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RECD. June 17 2009

American Recovery and Reinvestment
Act of 2009

Energy Efficiency and Conservation Block Grant Program

May 4, 6 & 7, 2009
California Energy Commission

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Manager, Special Projects



Topics

- Federal Focus of the Block Grant Program
- Guidance in State Legislation (AB 2176)
- Schedule for Small Jurisdiction Funding
- Alternative Small Jurisdiction Program Concepts



Block Grant Funding From Department of Energy

- California local governments (large cities and counties) will receive a direct award of more than \$302 million.

Energy Commission is not involved.

- Energy Commission will receive \$49.6 million
 - Small cities and counties will receive about \$30 million through the Energy Commission
 - State retains an additional \$19.6 million for programs or projects



Small Jurisdictions

- Identified by Department of Energy
 - Incorporated Cities with less than 35,000 pop.
 - Counties, net of cities, with less than 200,000 pop.
- Examples:
 - Imperial County
 - LaVerne
 - Walnut
- DOE and Energy Commission Encourage Partnerships



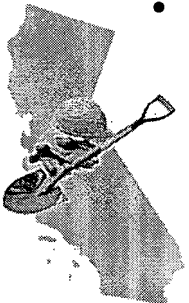
Block Grant Goals: Energy Independence and Security Act

- 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; and
 - other appropriate sectors.



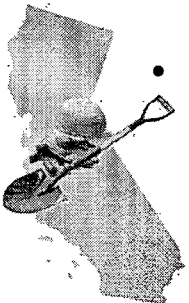
Uses of Block Grant Funds, From Energy Security Act

- Development and implementation of an energy efficiency and conservation strategy
- Conduct of residential and commercial building energy audits
- Establishment of financial incentive programs for energy efficiency improvements
- Provision of grants to nonprofit organizations and governmental agencies for energy efficiency retrofits
- Development and implementation of energy efficiency and conservation programs for buildings and facilities
- Development and implementation of programs to conserve transportation energy



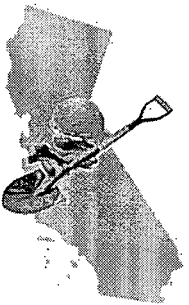
Uses of Block Grant Funds, From Energy Security Act

- Development and implementation of building codes and inspection services to promote energy efficiency
- Application and implementation of distributed resource and district heating/cooling technologies
- Activities to increase participation and efficiency rates for material conservation programs
- Technologies to reduce, capture, and use methane and other GHGs from landfills and similar sources
- Replacement of traffic signals and street lighting with energy efficient technologies
- Use of onsite renewable energy technology that generates electricity on government buildings



State Direction on Block Grant Funds: AB 2176

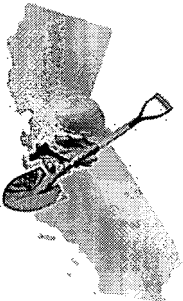
- Affects only funds administered by the Energy Commission not the direct awards by DOE.
 - Small Jurisdiction Funds:
 - shall be used to provide cost-effective energy efficiency and conservation grants
 - shall be prioritized based on cost-effective energy efficiency.
 - State Funds:
 - shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities



State Direction on Block Grant Funds:

AB 2176 (2)

- Limitation on “Overhead 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.



Schedule for Block Grant Program

- Small Jurisdiction Funds
 - State “Strategy” and Plan are due May 26 to DOE
 - DOE approval within 60 to 120 days
 - Energy Commission has 180 days (6 Months) from approval to encumber funding
 - All projects/programs must be complete and paid by April 30, 2012



Schedule for Block Grant Program

- State Level Funds
 - “Strategy” and Plan are due May 26
 - DOE has up to 120 days to approve
 - State has 18 months, from approval, to encumber funds.
 - All projects/programs must be complete and paid by April 30, 2012



Conceptual Program 1

Population-Based Formula Grants

- A. Each jurisdiction, or partnership of jurisdictions, proposes a program/project that complies with federal and state guidelines.
- B. Each project is funded at about \$7.00 per capita, based on population.



Conceptual Program 2

Competitive Solicitation with Scoring and Ranking

- A. The Energy Commission would solicit proposals from eligible small jurisdictions or partnerships
- B. The Commission would score proposals on criteria in Energy Security Act and the Recovery Act including:
 - i. cost-effectiveness of energy efficiency,
 - ii. job creation,
 - iii. amount of fund leveraging,
 - iv. Likelihood of success in time allowed, etc.
- C. The Commission would award funding, beginning with the highest scored proposals



Conceptual Program 3

Separate Funding Pool for Smaller Jurisdictions

- A. The Energy Commission would set aside a pool of funds for smaller jurisdictions.
- B. The Energy Commission would make technical assistance available to the smaller jurisdictions to develop proposals where appropriate.
- C. The smaller jurisdiction proposals would be scored and ranked separately from the larger jurisdictions, using the same criteria.
- D. Projects, from each pool, would be funded, beginning with the highest scored proposals



Conceptual Program 4

Combination Grant and Low Interest Loan

- A. Proposals would be solicited, and scored on criteria, as in earlier concepts.
- B. Jurisdictions' proposals would be considered for a low interest loan from Energy Conservation Assistance Act Loan (currently 3.95%)
- C. Block Grant funds would be applied to reduce the loan size and local utility rebates could provide additional leverage.
- D. If funds permit, grants could be approximately 33 percent of project cost.



Conceptual Program 5

Low Interest Planning Loans

- A. Local Agencies are becoming responsible for including energy and Greenhouse Gas impacts in their planning, per AB 32 implementation plan and AB 375.
- B. The Commission would provide low interest loans to jurisdictions or partnerships to develop energy elements of their general plans.
- C. Loans would last from 10 to 15 years, making repaid funds available to assist with future plan updates.



Next Steps

Energy Commission will:

- Submit Application and Strategy by May 26
- Receive ARRA funds July 26 - October 2009
- Develop Program Guidelines to set up program by August 2009.

We want your input:

Comments on conceptual designs or additional approaches by May 18 to:

EECBG @ energy.state.ca.us



For more information:

Sign up for List Server to receive updated information
Energy Commission's website at:
www.energy.ca.gov/recovery

Federal Energy Website:
www.energy.gov/recovery

