

American Recovery and Reinvestment  
Act of 2009

# Energy Efficiency and Conservation Block Grant Program

Draft Final Guidelines

August 3, 2009  
California Energy Commission



# Workshop Agenda

- Welcome and Introductions
- Brief Overview of Energy Efficiency and Conservation Block Grant Program (EECBG)
- Changes in the Proposed Guidelines
- Requirements to Participate
- Match Funding and Partnerships
- Program Schedule and Next Steps
- 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



# EECBG Requirements

- Accountability/Transparency
- Prevailing Wages must be paid.
- “Buy American” when possible.
- Strict reporting requirements, Audits permitted.
- 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)
- Recipients must comply with the Single Audit Act requirements, filing with the State Controller



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

- At least \$29.8 million must be passed through to cities/counties not receiving a direct EECBG allocation from U.S. DOE.
  - Cities with populations < 35,000
  - Counties with populations < 200,000
- Remaining \$19.8 million at discretion of Energy Commission.



# State Law Affecting EECBG Funds (AB 2176)

- Affects funds administered by the Energy Commission.
  - Small City/County Pass-Through Funds:
    - » shall be used to provide cost-effective energy efficiency and conservation grants.
    - » shall be prioritized based on cost-effective energy efficiency.
    - » Budget trailer bill amendment to allow climate change planning
  - Discretionary Funds:
    - » shall be used to provide cost-effective energy efficiency and conservation grants to eligible entities.



# Limitation on Administrative Expenses per AB 2176

- ~~Limitation on Cumulative “Administrative Expenses”~~
  - ~~Not more than 5 percent of the funds received ... shall be expended for administrative expenses, including, but not limited to, the combined administration program costs, indirect costs, overhead, and costs associated with the Statewide Cost Allocation Plan, including those administration program costs, indirect costs, and overhead costs of all other public and private entities associated with the disbursement, the expenditure of funds, or both the disbursement and expenditure.~~



# Program Design for Small Cities/Counties

- Allocations based on a formula.
- Establishes minimum funding levels.
- Requires cost-effective energy efficiency.
- Allows for energy efficiency projects or direct equipment purchases.



# 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: Minimum Funding Allocations

- Cities/Counties Receiving Minimum Allocations:
  - Funding provided from discretionary EECBG funds.
  - 180-day encumbrance deadline does not apply.
  - May be processed after required pass-through awards are funded.
  - Allows larger per capita grants to all jurisdictions.



# 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
  - Complete Project within Required Timeframe
- Prohibited Projects
  - Swimming Pools
  - Gambling Establishments
  - Aquariums
  - Zoos
  - Golf Courses



# Program Design: Use of Funds

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



# Major Changes to the Guidelines

## **Administrative Expense (5%) Limitation Removed.**

- ABX4 11(chaptered 7-28-09), eliminates the 5% overhead limitation, and reverts to the Administration requirements in the Energy Independence and Security Act of 2007
  - Limits the Energy Commission to 10%.
  - No Administrative Expenses restrictions on eligible applicants.



# Major Changes to the Guidelines

## **Collaborative/Partnership Applications**

The Lead Partner can now be any one of the following:

- 1) An eligible applicant
- 2) Other public agency
- 3) Nonprofit agency



# Major Changes to the Guidelines

## **Advance Payments**

May be consider advance payments as allowed by Federal Law.

The solicitation document will specify the requirements and conditions under which advance payments will be considered.



# Major Changes to the Guidelines

## **No Project Extensions**

- Funds revert to Treasury after that date, expected to be Sept 30, 2012
- All funded projects must be completed and operational by the date specified in the funding award agreement.
- If a project cannot be completed by this date, the funding award agreement will be terminated and if time allows, the funds reallocated.



# Major Changes to the Guidelines

## Reporting Requirements

- Extensive Reporting Requirements.
- Required to comply with all applicable requirements of the Recovery Act, the OMB Implementing Guidance and all requirements of Title XVII (including Sections 1703 and 1705).



# Major Changes to the Guidelines

## **Reallocation of Funding Process**

- No less than 60% of California's EECBG funds must be allocated to eligible applicants of this program. Therefore, the Energy Commission may increase the base per capita allocation amount to participating EECBG eligible applicants to the extent necessary to meet this 60% requirement if eligible applicants are unwilling or unable to utilize their EECBG funding allocation.



# Major Changes to the Guidelines

- **Attachments**
  - Attachment A – Complete list of eligible small cities and counties and anticipated funding award allocations.
  - Attachment B – Direct Equipment Purchase Option, List of Qualifying Equipment



# 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.
- Request assistance as soon as possible, if you will need it
  - We will be very busy.



# How To Apply

- Funding Solicitation

- Released after program guidelines adopted (est. Sept 2009)
- Provides detailed instructions, forms, criteria, requirements, etc.
- Establishes application deadline.

Note: Application deadlines will be short. Please, identify projects as soon as possible, hopefully well before the solicitation is released.

- We will process applications on a first-come, first-served basis.



# Match Funding and Partnerships Encouraged

- The Energy Commission encourages use of match funding.
  - Utility Incentives wherever possible.
  - Energy Commission loan program is available. Interest rates have recently been lowered.
  - 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.



# Schedule

(All dates estimated)

- September 9 Energy Commission adopts guidelines
- Mid-September 2009: Energy Commission releases funding solicitation.
- Late Sept 2009: Energy Commission receives EECBG grant award from DOE.
- Feb/March 2010: Energy Commission must encumber at least 60% of funding to small Cities/Counties.
- Aug/Sept 2012: All projects/programs must be completed and paid.



# Follow-Up

Please note important issues with these guidelines, by August 10, 2009 (the sooner the better) to:

[EECBG@energy.state.ca.us](mailto:EECBG@energy.state.ca.us)

The final proposed guidelines will be posted for 30 days for public review, prior to Energy Commission adoption.



# Participation Requirements

- Energy Commission's email listserver
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- Dun and Bradstreet DUNS number
  - [www.dnb.com/US/duns\\_update/](http://www.dnb.com/US/duns_update/)
- Central Contractor Registration (CCR)
  - [www.ccr.gov/](http://www.ccr.gov/)
- Single Audit Requirement
  - [singleaudits@sco.ca.gov](mailto:singleaudits@sco.ca.gov)



## For More Information

- Energy Commission's Recovery website at
  - [www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)  
(preliminary EECBG guidelines available here)
- Federal Energy ARRA Website
  - [www.energy.gov/recovery](http://www.energy.gov/recovery)
- Federal EECBG Website
  - [www.eecbg.energy.gov/](http://www.eecbg.energy.gov/)

