

A GUIDE TO ACCESSING FEDERAL ENERGY AND ENVIRONMENT STIMULUS FUNDS



Presentation to Hawaii State Association of Counties
June 19, 2009

Today's Speaker

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The Ferguson Group



Goals of Presentation

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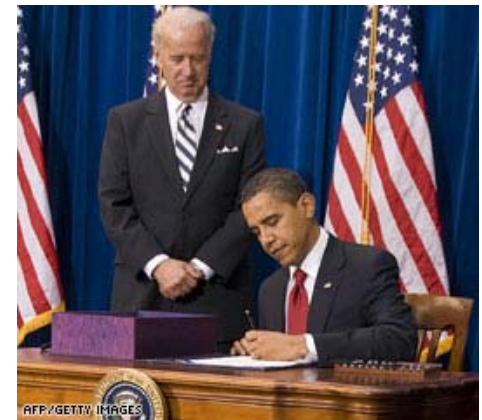
- Provide an overview of stimulus funding at work in Hawaii
- Discuss ongoing opportunities for stimulus dollars
- Explain current guidelines for reporting stimulus funds
- Answer your direct questions



The Basics

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- President Obama signed the stimulus bill into law on February 17, 2009
- Total cost: \$787.2 billion
 - \$575.3 billion (Spending)
 - \$211.9 billion (Tax cuts)
- Stimulus bill provides \$80+ billion investment in energy and environment
- Local government eligible for direct formula funding, competitive grants, state funding, and tax incentives



Recovery at Work

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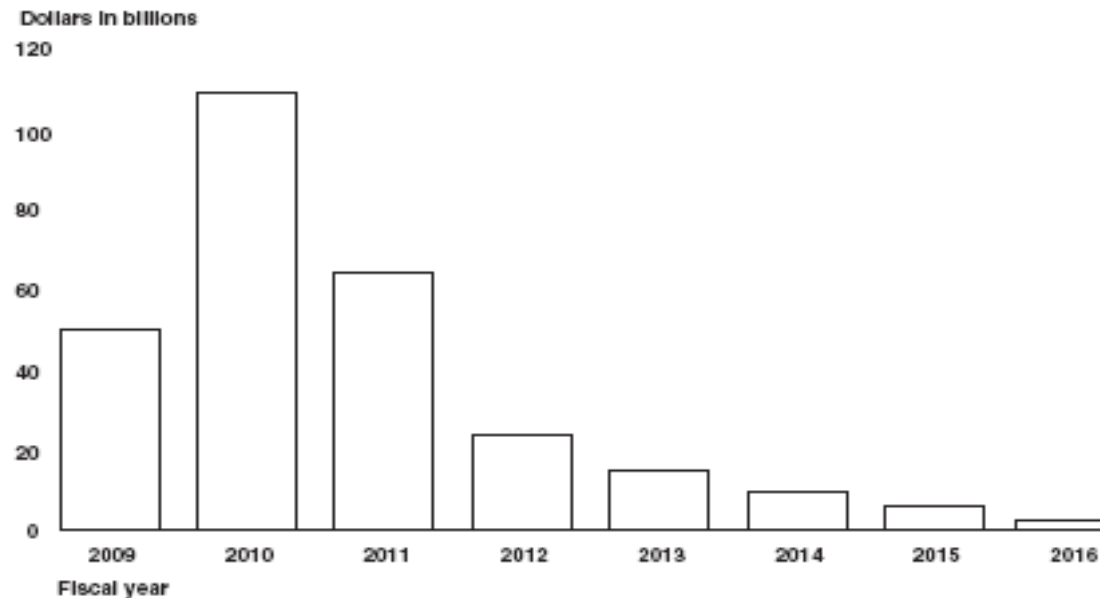
- In FY09, state and localities will receive an estimated \$49 billion in stimulus funds
- Recovery Act funding is estimated to create/preserve 15,000 jobs in Hawaii over the next two years
- A total of 103 contracts for stimulus funds have been awarded to date in Hawaii, for a total of \$252.9 million

Recovery at Work

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The vast majority of stimulus money will be spent in FY10 and FY11, not FY09

Figure 2: Projected Timing of Federal Recovery Act Funding Made Available to States and Localities by Fiscal Year



Source: GAO analysis of CBO and FFRS data.

