

JOINT LEGISLATIVE AUDIT COMMITTEE HEARING  
SENATE BUDGET and FISCAL REVIEW COMMITTEE

**AMERICAN RECOVERY &  
REINVESTMENT ACT**  
Delivering Energy Savings for California

January 20 and 21, 2010

**Karen Douglas, Chairman**  
*California Energy Commission*



## PRESENTATION

- ARRA Objectives, Guiding Principles and Priorities
- Overview of the American Recovery and Reinvestment Act (ARRA) Energy Programs the Energy Commission is Administering
- Progress Report on Activities
- Other ARRA Program Activities



**ENERGY COMMISSION  
ARRA PROGRAMS &  
ACTIVITIES**

- State Energy Program (SEP)
- Energy Efficiency & Conservation Block Grant Program (EECBG)
- State Energy Efficiency Appliance Rebate Program
- Energy Assurance Planning
- Support Competitive Solicitations



## ARRA OBJECTIVES

- Retain and create jobs, promote economic recovery
- Provide investments that increase economic efficiency and spur technological advances
- Invest in critical infrastructure and environmental protection providing long-term economic benefits
- Stabilize state and local government budgets to minimize and avoid reductions in essential services



## ENERGY COMMISSION'S GUIDING PRINCIPLES AND PRIORITIES

- Stimulate the economy and create and retain jobs in California
- Achieve lasting and measurable energy benefits
- Expend money efficiently, with accountability and minimal administrative burden
- Contribute to meeting California's energy and environmental policy goals
- Leverage other federal, state, local and private financing through partnerships



**STATE ENERGY PROGRAM  
\$226 MILLION**

- Historically, State Energy Program appropriations to California were \$1 million - \$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.
- All SEP funds must be encumbered by September 2010 and fully drawn down by April 2012



**STATE ENERGY PROGRAM  
\$226 MILLION**

- Department of General Services Revolving Loan Program - \$25 million to retrofit state owned buildings with energy efficiency measures
- 1% Energy Efficiency Loan Program - \$25 million
- Clean Energy Workforce Training Program - \$20 million
- Energy Efficiency Retrofit Programs – \$110 million
- Clean Energy Business Financing Program - \$35 million
- Program Support and Contracts - \$11 million
  - Auditing, measurement, evaluation, verification and reporting contracts



**SEP  
DEPARTMENT OF  
GENERAL SERVICES (DGS)  
REVOLVING LOAN  
PROGRAM**

- \$25 million revolving loan program helps state agencies install energy efficiency projects and repays loans from energy savings
- Estimated to leverage \$7.5 million in utility rebates and public funds
- DGS has signed \$3.7 million in loans to retrofit five state buildings; work to begin in early February
- DGS to sign five more loans for more than \$12 million - first quarter 2010
- All \$25 million to be loaned June 2010



**SEP  
1% ENERGY EFFICIENCY  
LOANS**

- \$25 million available for 1% interest rate loans for eligible local government energy efficiency and renewable energy projects
- Loans repaid from energy cost savings
- Maximum loan amount is \$3 million per application
- Energy Commission has approved \$9.6 million in loans and has received more than \$36 million in additional requests
- All loans will be approved by first quarter 2010



## SEP CLEAN ENERGY WORKFORCE TRAINING PROGRAM

- Awarded 37 regional training partnerships \$26.7 million on October 1, 2009
  - \$14.5 million ARRA SEP
  - \$10 million ARRA WIA
  - \$2.2 million AB 118
- ETP to award \$8 million for workforce training at January and February 2010 Panel meetings
  - \$5 million ARRA SEP
  - \$3 million ARRA WIA



## SEP ENERGY EFFICIENCY PROGRAM

- Up to \$110 million available for three areas designed to achieve cost effective energy efficiency in existing residential and non-residential buildings:
  - Municipal Financing Program
  - Municipal and Commercial Building Targeted Measure Retrofit Program
  - California Comprehensive Residential Building Retrofit Program
- More than 100 proposals for over \$850 million received on December 21, 2009
- Proposal review and evaluation underway
- Notice of Proposed Awards – February 2010
- Expected Leveraged Funds: About \$300 million



