7/8/2010

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DATE

JUL 08 2010

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American Recovery and Reinvestment Act of 2009

Energy Efficiency and Conservation Block Grant Program

Program Overview and Funding Effort Summary

July 8, 2010

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Contents

- · Brief Overview of Energy Efficiency and Conservation Block Grant Program (EECBG)
- Program Design
- Summary of Funding Efforts
- Questions



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)

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 <u>not</u> 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.



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 Efficency Project (EEP)
 - Municipal Financing Program (MFP), or Combination of EEP & MFP, or DEP & MFP

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- 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



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



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

Program Design: Selecting a Project or Equipment

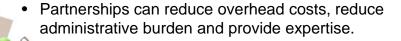
- Energy Commission can help!
 - > Staff can provide assistance over the phone.
 - > Staff can make site visits, to evaluate potential projects and advise.
 - ➤ Energy Commission can provide energy assessments, up to \$20,000 of our consultant's cost per application.



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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.



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.

SUMMARY OF FUNDING EFFORTS

POTENTIAL

RECEIVED

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

210 applications

- 201 Individual applications
- 9 Collaborative

\$35,454,423

= 71.48% of \$49.6M

\$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
- ➤CO2- 15,640 tons



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