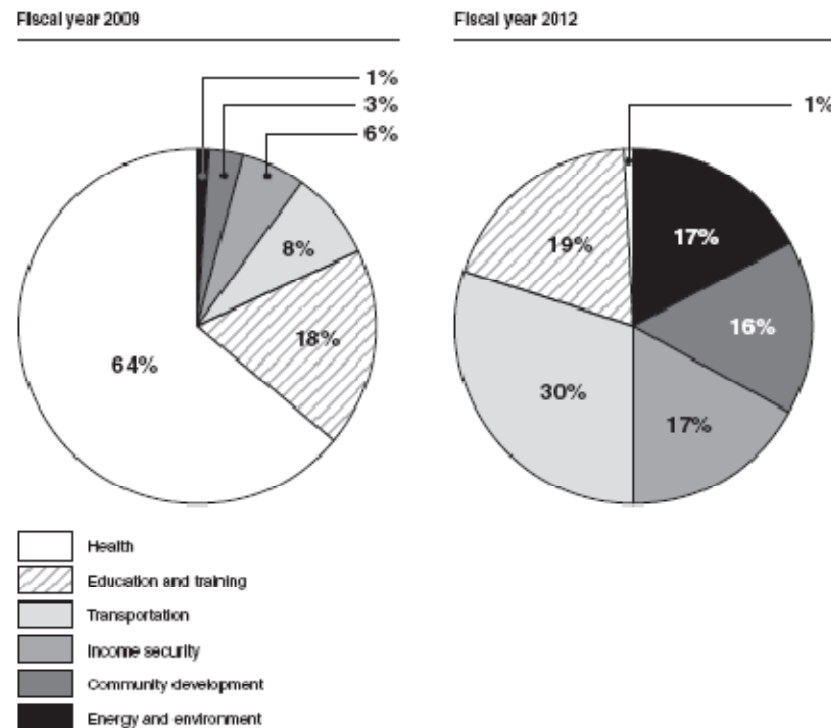
Stimulus at Work

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FY09:

Spending on Healthcare (mostly Medicaid relief) and Education dominates

Figure 3: Composition of State and Local Recovery Act Funding, Fiscal Years 2009 and 2012



Source: GAO analysis of CBO and FRS data.

FY12:

Funding for Transportation, Energy, and Community Development composes bulk of spending

Recovery at Work

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Funds allocated to Hawaii

- ▣ \$246 million for transportation infrastructure
- ▣ \$55 million for education programs
- ▣ \$7.7 million for workforce investment activities
- ▣ \$28 million for Department of the Interior projects

Some State programs subgrant funds

- ▣ Weatherization Assistance Program
- ▣ State Energy Program
- ▣ Energy Efficiency and Conservation Block Grant

Source: www.recovery.org

Weatherization Assistance

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Overview

- ▣ Stimulus legislation provides \$5 billion to the Weatherization Assistance Program (WAP)
 - By comparison, FY 2009 appropriation was \$200 million
- ▣ Hawaii WAP will receive \$4,041,461
- ▣ Located in the Department of Labor and Industrial Relations' Office of Community Services
- ▣ DOE funding supports energy efficiency improvements in low income homes
 - Available to families making up to 200% of federal poverty level
- ▣ States award subgrants to approved localities and nonprofits
- ▣ More info – www.eere.energy.gov/weatherization

State Energy Program

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Overview

- Stimulus legislation provided \$3.1 billion for State Energy Programs (SEP)
- Funds are used to develop renewable energy and alternative fuel projects, upgrade the energy efficiency of state and local government buildings, and help families save money on energy bills
- The Hawaii State Energy Office will receive \$25.9 million
- 10% of this allocation is awarded immediately, another 40% following DOE approval of the State Plan for SEP funds, and the remainder is awarded as benchmarks are reached
- The Hawaii State Energy Office has submitted its Plan to DOE, and it will be approved or rejected by July 15th, at the latest

Energy Efficiency & Conservation Block Grants

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Overview

- ▣ Hawaii received more than \$15 million through formula allocations of Energy Efficiency and Conservation Block Grants (EECBG)
 - \$5.47 million was directly allocated to the four counties
 - The State Energy Office received an allocation of \$9.6 million
- ▣ Hawaii is the only state not required to subgrant 60% of its allocation to localities (because all localities are entitlement communities)
- ▣ To receive funds, the State Energy Office's Energy Efficiency and Conservation Strategy must be approved by DOE
- ▣ Strategy has been submitted and is currently awaiting approval

Energy Efficiency & Conservation Block Grants

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Eligible Activities

- ▣ Development of an Energy Efficiency and Conservation Strategy (EECS)
- ▣ Technical consultant services
- ▣ Residential and commercial building energy audits
- ▣ Financial incentive programs
 - Performance contracting, revolving loan funds
- ▣ Energy efficiency retrofits
- ▣ Energy efficiency and conservation programs for buildings and facilities

