

The American Recovery and  
Reinvestment Act  
Informational Workshop:  
Energy Efficiency and Conservation  
Block Grant  
and State Energy Programs

*John Ferraro Council Chamber  
Room 340, City Hall  
Los Angeles, California*

Pat Perez – Assistant Executive  
Director

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California Energy Commission



# AGENDA

- 1) Welcome and Opening Remarks – Assembly Member Felipe Fuentes
- 2) Introductions of Energy Commission Staff – Pat Perez
- 3) Overview of Energy Commission’s American Recovery and Reinvestment Act Programs and Activities
- 4) Public Input and Questions
- 5) Wrap up and Closing Remarks

# Presentation Topics

- Overview of ARRA Energy Programs
- Program Goals and Priorities
- Energy Efficiency & Conservation Block Grant Program (Block Grant)
  - Small County/ City Pass Through
  - Discretionary Funds
- State Energy Program (SEP)
  - Proposed Allocations
  - Program Components
- Energy Efficient Appliance Rebate Program
- Enhanced Energy Assurance and Capabilities Program

# ARRA Formula Energy Programs (Administered by Energy Commission)

More than \$6.3 billion in formula-based funding

- \$3.1 billion State Energy Program (SEP)
  - Energy Commission will receive \$226 million
- \$3.2 billion Energy Efficiency and Conservation

Block Grant Program

- California local governments (large cities and counties) will receive a direct award of more than \$302 million
- Small cities and counties will receive at least \$29 million through the Energy Commission
- Energy Commission will receive \$49.6 million; at least \$29 million will be passed through small cities and counties
- \$300 million for Energy Star Appliance Rebates
  - Energy Commission will receive \$35.2 million
- \$39.5 million for Enhanced Energy Assurance and Capabilities Program
  - Energy Commission will receive \$3.6 million

# Overarching Goals for Program Priorities

- Degree of effectiveness in **stimulating the economy**, reducing energy use, attracting or retaining energy industries, and creating jobs in California.
- Potential to **expend money efficiently**, with administrative accountability and efficiency, including augmenting or leveraging existing state, federal, local and private programs.
- Potential to develop long-term, self-sustaining energy programs and **leverage public and private funding**.
- Potential to **achieve lasting and measurable energy benefits** consistent with the Integrated Energy Policy Report and Energy Action Plan “loading order”.
- Potential to **meet California’s energy policy goals** as defined by the Integrated Energy Policy Reports, ARB Scoping Plan, and Energy Action Plan, the Bioenergy Action Plan, energy legislation, and other relevant policy documents.

# Energy Efficiency and Conservation Block Grant Program

- Objective: Reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency
- Energy Commission to receive \$49.6 million
- Energy Commission filed application on June 25, 2009
- Awaiting federal approval and state budget authority

# EECBG

## Small City/County Pass-Through Funds

- Program requires 60+% of funds go to small cities/counties not receiving funds directly from U.S. Department of Energy
- Allocation based on a per capita formula
- Base allocation of \$5.00 per person, using DOE population estimates
- Base allocation increased by unemployment rate
- Grant amount:  $(1 + \text{Unemployment rate}) \times \$5.00 \times \text{population}$
- Establishes minimum funding levels:
  - \$25,000 per City
  - \$50,000 per County
- Allocates about 70% of EECBG to small cities/counties (ARRA requires a minimum of 60%)

# Program Design: Use of Funds

- Cost-Effective Energy Efficiency Projects
- Base on energy saved per \$ spent (not dollars saved), so utility rates do not matter
- Minimum of 10 million source Btu's per \$1,000 of EECGB funds spent
- Feasibility study is required to verify savings
- Direct Purchase Option
  - Types of energy saving equipment will be specified

# EECBG

## Discretionary Funds

- Approximately \$13,000,000 will be available through a competitive program
- Program design discussions underway at Energy Commission, possible activities include:
  - Competitive grants for local jurisdiction partnerships
  - Set-aside for expanded activities (subject to legislative changes)

# EECBG Small Jurisdiction Funding Anticipated Schedule

06/25/2009	Application submitted to US DOE
08/16/2009 – 09/16/2009	Post final Guidelines for public review, simultaneously develop solicitation and reporting requirements from Guidelines
09/16/2009	Business Meeting approval of Guidelines
09/17/2009	Issue solicitation packages for grants
10/15/2009	US DOE approval expected
10/1/2009 – 2/15/2010	Grants applications accepted
10/15/2009 – 03/15/2010	Process Grant Applications
11/15/2000 – 03/31/2010	Issue Grants

