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American Recovery and Reinvestment  
Act of 2009

## Energy Efficiency and Conservation Block Grant Program

Program Overview and Funding Effort  
Summary

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- Brief Overview of Energy Efficiency and Conservation Block Grant Program (EECBG)
- Program Design
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## 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



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## 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 Dun and Bradstreet (DUNS) number
- Recipients must register with Central Contract Registration (CCR)



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## U.S. DOE's Direct EECBG Funding Allocations

- Large cities and counties (as determined by DOE) will receive direct awards totaling more than \$302 million.
  - City populations of 35K or greater.
  - County populations of 200K or greater.
  - Energy Commission was not involved with large city/county allocations.
- Energy Commission received \$49.6 million.



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## Energy Commission's EECBG Funding Allocations (\$49.6 million)

- At least \$29.8 million (60%) must be passed through to cities/counties not receiving a direct EECBG allocation from U.S. DOE.
- Remainder at discretion of Energy Commission.



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## Program Design for Small Cities/Counties

- Allocations based on a formula.
- Establishes minimum funding levels.
- Requires cost-effective energy efficiency.
- Allowed for 3 types of application –
  - Direct Equipment Purchase (DEP)
  - Energy Efficiency Project (EEP)
  - Municipal Financing Program (MFP), or  
Combination of EEP & MFP, or DEP & MFP



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## TYPES OF APPLICATION

- **DEP-Direct Equipment Purchase** (see Exhibit 2 of app)  
Measures CEC staff had determined to be cost-effective
- **EEP- Energy Efficiency Project**  
Required jurisdiction to conduct and submit feasibility study
- **Municipal Financing Program**  
Such as *On Bill Financing*



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## Program Design: Allocation Formula

- Base allocation of \$5.00 per person, using DOE population estimates
- Base allocation increased by unemployment rate  
(1+unemployment rate) x \$5.00
- Minimum funding levels:
  - \$25,000 per City
  - \$50,000 per County



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## Program Design: Eligibility Criteria

- Eligible Small City/County or Designated Partnership
- Focus on Energy Efficiency
- Cost-Effectiveness
- Ability to Effectively Administer Project
  - Reporting and Data Collection
  - Adhere to Administrative Expense Cap
  - Complete Project within Required Timeframe



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## Program Design: Use of Funds

- Cost-Effective Energy Efficiency Projects
  - Based on energy saved per \$ spent (not dollars saved) – So utility rates did not matter.
  - Minimum of 10 million source British Thermal Units (Btus) saved per \$1,000 of EECBG funds spent.
  - Feasibility study is required to verify energy savings.
- Direct Purchase Option
  - Types of energy saving equipment were specified.
  - Applications of equipment specified in certain instances.



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## Program Design: Eligible 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



\*NOTE: List of eligible projects is not comprehensive

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## Program Design: Selecting a Project or Equipment

- Energy Commission can help!
  - Staff can provide assistance over the phone.
  - Staff can make site visits, to evaluate potential projects and advise.
  - Energy Commission can provide energy assessments, up to \$20,000 of our consultant's cost per application.



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## Match Funding and Partnerships Encouraged

- The Energy Commission encouraged use of match funding.
  - Utility Incentives wherever possible.
  - Energy Commission loan programs are available. Interest rates are 1% (ARRA) and 3% (ECAA).
  - Bond or other sources of available funds.
- Partnerships can reduce overhead costs, reduce administrative burden and provide expertise.



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## Additional Issues

- Prevailing Wage
  - When required, prevailing wage requirements must be followed.
- Buy American
  - Federal legislation requires purchase of American-made products where possible.
- Prohibited Projects
  - Swimming Pools
  - Gambling Establishments
  - Aquariums
  - Zoos
  - Golf Courses



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## Schedule

- June 25, 2009: CA's EECBG application sent to DOE.
- September 14, 2009: Energy Commission received EECBG grant award from DOE.
- October 8, 2009: Energy Commission released funding solicitation.
- May 12, 2010: Energy Commission encumbered funding to small Cities/Counties.
- September 2012: All projects/programs must be completed and paid.



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## SUMMARY OF FUNDING EFFORTS

### POTENTIAL

- 309 eligible cities/counties

**\$35,454,423**

= 71.48% of \$49.6M



### RECEIVED

- 279 cities/counties applied
  - 237 cities/towns
  - 42 counties

210 applications

- 201 Individual applications
- 9 Collaborative

**\$33,324,139**

= 67% of \$49.6M

## APPLICATIONS RECEIVED

- Of 210 applications-
  - 126 Direct Equipment Purchase (DEP)      \$15,589,976
  - 82 Energy Efficiency Project (EEP)      16,177,132
  - 1 Municipal Financing Program (MFP)      772,635
  - 1 MFP/DEP      784,396

**TOTAL**

**\$33,324,139**



## LEVERAGING OF FUNDS

- ECAA 3% loans- 8 for \$4,222,096
- ARRA 1% loans- 10 for \$9,760,535
- Match share- \$19,548,508



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## ENERGY SAVINGS\*

- kWh- 34,677,609
- Therms- 652,808
- CO<sub>2</sub>- 15,640 tons



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## JOBS CREATED\*

# 362!

\* estimated

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## MOST COMMON REASONS CITED FOR NOT APPLYING

### 30 POTENTIAL APPLICANTS DID NOT APPLY

- Did not have resources (time, personnel, grant writing experience, etc) to apply
- Did not have resources to manage projects/contracts and report
- Could not identify projects

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THANK YOU!



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QUESTIONS



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