Energy Efficiency & Conservation Block Grants

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Eligible Activities (continued)

- ▣ Development and implementation of transportation programs
 - Zoning improvements, bike lanes, pedestrian walkways, synchronized traffic lights, planning activities that reduce vehicle miles traveled (VMT), intelligent transportation systems (ITS), idle reduction technologies
- ▣ Building codes and inspections
- ▣ Energy distribution
 - District heating and cooling systems, combined heat and power systems, cogeneration systems, micro turbines
- ▣ Material conservation programs

Energy Efficiency & Conservation Block Grants

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Eligible Activities (continued)

- ▣ Reduction and capture of methane and greenhouse gases
- ▣ Traffic signals and street lighting
- ▣ Renewable energy technologies on government buildings
 - Solar energy, wind energy, fuel cells, biomass
- ▣ Any other appropriate activity



Energy Efficiency & Conservation Block Grants

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Completing Your EECS

- ▣ All recipients (entitlement and nonentitlement) must submit an EECS
- ▣ EECS can be submitted with application or within 120 after submission of application
- ▣ Must answer six questions
 - Summary of measurable goals and objectives
 - Proposed implementation plan
 - Consideration of implementation plans of adjacent localities
 - Coordination of information with state
 - Sustaining benefits beyond EECBG funding period
 - Auditing and monitoring procedures

Energy Efficiency & Conservation Block Grants

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EECS Tips

- ▣ DOE encourages programs versus projects
- ▣ Establish a self-financing energy office
 - ▣ Consider performance contracts and revolving loan funds
 - ▣ 20% cap on revolving loan funds
 - ▣ Reinvest energy savings into program
- ▣ Determine the lowest hanging fruit in your community
 - ▣ Greening local government buildings, schools, and low-income housing
 - ▣ Establishing residential energy efficiency programs
- ▣ Leverage EECBG funding with other federal and state dollars
- ▣ Coordinate strategy with state energy office, local weatherization agency, Clean Cities coordinator, community non-profits, etc.

Competitive Opportunities

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Competitive Funding Opportunities Still Available

- ▣ Energy Efficiency and Conservation Block Grants (EECBG)
- ▣ Clean Energy Bonds
- ▣ Smart Grid Demonstrations and Investments
- ▣ DOE's Energy Efficiency and Renewable Energy Programs
- ▣ EDA's Economic Adjustment Assistance
- ▣ HUD's NSP and Public Housing Capital Fund
- ▣ Green Jobs Training
- ▣ USDA/NTIA Broadband
- ▣ DOT TIGER Grants
- ▣ Strengthening Communities Fund
- ▣ Firefighter Assistance Grants

Energy Efficiency & Conservation Block Grants

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Competitive Funding from DOE

- ▣ In addition to their formula allocation, Hawaiian localities are eligible to apply for competitive EECBG funding
- ▣ A total of \$398 million is available to localities nationwide
- ▣ An additional \$54.8 million in EECBG funding is available to nonentitlement communities
- ▣ Since all eligible Hawaiian localities received a direct allocation of EECBG funding, Hawaiian communities are ineligible for these funds
- ▣ No solicitation for these grants has been released yet

Energy Efficiency & Conservation Block Grants

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Preparing for Competitive Opportunities

- ▣ Familiarize yourself with direct formula requirements
- ▣ Brief state energy office on your projects
- ▣ Develop programs versus projects
- ▣ Consider regional partnerships
- ▣ Demonstrate significant energy savings and greenhouse gas reductions
- ▣ Think job creation
- ▣ Be innovative
- ▣ Ensure accountability and transparency

Clean Energy Bonds

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Clean Renewable Energy Bonds (CREBs)

- ▣ Stimulus authorizes the allocation of as much as \$1.6 billion in new CREBs for public power, cooperatives, and local governments
- ▣ Tax credit bonds for financing renewable energy projects
- ▣ Eligible projects funded from smallest to largest award amounts
- ▣ Previously limited to a maximum of \$800 million
- ▣ Applications due to IRS by August 4, 2009

Qualified Energy Conservation Bonds (QECCBs)