## SEP CLEAN BUSINESS FINANCING PROGRAM

- Up to \$35 million available to provide low-interest loans to private sector interests to build or expand production capacity of energy efficiency and renewable energy components, systems and technologies for job retention and creation
- Guidelines released and public workshop held December 21, 2009
- Loans to be made April/May 2010
- Leveraged Funds: \$140 million to \$175 million



**SEP  
ADMINISTRATION AND  
PROGRAM SUPPORT**

- \$11 million in administrative, auditing, evaluation and program support services
  - \$4.25 million for staff to administer the State Energy Programs
  - \$3.35 million for program, auditing, and consulting services – contract start March/April 2010
  - \$3.4 million for measurement, verification, evaluation and reporting consultant services – contract start March/April 2010



## SEP TIMELINE

- Energy Commission guideline development began April 2009. Completed September 2009.
- Application to DOE: May 1, 2009
- DOE approval June 2009
- Budget authority to expend first-half of funds: July 2009
- Budget authority to expend second-half of funds: January 2010
- All SEP funds must be encumbered by Sept 2010 and fully drawn down by April 2012
- Solicitation deadlines and awards differ by program area



## COMPETITIVE ARRA ENERGY SOLICITATIONS

- The Energy Commission is committed to capturing as much federal competitive ARRA funds as possible
- ARRA provides more than \$62 billion nationally in energy related funding programs, tax credits and financial incentives
- The Energy Commission is offering in-house Public Interest Energy Research (PIER) and Alternative and Renewable Fuels and Program (AB 118) match funding to California companies and organizations
- California has received about 8 percent (or \$1.6 billion) of the federal competitive energy awards to date
- More than \$650 million in remaining federal solicitations to be announced



**ENERGY COMMISSION  
SUPPORT FOR  
COMPETITIVE ARRA  
ENERGY SOLICITATIONS**

- Energy Commission cost share support offered to leverage ARRA and private funding:
  - \$36.2 million in Energy Commission Funding (AB 118)
  - \$14.2 million in Energy Commission Funding (PIER)
- Technical Support to California entities submitting applications



**ENERGY EFFICIENCY  
CONSERVATION  
& BLOCK GRANT  
PROGRAM (EECBG)  
\$49.6 MILLION**

- Energy Commission allocating at least 60 percent (\$30 million) of EECBG funds to small cities and counties – Funds must be encumbered by March 14, 2010 for cost-effective energy efficiency projects
- Distributed on per capita basis with unemployment multiplier
- Minimum funding levels:
  - \$25,000 per city
  - \$50,000 per county
- More than 250 local jurisdictions submitted proposals requesting more than \$31 million by January 15 deadline
- Applications being reviewed
- Projects will begin February /March 2010



**STATE ENERGY EFFICIENT  
REBATE PROGRAM  
\$35.3 MILLION**

- Provide rebates for Energy Star clothes washers, refrigerators and room air conditioners
- DOE approved plan - December 1, 2009
- Guidelines approved by Energy Commission – December 16, 2009
- Funds must be spent by February 17, 2012
- Target launch date: April – June 2010



**CALIFORNIA ENERGY  
ASSURANCE PLANNING  
\$3.6 MILLION**

- Support state planning and energy assurance capabilities by improving emergency preparedness plans and ensure quick recovery and restoration
- Approved \$300,000 contract with California Utilities Emergency Association to assist with updating the state's Energy Assurance Plan and for conducting regional energy emergency exercises
- Program Opportunity Notices for local government energy emergency plan grants to be released March 2010
- All funds must be spent by September 30, 2015



## FOR MORE INFORMATION

- Visit the Energy Commission's website at:

[www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)

and sign up for List Server to receive timely announcements

- California Economic Recovery Portal

[www.recovery.ca.gov](http://www.recovery.ca.gov)

- Federal Energy Website:

[www.energy.gov/recovery](http://www.energy.gov/recovery)

