

## **BCSE: America Recovery and Reinvestment Act Report, July 21 2009**

This report presents recent announcement and implementation activities associated with ARRA-funded programs.

### **Highlights include:**

- Funding Announcements:
  - DOE Announces \$85M for Development of Algal/Advanced Biofuels Consortia
  - DOE Announces \$296M in State Energy Efficient Appliance Rebate Program
  - DOE Announces \$32M for Hydroelectric Facility Modernization
- DOE Previews \$52.5M for Concentrating Solar Power Research and Development
- DOE Previews up to \$22M for Community Renewable Energy Deployment Projects
- Treasury issues Guidance on Payment for Energy Property in Lie of Tax Credits
- House Passes Resolution 3183, appropriates \$33.3 Billion for Energy, Water, and Nuclear Programs

### **Funding Announcements:**

#### **DOE Announces \$85M for Development of Algal/Advanced Biofuels Consortia:**

DOE announced July 16 the availability of up to \$85 million from the American Recovery and Reinvestment Act for the development of algae-based biofuels and advanced, infrastructure-compatible biofuels. DOE is seeking to bring together leading scientists and engineers from universities, private industry, and government to develop new methods to bring new biofuels to market in an accelerated timeframe. The partnerships will enable cross-fertilization between multiple disciplines and provide the breadth of expertise necessary to develop new technologies advanced biofuels that can be used in today's fueling infrastructure such as green aviation fuels, green gasoline, and green diesel from a variety of biomass feedstocks. Partnerships may include leading scientists and engineers from universities, private industry, and government, and engage end users and other field experts such as utility specialists and aquaculturists. Effective collaborations will target an accelerated timeframe to bring new biofuels to market. DOE expects to select two to three partnerships and fund projects over three years.

The Funding Opportunity Announcement targets two crucial areas:

- **Algal Biofuels R&D** - The primary objective of this topic area is to develop cost-effective algae-based biofuels that are competitive with traditional petroleum-based fuels.
- **Advanced, Infrastructure-Compatible Biofuels R&D** is focused on enabling cost-effective conversion of biomass to advanced biofuels other than cellulosic ethanol, with particular focus on bio-based hydrocarbon fuels such as green gasoline and green diesel. Such fuels could be transported and sold using today's existing fueling infrastructure.

*For more information, please visit:*

[http://apps1.eere.energy.gov/news/progress\\_alerts.cfm/pa\\_id=210](http://apps1.eere.energy.gov/news/progress_alerts.cfm/pa_id=210)

<http://www07.grants.gov/search/search.do;jsessionid=JPnpKfqCBmbXTtSnylv4D75NhMTFFSlyG1lWny1lxKTHNFLRv0sq!1656926990?oppId=48495&mode=VIEW>

## **DOE Announces \$296M Program to Encourage Purchases of Energy Efficient Appliances:**

The new funding will be awarded to states and territories, through their energy offices, using a formula set forth in the Energy Policy Act of 2005. Each state or territory is required to submit a plan that specifies which ENERGY STAR® appliance categories will be included in their rebate program, the rebate level for each product type, how the rebates will be processed, and their plan for recycling old appliances. States and territories must first file an initial application expressing their intent to participate by August 15, 2009, followed by a full application by October 15, 2009. Approximately 10-25 percent of each award will be spent on administrative costs. States and territories will receive 10 percent of the funds after submitting the initial application with the balance awarded after their program plans are approved. DOE anticipates that a vast majority of funding will be awarded by November 30, 2009. View the [funding allocations](#) for each state and territory.

*For more information on this opportunity, please visit:*

<http://www.energy.gov/news2009/7634.htm>

<http://www07.grants.gov/search/search.do?oppId=48463&mode=VIEW>

## **DOE Announces \$32M for Hydroelectric Facility Modernization:**

DOE is soliciting applications from industry members or industry-led partnerships that propose to develop, deploy, and test hydropower projects that would modernize the existing hydropower infrastructure in the U.S. and increase both the quantity and value of hydropower generation, including environmental performance. The program will focus on supporting the deployment of turbines and control technologies to increase and maximize system generation at existing non-Federal hydroelectric facilities. Financial assistance will be provided to a variety of hydropower projects that can be developed without significant modifications to dams and with a minimum of regulatory delay. Projects should be able to demonstrate improved environmental performance, such as a reduction in the rate of fish mortality at project sites or an increase in concentration of dissolved oxygen surrounding the project sites. Proposed projects should be able to demonstrate improved quantity and quality (value) of energy produced, through increased efficiency and enhanced environmental performance. Projects that propose to use advanced technologies that improve upon on technologies or operations in common use are preferred.