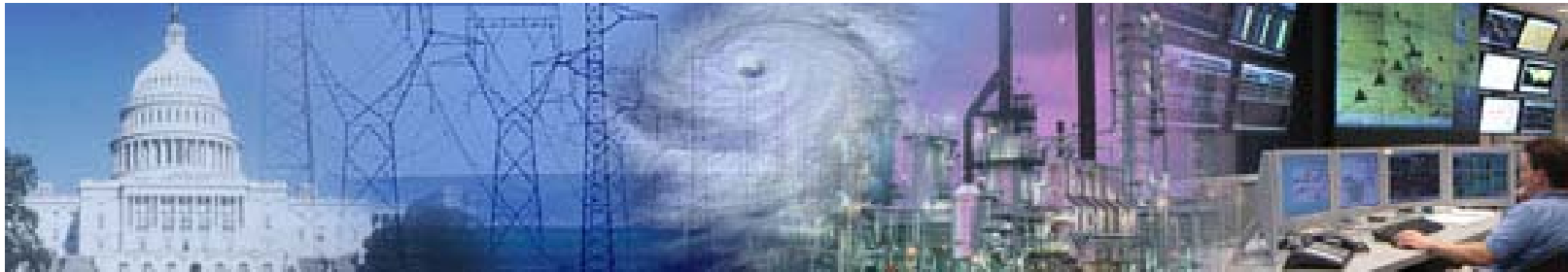
- ▣ Stimulus authorizes \$2.4 billion in new QECCBs
- ▣ Tax credit bonds allocated to states and large local governments (100,000 + population) to finance a variety of renewable and efficiency projects
- ▣ Previously limited to a maximum of \$800 million

Smart Grid

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DOE Office of Electricity Delivery & Reliability

- ▣ \$4.4 billion in Smart Grid Investments & Smart Grid Demonstration Projects
- ▣ Variety of transmission, distribution, communications, smart meters, sensors, and other technologies
- ▣ See www.oe.energy.gov/



DOE Applied Research, Development, Demonstration and Deployment

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Overview

- ▣ Stimulus legislation provides \$2.5 billion through the Office of Energy Efficiency & Renewable Energy, for applied research, development, demonstration and deployment activities
 - Specifically:
 - \$400 million for the Geothermal Technologies Program
 - \$50 million for information and communications technology
 - \$40.5 million for solar energy deployment (application due July 30)
 - \$800 million for the Biomass Program
- ▣ Local governments eligible
 - Should partner with private sector and/or higher education institutions
- ▣ Think big
- ▣ Brief DOE on your projects

Geothermal Technology

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Geothermal Demonstration Projects

- ▣ \$140 million available for demonstrations of cutting-edge technologies to advance geothermal energy production
 - Application due July 22

Innovative Exploration Techniques

- ▣ \$100 million available for exploration, siting, and drilling of exploration wells using new and innovative techniques
 - Application due July 22

Geothermal Heat Pumps

- ▣ \$50 million available for demonstration and development of geothermal heat pumps
 - Solicitation not yet available

Economic Development Administration

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Economic Development Assistance Program

- ❑ A total of \$150 million in matching funding for site preparation, infrastructure, building construction, and other activities that create or retain jobs
- ❑ Work with your Economic Development District
- ❑ Project must be included in the Comprehensive Economic Development Strategy
- ❑ Geared toward areas experiencing adverse economic changes- natural disaster, corporate layoffs or restructuring, depleted natural resources
- ❑ Will go to the most distressed communities – factoring in rate of unemployment, per capita income, impending closure or closure of a large business or industry
- ❑ Rolling applications
- ❑ See www.eda.gov/InvestmentsGrants/Investments.xml

HUD Programs

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Neighborhood Stabilization Program

- ▣ \$1.93 billion available to states, local governments, and nonprofits to arrest declines in housing values
- ▣ Applications due July 17, 2009

Capital Housing Fund

- ▣ \$1 billion available to public housing authorities for capital improvements
- ▣ Applications due August 18, 2009

Green Job Training

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Department of Labor

- ▣ \$500 million for Green Job Training – 6 anticipated grants
 - State Labor Market Improvement Grants
 - Energy Training Partnership Grants
 - Pathway Out of Poverty Grants
 - State Sector Training Grants
 - Green Capacity Building Grants
 - Clean Energy Training Grants in Automotive Communities

Department of Energy

- ▣ \$100 million for Smart Grid Job Training
 - Funds vocational programs at 2 and 4 year colleges/universities to train next-generation transmission line employees

USDA/NTIA Broadband

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USDA's Rural Broadband Investment Program

- ▣ \$2.5 billion for loans and grants to support expansion of broadband service in rural areas without sufficient broadband infrastructure to support rural economic development

National Telecommunications and Information Administration (NTIA)'s Broadband Technology Opportunities Program

- ▣ \$4.7 billion to expand broadband access and public computer access, including for public safety agencies, community colleges, and public libraries
- ▣ Cannot apply for both USDA and NTIA grants – must choose one
- ▣ Details on these programs not yet available