# State Energy Program (SEP)

- Objective: Increase energy efficiency to reduce costs and consumption, reduce reliance on imported energy, improve reliability, and reduce energy production impacts on the environment
- Energy Commission to receive \$226 million
- DOE approved application on June 25, 2009; 50% of funds available
- State budget spending authority received for \$113 million for FY 09/10

# Proposed State Energy Program Allocations

Administration (Technical support, evaluation, verification and reporting)	\$10 million
FIRST STRIKE PROGRAMS:	
Department of General Services revolving loan program	\$25 million
Green Jobs Workforce	\$20 million
Energy Conservation Assistance Act (ECAA) refresh for low interest loans	\$25 million
State Energy Program grants to bundle with ECCA loans for Public Schools (K-12)	\$30 - \$50 million
SECOND TIER PROGRAMS:	
Clean Energy Program – Targeted at private sector for combined heat and power and distributed generation	\$20 - \$35 million
Energy Efficiency Programs – municipal financing districts, residential and non-residential retrofits	\$60 - \$95 million

# DGS Revolving Loan Program- Energy Efficiency in State Buildings

- Achieve energy savings in identified state buildings through energy efficiency retrofits which include lighting, HVAC systems and controls
- Stimulate the economy and create jobs by purchasing substantial amounts of equipment and contracting with equipment installation providers
- The Department of General Services (DGS) will administer the revolving loan program for over 300 buildings from over 30 state departments throughout the State of California

# Clean Energy Workforce Training

## Program Goals

- Support regional workforce development training programs that focus on professional and personal skills
  - Energy efficiency
  - Water efficiency
  - Renewable energy (distributed generation and utility scale)
  - Clean transportation

## Funding Sources

- An Estimated \$47 million will be awarded to regional workforce development programs:
  - \$20 million from State Energy Program (ARRA) - SFP
  - \$15 million from Alternative and Renewable Fuel and Vehicle Technology Program (AB 118, non-ARRA)
  - \$12 million from Public Interest Energy Research program for green partnership academies (non-ARRA)

# Clean Energy Workforce

## Training Program

- Green building re-training and pre-apprenticeship training partnerships
- Clean energy re-training and pre-apprenticeship training partnerships
- Green building and clean energy career advancement training
- Alternative and renewable fuel and vehicle technologies workforce training

## Target Populations

- Green Building & Clean Energy
  - Unemployed or under employed and incumbent workers, with a focus on construction workers
  - New workforce entrants
- Alternative and Renewable Fuel and Vehicle Technologies Workforce
  - Unemployed, under employed and displaced workers
  - Incumbent workers, with a focus on transportation fuel, vehicle and component manufacturing related workers

# California Clean Energy Workforce Training Program Solicitation for Proposal (SFP)

- Collaborative effort between California Energy Commission, California Workforce Investment Board, and the Employment Development Department
- Goal is to promote use of industry sector strategies to address need for skilled workers
- Application deadline is September 16
- [www.energy.ca.gov/greenjobs](http://www.energy.ca.gov/greenjobs)

SFP Funding Sources	Funds Available (in millions)
ARRA	\$14.5
Recovery Act, Workforce Investment Act (WIA) Governor's 15 Percent	\$5.0
Assembly Bill 118, Alternative and Renewable Fuel and Vehicle Technology Program	\$3.8
Public-Private Leveraged Match	\$23.3
Total Funds	\$46.6

# Energy Conservation Assistance Act (ECAA)

## Revolving Loan Program

- Minimum of \$25 million in ARRA funds to create ARRA-ECAA loan fund program
- ECAA provides low-interest financing for energy efficiency, combined heat and power, demand reduction, and generation projects
- Eligible entities include:
  - Public Schools
  - Public Hospitals
  - Public Care Institutions
  - Units of Local Government
- Current Loan Rate is 1%
- Maximum Loan Amount is \$3,000,000 per application
- More information can be obtained by visiting <http://www.energy.ca.gov/efficiency/financing/>.

