

American Recovery and Reinvestment
Act of 2009

Energy Efficiency and Conservation Block Grant Program

Program Overview and Funding Effort
Summary

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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



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 not involved with large city/county allocations.
- Energy Commission received \$49.6 million.



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

- At least \$29.8 million (60%) must be passed through to cities/counties not receiving a direct EECSBG 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 Efficiency Project (EEP)
 - Municipal Financing Program (MFP), or
Combination of EEP & MFP, or DEP & MFP



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*



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



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.



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.



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.



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



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

- 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



ENERGY SAVINGS*

➤ kWh- 34,677,609

➤ Therms- 652,808

➤ CO₂- 15,640 tons



JOBS CREATED*

362!

* estimated



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



THANK YOU!



QUESTIONS