TIGER Grants

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- Up to \$1.5 billion available for Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants
- No more than 20% of funds can be dedicated to a single state, and DOT must equitably distribute them between urban and rural areas
- Applications are due by September 15, 2009

TIGER Grants

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Myth: Grants are only available for large-scale “mega-projects”

Fact: Stimulus legislation specifies that grants should range between \$20 million and \$300 million, but gives Secretary ability to waive minimum grant size at his discretion

Strengthening Communities Fund

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- \$50 million available through the Administration of Children and Families to nonprofit organizations and local and state governments
- Local governments can apply for awards up to \$250,000 to build nonprofit capacity to contribute to economic recovery
- Applications are due July 7, 2009

Firefighter Assistance Grants

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- \$210 million available for the construction or renovation of fire stations
- Applicants can bundle together several projects into one application, but there is a limit of \$5 million per project, and \$15 million per award
- Applications are due on July 10, 2009

Reporting Requirements

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Interim Final Guidance

- Open for public comment until June 22, 2009
- Comments can be submitted via website or e-mail
 - <http://www.regulations.gov/fdmspublic/component/main?main=SubmitComment&o=09000064809674eb>
 - Marguerite Pridgen: mpridgen@omb.eop.gov
- Final requirements will conform to guidelines set by the Federal Funding Accountability and Transparency Act of 2006 – legislation co-sponsored by then-Sen. Obama
 - This means that these requirements are likely here to stay

Reporting Requirements

Prime Recipients

- ▣ Entities that receive stimulus funds directly from federal source (either through allocation or award) are responsible for submitting a report to the federal agency 10 days after the end of every calendar quarter

Subrecipients

- ▣ Entities that receive stimulus funds indirectly, through a non-federal source (such as state), do not have to submit quarterly reports. However, they are responsible for providing any information required by the prime recipient

Reporting Requirements

Prime Recipients must:

- ▣ Submit reports within 10 days of the each of each quarter
 - Reports are due on January 10, April 10, July 10 and October 10
 - In 2009, the July 10 report will be due on October 10 (along with October 10 report)
- ▣ Meet the requirements of the Buy American Rule
 - Must use American-made materials and manufactured goods, unless a waiver is obtained
 - Waivers available if American goods are not available in sufficient quantity, using American goods would increase cost of project by 25% or more, or using American goods would be “inconsistent with the public interest”
- ▣ Conform to standards of the Davis-Bacon Wage Act

Reporting Requirements

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Quarterly Report must include:

- ▣ A detailed list of all projects and activities funded
 - Includes accounting of unexpended funds and evaluation of project status
- ▣ An estimate of jobs created or retained (direct jobs only)
- ▣ Details on organizations awarded subgrants or subcontracts in excess of \$25,000
 - Must provide names and yearly compensation of five highest paid officers of company if it receives 80% or more of its annual gross revenues in federal funding, and a total of \$25 million or more in federal funding annually

Reporting Requirements

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- These are only the ***basic*** requirements
- Each agency may impose its own additional requirements
- Some of the Performance Measures for individual Recovery Act programs can be found at:
 - ▣ http://www.recovery.gov/?q=content%2Fprogram-plan-tags&type=meas_text

Reporting Requirements

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What happens if you don't comply?

- ▣ Could be designated as a high-risk awardee
 - Future federal funding will be difficult to obtain
- ▣ Could lose ARRA funding
- ▣ If you violate the Buy American Rule without a waiver:
 - Remove foreign-made goods and replace with American-made ***at your own expense***
 - Lose ARRA funding

Reporting Requirements

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How can your organization prepare?

- ▣ Form a Grants Team
 - Team members from every department
 - Be sure to include Finance, Budget, Procurement, and Legal in designing your action plan and contracts for subcontractors and subawardees

- ▣ Make sure that your tracking and reporting system has flexibility to accommodate unique performance measures required by different programs and agencies

Reporting Requirements

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How can your organization prepare?

- ▣ Create separate financial accounts for each Recovery Act award that identifies the award as Recovery Act funding (e.g., ARRA-Project Number-Account Number)
- ▣ Communicate timelines and important due dates and deliverables to all stakeholders.
- ▣ Document, document, document!

Reporting Requirements

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How can your organization prepare?

- ▣ Keep decision makers in the loop (City Managers, County Commissioners, Board of Supervisors, etc.).
- ▣ Communicate to **everyone** (department employees, subawardees, managers, decision makers, etc.) the importance of compliance and the implications of noncompliance



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