# SEP School and Public Sector Matching Grants

- SEP-funded grants will be available to public schools (K-12) in areas with the greatest need
- Recipients must match grant funds with Energy Conservation Assistance Act Loans
- Projects must meet criteria of 10 million source Btus saved per \$1,000 ARRA funds spent
- Recipients must also use any utility incentive funds as matching funds

# Clean Energy Programs

- Targeting the private sector with up to \$35 million in ARRA SEP funds
- Focused on the following technologies:
  - Distributed Generation that uses biomass for electricity generation or for biomethane gas production
  - Combined Heat and Power for small systems
- Propose principally revolving loans to sustain funding over time

## SEP Efficiency Retrofits - California Comprehensive Residential Building Retrofit Program

- Create jobs and stimulate the economy through a comprehensive program to implement energy retrofits in existing residential buildings
- Work with regional groups of local governments, utilities, community colleges, national energy programs, and private and public energy and building contracting experts to deliver a tiered approach to put Californians back to work
- The first two tiers will be based on simple checklist approaches that can be developed quickly and carried out by labor force with limited green job training
- The third tier will be a deeper, comprehensive, whole-house retrofit approach targeting developing new energy efficiency skills for existing and new jobs consistent with the California Home Energy Rating System Program and the national Home Performance with Energy Star Program
- Coordinate with and leverage local affordable housing and neighborhood stabilization programs to bring the advantages of energy efficient housing to under-served, economically disadvantaged populations

# SEP Efficiency Retrofits - Municipal and Commercial Building Targeted Measure Retrofit Program

- Program capitalizes on low risk, high return efficiency opportunities
- Selected technologies must be market transformative
  - represent the best practice concepts for their specific applications
  - achieve significant energy savings compared to the existing technologies being replaced
  - be broadly applicable within specific building markets, and
  - provide ancillary benefits such as higher quality building environments and reduced maintenance costs that will increase customer acceptance and demand.

## SEP Efficiency Retrofits - Municipal and Commercial Building Targeted Measure Retrofit Program

- Training entry-level workers to recruit participants and help with energy audits, and training professional trades people to install retrofits are key aspects of this program
- Program participants can benefit from volume purchasing agreements with technology manufacturers to maximize purchase power and minimize payback periods
- Examples of targeted measures include occupancy controlled bi-level lighting fixtures for parking lots, parking garages, exterior walkways, and building stairwells. Also some broadly applicable technologies for commercial kitchen ventilation and heating, ventilation and air conditioning

# SEP Efficiency Retrofits - Municipal Financing District Program

- To assist cities, counties and groups of cities and counties in implementing or continuing their own financing district programs to fund energy efficiency and on-site PV retrofits in the residential and commercial sectors
- To help ensure that local financing programs are structured to be cost-effective, sustainable, transparent and able to achieve the greatest energy savings for the amount invested

# SEP Efficiency Retrofits Anticipated Schedule

Through 07/16/2009	Developed draft guidelines
07/17/2009	Posted draft guidelines
07/28/2009 – 07/31/2009	Workshops in Stockton, San Francisco and San Diego to receive comments on draft guidelines
08/05/2009	All comments received
08/08/09 – 8/20/09	Revised final guidelines
8/28/09 – 9/30/09	Post final guidelines for public review, simultaneously develop solicitation from guidelines
9/30/09	Business meeting approval
10/01/09	Issue solicitation for bids
11/05/09	Proposals due
11/30/09	Announce winners
12/01/09 – 1/31/10	Issue awards to winning bidders

# Energy Star Appliances

- California allocated \$35.2 million
- Purpose is to supplement existing rebates for residential Energy Star appliances to encourage consumers to replace older appliances with high efficiency versions
- States to identify eligible appliances but are encouraged by DOE to include heating and cooling equipment, appliances and water heaters
- Energy Commission submitted initial application to DOE on August 13, 2009
- Comprehensive application due to DOE by October 15, 2009

# Enhanced Energy Assurance Capabilities and Planning

- Purpose: Strengthen and expand State and local government energy assurance planning and resiliency by incorporating response actions for new energy portfolios and smart grid applications and vulnerabilities
- Create jobs and build in-house State and local government energy assurance expertise
- California Energy Commission allocated \$3.6 million

# For More Information:

- Email Questions to: [recovery@energy.state.ca.us](mailto:recovery@energy.state.ca.us)
- Visit the Energy Commission's website at:  
[www.energy.ca.gov/recovery](http://www.energy.ca.gov/recovery)
- 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)