

# American Recovery and Reinvestment Act of 2009 Energy Efficiency Opportunities

Jeff Genzer

Counsel, National Association of State Energy Officials

Duncan, Weinberg, Genzer & Pembroke, P.C.

1615 M Street, N.W., Suite 800

Washington, DC 20036

(202) 467-6370

[jcg@dwgp.com](mailto:jcg@dwgp.com)

# Introduction

**The American Recovery and Reinvestment Act of 2009 (ARRA) provides billions of dollars in new funding for energy efficiency and smart grid programs.**

## Key contacts:

- Department of Energy, in charge of stimulus:
  - Matt Rogers
- Energy Efficiency and Renewable Energy Office at DOE:
  - Gil Sperling
- National Association of State Energy Officials:
  - David Terry [dterry@naseo.org](mailto:dterry@naseo.org)
- National Association for State Community Services Programs:
  - Rebecca Stewart [rstewart@nascsp.org](mailto:rstewart@nascsp.org)

# State Energy Program

- **\$3.1 billion** provided for State Energy Program (SEP)
  - SEP received \$44 million in federal fiscal year 2008
  - Funds provided to state energy offices
  - Governors must send letter to Energy Secretary Chu regarding utility regulatory policies on energy efficiency and upgrading of building energy efficiency codes
- Funding can be used for a wide variety of programs, projects & policies, including:
  - Energy efficiency
  - Renewable energy
  - Alternative transportation programs
- ARRA waived a 20% cost share for the states and also waived a regulatory provision that limited capital investments to 50% SEP funds.
- Operated by the Office of Weatherization and Invergovernmental Programs (OWIP) within the Office of Energy Efficiency and Renewable Energy (EERE).
- Find your state energy director at [www.naseo.org](http://www.naseo.org)
- DOE Funding Opportunity Notice (DE-FOA-0000052 Issued 3/12/09, initial state applications due 3/23/09 and comprehensive applications due 5/12/09)

# Energy Efficiency and Conservation Block Grant

- **\$3.2 billion** is provided for the Energy Efficiency and Conservation Block Grant (EECBG)
  - EECBG had not previously been funded
- \$400 million of the \$3.2 billion will be distributed through a competitive program among state, local and tribal entities
  - Cooperative/coordinated proposals encouraged
- Of the remaining \$2.8 billion, funds will be distributed:
  - 68% directly to over 1700 of the larger cities in the U.S.
  - 16% through the states to counties of under 200,000 and towns of under 35,000
    - Funds must be distributed within 6 months of DOE approval of a plan
  - 12% directly to state energy offices for SEP
  - 2% for competitive program
  - 2% available to tribes
- Operated by OWIP under EERE
- Contact your state energy office, and coordinate with your statewide Mayor's group

# Weatherization Assistance Program

- **\$5 billion** is provided for the Weatherization Assistance Program (WAP)
  - WAP received \$227 million in federal fiscal year 2008
  - No cost share
- **ARRA statutory changes:**
  - Amount that can be spent on each home increased from \$2,500 to \$6,500, to allow more comprehensive energy efficiency measures to be implemented
  - Eligibility increased to 200% of poverty, from 150% of poverty
- Preference for community action agencies to serve as delivery agents for WAP, but to expand the program, local government coordination and/or delivery is expected
- National Association for Community Services Programs (NASPC) coordinates state-level program managers
- National Community Action Foundation (NCAF) represents community action agencies
- DOE Funding Opportunity Notice (DE-FOA-0000051 Issued 3/12/09, initial state Applications due 3/23/09 and comprehensive applications due 5/12/09)

# Energy Star Appliance Rebates Program

- **\$300 million** is provided to state energy offices to provide rebates to encourage consumers to purchase Energy Star appliances
  - Program has not previously been funded
- Program requires a 50% match
- Contact your state energy office

# Smart Grid

- **\$4.4 billion** is provided for investments in the “smart grid,” as authorized by Title XIII of the Energy Independence and Security Act of 2007 (EISA)
  - Expected to include advanced metering and demand response equipment, as well as other measures
- Funding open to utilities (including public power, cooperatives and investor-owned utilities) and “other parties” involved in smart grid development
- 50% cost-sharing requirement, including regional demonstrations, utility scale energy storage demonstrations, etc.
- Notice of Intent to Issue Funding Opportunity Notice (EISA 2007) 3/2/09
- Operated by the DOE Office of Electricity Delivery and Energy Reliability
- Additional **\$100 million** allocated through this office for “Green Jobs” initiative

# Energy RDD&D

- **\$2.5 billion** is provided to the Energy Efficiency and Renewable Energy Division for Research, Development, Demonstration and Deployment Programs
  - \$800 million for biomass
  - \$400 million for geothermal
  - DOE is allocating funds for a variety of other uses (e.g., industrial energy efficiency programs)
- Potential source of matching funds



# Green Jobs

- **\$500 million** is provided for the “Green Jobs” initiatives created by Section 1001 and 1002 of EISA
- Funds to be spend on initiating a worker training program for energy efficiency and renewable energy
- Separate national and state energy training partnerships to be created
- Operated by the Department of Labor
- **\$100 million** also provided for worker training under the Smart Grid initiative

# HUD Assisted Housing

- **\$2.25 billion** is provided for the HOME Investment Partnerships Program at HUD
- Funds are provided to state housing finance agencies for low-income housing
  - The program encourages funding for energy efficient and environmentally friendly designs
- **\$250 million** is provided for energy retrofit and green investments for certain kinds of low-income housing
- **\$2.25 billion** is provided more generally for project-based rental assistance
- **\$1 billion** provided is provided for the Public Housing Capital Fund for competitive grants
  - Includes investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments

# Clean Cities and Plug-in Electric Vehicles

- **\$300 million** is provided for the Clean Cities Program
  - Program has previously been funded at much lower levels
  - Funds available to states, local governments and metropolitan transportation agencies for up to 30 geographically dispersed vehicle demonstrations
  - Supports alternative fuel vehicles, neighborhood electric vehicles, fuel cell vehicles, ultra low sulfur diesel vehicles, acquisition and installation of fueling infrastructure, etc.
  - 50% cost-sharing requirement
  - Applications due March 31, 2009
- **\$400 million** is provided for transportation electrification for local, metropolitan transportation agencies and state grants for qualified electric transportation projects
  - Can be used for truck stop electrification, etc.

# Schools

- **No specific funding for energy efficiency in schools**
  - Encourages schools should be modernized “consistent with a recognized green building rating system”

# Federal Buildings

- **\$4.5 billion** is provided to the General Services Administration for high performance green buildings
- **\$3.24 billion** is provided to the Department of Defense to “repair and modernize facilities, restore and modernize real property and invest in the energy efficiency of facilities”
- **\$1 billion** is provided to the Veterans Administration of “non-recurring maintenance including energy projects”
- **\$220 million** is provided for military construction energy projects