

Special Report

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Energy Efficiency & Conservation Block Grant DOE Officials Provide Additional Guidance

On May 20, 2009, Michael Bailey and Johanna Zetterberg from U.S. Department of Energy's (DOE) State and Local Team that is heading the Energy Efficiency and Conservation Block Grant (EECBG) program were panelists at Climate Communities' Local Climate Leadership Summit in Washington, DC. They provided the following tips to local leaders to ensure that DOE receives solid plans for how communities will use their EECBG allocations.

First and foremost, DOE encourages communities to put EECBG funds into **sustainable programs**. They encourage the use of innovative financing mechanisms, such as revolving loans, municipal bond financing, performance contracts, guaranteed or low-cost loans, securitization and packaging of energy savings, and investment grade audits. It is also imperative that local governments demonstrate how they plan to leverage the federal dollars.

DOE also encourages local governments to think comprehensively and community-wide. Look at regional initiatives and partnerships with city, county, and state entities. DOE wants to see innovative programs that can be replicated across the country.

DOE announced that the solicitation for the competitive EECBG program will be released at the end of the summer. The State deadline for applying for formula allocations is now June 25 – the same date for entitlement communities. For all entitlement communities, if you have not registered with FedConnect, do so immediately.

For each activity a community plans to undertake with EECBG funds, you must submit a project activity document (Attachment B1 see www.eecbg.energy.gov). If you plan to submit an application to develop your Energy Efficiency and Conservation Strategy, then that is the "project activity." Communities that already have strategy need to be very specific with that strategy. A "strategy" cannot simply be an overall general energy plan, but must be specific to how you are using the EECBG funds. With respect to Attachment B1, the project activity document, you will be asked to estimate the benefits of the project. These are estimates only and you will report on actual benefits at a later time. However, DOE announced that the formula for jobs is **\$92,000 = 1 job**. If you have a more precise methodology, you can use it.

DOE also highlighted the following:

- There is a 20% or \$250,000 cap (whichever is greater) on the amount to which you can apply the funds to a revolving loan fund.
- There is a 20% or \$250,000 cap (whichever is greater) on the amount to which you can sub-grant to non-governmental organizations. This does not, however, apply to technical consultants.
- All funds must be obligated within 18 months of receipt and must be expended within 36 months of receipt.
- A project officer will be assigned to each grantee.
- You can amend your strategy in the future (work with your project officer).
- Attachment C (see www.eecbg.energy.gov) is the metric for the life of the program.
- You will need to provide a budget breakdown for the entire allocation.
- Don't forget NEPA requirements.
- The list of eligible activities is those that do not require an Environmental Impact Statement (EIS), so work from that list (provided below).
- Submit questions to FedConnect or to eecbg@netl.doe.gov.
- There are archived webinars on the website, and there will be an innovative financing webinar in the future (<http://www.eecbg.energy.gov/>).
- There is a "Solutions Center" on the website that provides access to sample energy efficiency plans, policies, local ordinances, best practices, guides, journal articles, community and state websites, and other energy efficiency-related resources (<http://www.eecbg.energy.gov/solutioncenter/default.html>).

List of Eligible Activities

ELIGIBLE ACTIVITIES

A list of eligible activities for use of program funds is contained in Sec. 544 of EISA. Additional activities may be eligible pending approval by the DOE. The activities below are therefore not an exhaustive list and should be used as a guide to the intent of the program. DOE encourages each entity to develop a strategy, including its component activities, that is likely to result in maximum energy efficiency improvements, fossil-fuel emission reductions, economic benefits and total energy use reduction.

1. Development of an Energy Efficiency and Conservation Strategy: Entities may use a grant received under this part to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program. All entities receiving direct formula grants from the DOE are required to submit a proposed strategy for approval.

2. Technical Consultant Services: Entities may retain technical consultant services to assist the eligible entity in the development of such a strategy, including formula-

tion of energy efficiency, energy conservation, and energy usage goals; identification of strategies to achieve those goals through efforts to increase energy efficiency, reduce fossil fuel emissions or reduce energy consumption through investments or by encouraging behavioral changes. Entities may develop methods to measure progress in achieving the goals. Entities may develop and publish annual reports to the population served by the eligible entity describing the strategies and goals and the progress made in achieving them during the preceding calendar year.

3. Residential and Commercial Building Energy Audits: Entities may support the conduct of residential and commercial building energy audits.

4. Financial Incentive Programs: Entities may establish financial incentive programs and mechanisms for energy efficiency improvements such as energy saving performance contracting, on-bill financing, and revolving loan funds.

5. Energy Efficiency Retrofits: Grants may be made to nonprofit organizations and governmental agencies for the purpose of retrofitting existing facilities to improve energy efficiency.

6. Energy Efficiency and Conservation Programs for Buildings and Facilities: Entities may develop and implement energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the entity. The range of activities includes the design and operation of the programs; the identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; and identification of energy efficient technologies.

7. Development and Implementation of Transportation Programs: Entities may develop and implement programs to conserve energy used in transportation, including but not limited to:

- Employee flex time programs;
- Promoting use of satellite work centers;
- Development and promotion of zoning guidelines or requirements that promote energy efficient development;
- Development of infrastructure such as bike lanes and pathways and pedestrian walkways;
- Synchronization of traffic signals;
- State/locals/regional integrated planning activities (i.e. transportation, housing, environmental, energy, land use) with the goal of reducing greenhouse gas emissions and vehicle miles traveled;
- Incentive programs to reduce commutes by single occupancy vehicles;
- Improvements in operational and system efficiency of the transportation system such as implementation of intelligent transportation system (ITS) strategies;

- Idle-reduction technologies and/or facilities to conserve energy, reduce harmful air pollutants, and greenhouse gas emissions from freight movement; and
- Installation of solar panels on interstate rights-of-way to conserve energy in highway operations and maintenance activities.

8. Building Codes and Inspections: Entities may develop and implement building codes and inspection services to promote building energy efficiency.

9. Energy Distribution: Entities may implement distributed energy resource technologies that significantly increase energy efficiency, including:

- District heating and cooling systems
- Combined heat and power systems
- Cogeneration systems
- Energy Storage systems
- Absorption chillers
- Desiccant humidifiers
- Micro turbines
- Ground source heat pumps

10. Material Conservation Programs: Entities may implement activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.

11. Reduction and Capture of Methane and Greenhouse Gases: Entities may use grant funds to purchase and implement technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar waste-related sources, such as wastewater treatment plants, operations producing food waste, dairy farms and other animal operations.

12. Traffic Signals and Street Lighting: Entities may use grant funds to replace traffic signals and street lighting with energy efficient lighting technologies, including light emitting diodes; and any other technology of equal or greater energy efficiency.

13. Renewable Energy Technologies on Government Buildings: Entities may use grant funds to develop, implement, and install on or in any government building of the eligible entity onsite renewable energy technology that generates electricity from renewable resources, including solar energy; wind energy; fuel cells; and biomass.

14. Any Other Appropriate Activity: Entities may submit any other appropriate activity for approval in the Energy Efficiency and Conservation Strategy.

(For more information or to follow this and other climate and energy related funding issues, visit www.climatecommunities.us)

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