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ARRA Implementation-- Energy Efficiency and Conservation Block Grant

THE NEED:

- In order for Alameda, Butte, Marin, Merced, Placer, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Stanislaus, Tulare and Ventura to be eligible for **any** Energy Efficiency and Conservation Block Grant (EECBG) funding, Public Resources Code must be amended as follows:

SEC. 4. Section 25450.2 of the Public Resources Code is repealed.

~~25450.2. (a) Not less than 60 percent of the funds received pursuant to Section 25450.1 shall be used to provide cost effective energy efficiency and conservation grants to cities with a population of less than 35,000 and counties with a population of less than 200,000, and be prioritized based on cost effective energy efficiency.~~

~~(b) The remaining funds received pursuant to Section 25450.1 shall be used to provide cost effective energy efficiency and conservation grants to eligible entities consistent with the Energy Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.), and be prioritized based on cost effective energy efficiency.~~

SEC. 5. Section 25450.2 is added to the Public Resources Code, to read:

25450.2. The commission shall administer the funds received pursuant to Section 25450.1 in accordance with all applicable federal requirements regarding the use of those funds.

- In order for cities and counties to use EECBG funds for the purposes of climate change planning, SEC. 2. Section 25450 of the Public Resources Code must be amended to read:

SEC. 2. Section 25450 of the Public Resources Code is amended to read:

25450. 3 (b) It is the intent of the Legislature to fully *that the state achieve the purposes and* implement the requirements ~~for for these~~ energy and conservation block grants provided pursuant to the Energy Independence and Security Act of 2007 and that the funds allocated to the state pursuant to that act be administered by the commission *grant programs in the most expedient manner possible. Moreover, to the extent possible without causing undue delay, the commission shall look to the Energy Independence and Security Act of 2007 and the American Recovery and Reinvestment Act of 2009 programs and make policy decisions that leverage and maximize the use of these dollars, including, but not limited to, the areas of energy efficiency, renewable energy, water efficiency, weatherization, climate change planning and green workforce development.*

DOCKET

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DATE

RECD. June 18 2009



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Background: American Recovery and Reinvestment Act of 2009 (ARRA)

ARRA includes an appropriation for energy efficiency and conservation grants which will, in part, flow through the Energy Independence and Security Act of 2007 (EISA). This federal program established an Energy Efficiency and Conservation Block Grant (EECBG) program, which provides grants to states and local governments with the purpose of aiding them in the reduction of fossil fuel emissions and energy efficiency and conservation projects. Last year's AB 2176 (Caballero, Ch. 229) further codified EISA in state law, requiring the California Energy Commission to administer the funds and direct them to local governments. The bill also included population thresholds for EECBG funds for small cities and counties, requiring that funds be allocated to cities with a population of less than 35,000 and counties with a population of less than 200,000.

The Problem: Population Thresholds and AB 2176

As with AB 2176, EISA established population thresholds for the EECBG program for funds allocated directly from the U.S. Department of Energy (DOE) to large cities and counties, requiring that a city have at least a population of 35,000 and county 200,000. However, the formula DOE is using to distribute ARRA funds subtracts eligible city populations from total county populations. As a result, thirteen California counties with populations over 200,000 are not directly eligible for DOE EECBG funds. Furthermore, these counties are not eligible for the small city/county EECBG program because their total populations exceed 200,000. These counties include: Alameda, Butte, Marin, Merced, Placer, San Joaquin, Santa Barbara, Santa Clara, Santa Cruz, Solano, Stanislaus, Tulare and Ventura.

The Fix

Assembly Bill 262, by Assembly Speaker Karen Bass, would solve this problem by striking the population threshold language from statute. The bill instead includes language that requires the Energy Commission to administer the funds received in accordance with federal requirements. This change would enable those counties not eligible for a direct allocation from DOE to be eligible for the state-administered program. Without this legislation, thirteen California counties will not be eligible for ***any*** EECBG funding. Speaker Bass has also introduced ABX3 34, a special session bill to address this issue.

CSAC Contact

Should you have any questions regarding this information, please contact Cara Martinson, CSAC Legislative Analyst at 916-327-7500 ext. 504, or cmartinson@counties.org.