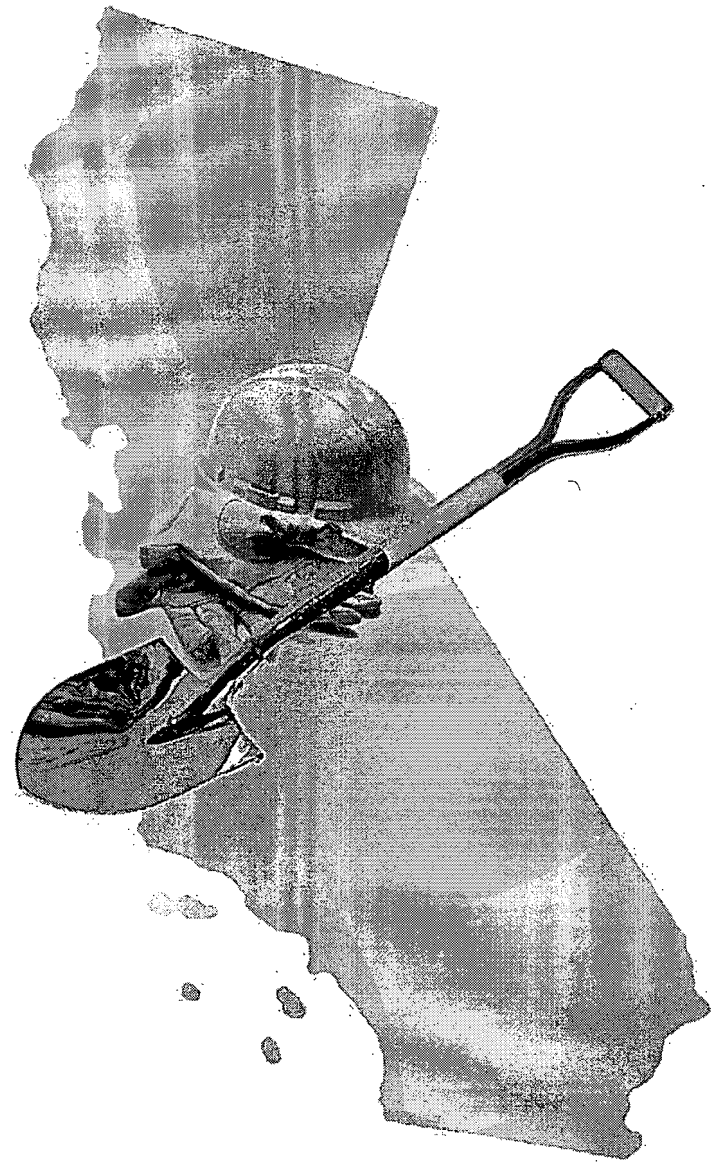
DATE June 05 2009

RECD. June 17 2009

American Recovery and Reinvestment  
Act of 2009

## Energy Efficiency and Conservation Block Grant Program

June 5 and 8, 2009  
California Energy Commission



# Workshop Agenda

- Welcome and Introductions
- Overview of Energy Efficiency and Conservation Block Grant Program (EECBG)
- Program Design Elements
- Small City/County EECBG Questionnaire
- Wrap Up and Next Steps



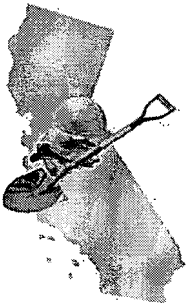
# EECBG Funding

- Large cities and counties will receive direct awards totaling more than \$302 million.
  - City populations greater than 35K.
  - County populations greater than 200K.
  - Energy Commission is not involved.
- At least \$29.8 million will go to small cities and counties
  - Cities with populations less than 35K.
  - Counties with populations less than 200K.
  - Distributed by Energy Commission
- Up to \$19.8 million for eligible programs or projects at discretion of Energy Commission.



# Federal EECBG Goals: Energy Independence and Security Act of 2007

- To reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities in a manner that--
  - is environmentally sustainable
  - to the maximum extent practicable, maximizes benefits for local and regional communities
- To reduce the total energy use of the eligible entities
- To improve energy efficiency in--
  - the transportation sector
  - the building sector
  - other appropriate sectors



# Federal EECBG Requirements

- Accountability
- Transparency
- Prevailing Wages must be paid.
- “Buy American” when possible.
- Strict reporting requirements.
- Funding Prohibitions: gambling establishments, aquariums, zoos, golf courses or swimming pools.
- Recipients must have a DUNS number and register with the CCR



# State Law Affecting EECBG Funds (AB 2176)

- Affects funds administered by the Energy Commission.
  - Small City/County Funds:
    - shall be used to provide cost-effective energy efficiency and conservation grants
    - shall be prioritized based on cost-effective energy efficiency.
  - State Discretionary Funds:
    - shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities



# Limitation on Administrative Expenses per AB 2176

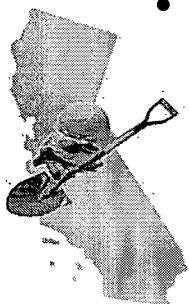
- Limitation on Cumulative “Administrative Expenses”
  - Not more than 5 percent of the funds received ... shall be expended for administrative expenses, including, but not limited to, the combined administration program costs, indirect costs, overhead, and costs associated with the Statewide Cost Allocation Plan, including those administration program costs, indirect costs, and overhead costs of all other public and private entities associated with the disbursement, the expenditure of funds, or both the disbursement and expenditure.



