American Recovery and Reinvestment Act of 2009

Overview of ARRA Timelines for State Energy Program & Energy Efficiency Conservation Block Grant Programs

May 4, 6 & 7, 2009

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## Goals of Workshop

- Overview of the American Recovery and Reinvestment Act (ARRA) and Programs the Energy Commission will administer
- What is in the Energy Efficiency Conservation Block Grant and State Energy Program Application
- Timeline and Process for Developing Programs
- How You Can Participate in Development of Programs
- Feedback on Today's Workshop



## What Will Not Be Covered in Workshop

- Program Ideas You May Have for Spending Funds
- The Rules That Will Govern the Distribution of Funds
- Details of Other Federal Energy Funding Programs That Will Not be Administered by the Energy Commission



## Topics

- Governor's Executive Order S-02-09
- American Recovery and Reinvestment Act (ARRA) Programs to be Administered by Energy Commission
- Guiding Principles for Use of ARRA funds
- Overarching Goals For Program Priorities
- ARRA Timelines for Development of Programs, Guidelines and Release of Funds
- More Information



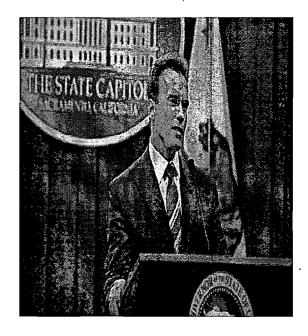
#### Governor's Executive Order S-02-09 (March 27, 2009)

- Ensure California receives optimal benefit
- Establishes systematic method for collecting information for the uses, status, outcomes and accountability of funds.
- Ensures public accessibility, provide transparency, conduct auditing and accountability of funds
- Establish inter-agency agreements within state government to pursue legislation, or both, to ensure necessary resources.
- Visit: <u>www.recovery.ca.gov</u>



## Governor's Executive Order S-02-09 (March 27, 2009)

- Establishes California Recovery Task Force
  - Chief Deputy Director & Chief
    Operating Officer of the Dept. of
    Finance
  - Chief Information Office
  - Director of the governor's Constituent Affairs Office
  - Chief Deputy Director of Communications
  - Top ranking members of state agencies and departments





#### ARRA Formula Energy Appropriations

- \$3.1 billion State Energy Program (SEP)
  - Energy Commission will receive \$226 million
- \$3.2 billion Energy Efficiency and Conservation
  Block Grant Program
  - California local governments (large cities and counties) will receive a direct award of more than \$302 million
  - Energy Commission is will receive \$49.6 million
    - Small cities and counties will receive about \$29 million through the Energy Commission

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## ARRA Program Implementation Overarching Principles

- Accountability
- Transparency
- Verification
- Risk Mitigation





#### **Overarching Goals for Program Priorities**

- Degree of effectiveness in stimulating the economy, reducing energy use, attracting or retaining energy industries, and creating jobs in California.
- Potential to expend money efficiently, with administrative accountability and efficiency, including augmenting or leveraging existing state, federal, local and private programs.
- Potential to develop long-term, self-sustaining energy programs and leverage public and private funding.



## **Overarching Goals for Program Priorities** cont'd

- Potential to achieve lasting and measurable energy benefits consistent with the Integrated Energy Policy Report and Energy Action Plan "loading order".
- Potential to meet California's energy policy goals as defined by the Integrated Energy Policy Reports, ARB Scoping Plan, and Energy Action Plan, the Bioenergy Action Plan, energy legislation, and other relevant policy documents.



## State Energy Program

- Energy Commission will receive \$226 million
  - Historically State Energy Program appropriations to California were \$1-3 million annually
- Types of activities allowed under State Energy Program
  - Implementing residential, commercial building, industrial and transportation energy efficiency programs
  - Expanding distributed generation, renewable energy and public education programs
  - Conducting any activity to improve energy efficiency, increase use of renewable energy or increase energy efficiency and economic development.



# State Energy Program

- Energy Commission Focus
  - Green Workforce Development
  - Nonresidential Building Efficiency and Clean Energy Retrofits



 Residential Building Efficiency and Clean Energy Retrofits

# State Energy Program Timeline

- Application due to DOE: May 12, 2009
- DOE approval expected: July-Sept 2009
- CEC guideline development: April–July 2009
- Budget authority to expend funds: July 2009
- Anticipated first round of funding awards: Sept 2009
- All SEP funds must be encumbered by Sept 30, 2010 and fully drawn down by April 30, 2012



## Energy Efficiency and Conservation Block Grant

- \$3.2 billion nationally
  - 68% to local governments (directly to cities > 35,000 and counties > 200,000 population)
  - 28% to state energy offices
  - 2% to tribes
  - 2% competitive grants
- California local governments will receive over \$302 million
- Energy Commission will receive \$49.6 million (and a portion goes to small cities and counties)
- Department of Energy guidelines released on March 27
  - State application due May 26, 2009
  - Local Government applications due June 25, 2009



## Energy Efficiency and Conservation Block Grant

- Assist cities and counties in implementing energy efficiency and conservation projects and strategies to:
  - Create or retain energy jobs
  - Reduce emissions from fossil fuels created as a result of activities within the jurisdictions of eligible entities;
  - Reduce total energy use;
  - Develop renewable energy; and
  - Improve energy efficiency in the transportation, building, and other appropriate sectors.



# Energy Efficiency Conservation Block Grant Timeline

- Application due to DOE: May 26, 2009
- DOE approval expected: Aug-Sept 2009
- CEC guideline development: April–July 2009
- Budget authority to expend funds: July 2009
- Anticipated first round of funding awards: Sept 2009



Note that EECBG funds earmarked for small counties and cities must be encumbered 6 months after DOE plan approval (~Feb 2010) and fully drawn down 3 years after plan approval Written Feedback on Today's Workshop Send comments by e-mail to:

> <u>eecbg@energy.state.ca.us</u> for comments on the Energy Efficiency Conservation Block Grant Program
>  <u>sep@energy.state.ca.us</u> - for comments on the State Energy Program

Or send written comments to: California Energy Commission Special Projects Office Re: Specify EECBG or SEP 1516 Ninth Street Sacramento, California 95814-5512



#### For more information:

Visit the Energy Commission's website at:

www.energy.ca.gov/recovery and sign up for List Server to receive timely announcements

Federal Energy Website:

www.energy.gov/recovery