*For more information on this FOA, please visit:*

<http://www.grants.gov/search/search.do?oppId=48221&mode=VIEW>

## **DOE Previews up to \$52.5M for Concentrating Solar Power R&D**

July 15<sup>th</sup>, DOE announced plans to provide up to \$52.5 million to research, develop, and demonstrate Concentrating Solar Power (CSP) systems capable of providing low-cost electrical power both day and night. CSP technologies concentrate the sun's energy and capture that energy as heat, which then drives an engine or turbine to produce electrical power. CSP plants can include low-cost energy storage, which allows them to provide electricity even when the sun is not shining. CSP technologies currently used in utility-scale power plants typically do not have

the capability/capacity for storage, operating only during daytime hours. These projects will seek to improve technology and novel system designs to extend operation to an average of about 18 hours per day, a level of production that would make it possible for a CSP plant to displace a traditional coal power plant. Projects are based upon continuing annual appropriations. DOE anticipates making up to 13 project awards totaling up to \$52.5 million.

The competitive funding opportunity involves two areas:

- **Research and development** of concepts and components for a CSP system that enables a plant to produce low-cost electricity at least 18 hours of the day.
- **Evaluation of the feasibility** and development of a prototype complete CSP system capable of operating at least 18 hours per day while generating low-cost power.

*For more information on this opportunity, please visit:*

<http://www.energy.gov/news2009/7646.htm>

### **DOE Previews up to \$22M for Community Renewable Energy Deployment Projects**

July 15<sup>th</sup> DOE announced plans to provide up to \$22 million from the ARRA to support the planning and installation of utility-scale community renewable energy projects in up to four communities nationwide. The DOE Office of Energy Efficiency and Renewable Energy will provide technical assistance to selected recipients, including concepts, best practices, planning, financial approaches, policy guidance, and recognition to help communities rapidly plan and deploy utility-scale renewable energy systems that provide clean, reliable and affordable energy supplies for their communities, while creating jobs and new economic development opportunities. The projects will demonstrate how multiple renewable energy technologies, including solar, wind, biomass and geothermal systems, can be deployed at scale to supply clean energy to communities.

*For full text of this announcement, please visit: <http://www.energy.gov/news2009/7644.htm>*

### **Treasury Issues Guidance on Payments for Energy Property in Lieu of Tax Credits**

On July 9, 2009, the US Treasury Department (Treasury) issued long-awaited guidance on grants in lieu of tax credits (Grants) under section 1603 of the ARRA. The Treasury guidance includes three key documents: (i) Program Guidance, (ii) Sample Application, and (iii) Terms and Conditions. Section 1603 established a program whereby an eligible person could, in lieu of claiming the production tax credit under Internal Revenue Code (the Code) Section 45 or the investment tax credit under Code Section 48, apply to Treasury for a Grant with respect to "specified energy property" to provide a reimbursement for a portion of the costs of such property. The term "specified energy property" includes facilities that produce electricity from certain renewable resources, including wind, solar, fuel cells, closed-loop biomass, open-loop biomass, geothermal, landfill gas, trash, qualified hydropower, and marine and hydrokinetic renewable energy. Depending on the renewable resource, the Grant generally will equal either 30 percent or 10 percent of the basis of the property.

For full text of the Guidance, please visit: <http://www.treas.gov/recovery/docs/guidance.pdf>

For analysis of the Treasury Guidance by Stoel Rives LLP, please visit:  
<http://www.stoel.com/showalert.aspx?Show=5682>

For analysis of the Treasury Guidance by Davis Wright Tremain LLP, please visit:  
[http://www.dwt.com/LearningCenter/Advisories?find=112201&utm\\_source=newsletterpilot&utm\\_medium=email&utm\\_campaign=Advisory&utm\\_term=rkb%40rkblood.com&utm\\_content=onRTE](http://www.dwt.com/LearningCenter/Advisories?find=112201&utm_source=newsletterpilot&utm_medium=email&utm_campaign=Advisory&utm_term=rkb%40rkblood.com&utm_content=onRTE)

### **HR-3183 passes 320-97, appropriates \$33.3B for Energy, Water, and Nuclear Programs**

Voting 320-97, the House passed HR 3183 to appropriate \$33.3 billion for energy, water and nuclear programs in fiscal 2010. In part, the bill would provide \$5.5 billion for Army Corps of Engineers public works; \$4.9 billion for research into long-term energy needs; \$373 million for developing clean-vehicle technologies; \$259 million for solar energy, and \$208 million for upgrading the nation's electrical grid.

For more information, please visit: <http://thomas.loc.gov/cgi-bin/bdquery/z?d111:h.r.03183>