# EECBG Allowable Activities

## per Federal Guidance and AB 2176

- Development and implementation of an energy efficiency and conservation strategy. \*
- Residential and commercial building energy audits. \*
- Establishment of financial incentive programs for energy efficiency improvements.
- Grants to nonprofit organizations and governmental agencies for energy efficiency retrofits.
- Development and implementation of energy efficiency and conservation programs for buildings and facilities.
- Replacement of traffic signals and street lighting with energy efficient technologies.





# Cost Effectiveness Criterion

- \* All projects are required to focus on energy efficiency and shown to be cost-effective. Individual implementation strategies that do not meet the cost-effectiveness criterion alone will be required to be coupled with one or more other strategies to ensure the project is cost-effective.



# Candidate Project Types

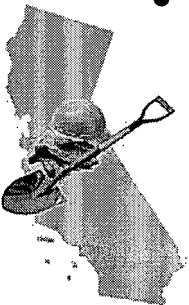
- Historically Most Cost-effective Projects
  - Lighting Retrofits and Controls
  - Street Lighting and Traffic Signals
  - HVAC modifications and Controls
  - Automated Energy Management Systems
  - Motors, Variable Speed Drives and Pumps
  - Water/ Wastewater System Process and Controls



# EECBG Schedule

(all dates are estimated)

- June 25, 2009: CA's Strategy and Plan is due to DOE
- Aug/Sept 2009: DOE decision expected
- Feb/March 2010: Energy Commission must encumber funding to small Cities/Counties
- Aug/Sept 2012: All projects/programs must be completed and paid



# Small Jurisdiction Program Design Issues

- Formula-based allocations vs. competitive solicitations.
- Ensure equity in distribution of funds.
- Maximize leveraging of funds.
- Avoid boom-bust cycles.
- Encourage job creation/retention and energy efficiency.



## Draft Small Jurisdiction Program Design Elements

- Provide competitive grants for up to 35% of the cost of each project.
- Ensure economically distressed and/or small jurisdictions can participate through set-aside funding.
- Provide technical assistance to economically distressed and/or small jurisdictions.
- Encourage partnerships and collaborative efforts among jurisdictions.
- Make loan funds available for matching.
- Set minimum and maximum grant amounts.



# EECBG Questionnaire

1. Does your jurisdiction have energy reduction projects identified to be funded?
  - a) At what stage of development are any project proposals?
  - b) Do the proposals have match funding?
2. What barriers would limit your jurisdiction's participation in this program?
3. How can the Commission best "Level the Playing Field" for small and/or economically challenged jurisdictions?



## EECBG Questionnaire (continued)

4. Is your jurisdiction part of a partnership that could apply for funding?
  - a) How can the Energy Commission best encourage partnerships among small jurisdictions?
5. What minimum funding amount could your jurisdiction use to achieve meaningful results?
6. Does your jurisdiction plan to work with larger jurisdictions receiving direct awards from the Department of Energy?



## EECBG Questionnaire (continued)

7. Is your jurisdiction interested in a local efficiency financing program for property owners?
- a) Mello-Roos or AB811 Model, with payback on property tax bills
  - b) Locally generated program, or through “California Communities” or the Treasurer’s Office





# Next Steps

Energy Commission will:

- Submit Application by June 25, 2009.
- Receive EECBG funds in Aug/Sept 2009 (estimated).
- Develop Program Guidelines to administer program by August 2009.
  - Workshops in early-mid July

## We want your input!

Comments on program approach or additional issues by  
June 18 (the sooner the better) to:

**EECBG @ [energy.state.ca.us](http://energy.state.ca.us)**



# Registration Requirements

- Energy Commission's email listserver
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- Dun and Bradstreet DUNS number
  - [www.dnb.com/US/duns\\_update/](http://www.dnb.com/US/duns_update/)
- Central Contractor Registration (CCR)
  - [www.ccr.gov/](http://www.ccr.gov/)



## For More Information

- Energy Commission's Recovery website at
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- Federal Energy ARRA Website
  - [www.energy.gov/recovery](http://www.energy.gov/recovery)
- Federal EECBG Website
  - [www.eecbg.energy.gov/](http://www.eecbg.energy.gov/)

