



Energy Efficiency in the ARRA: Opportunities for RESNET Members

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Overview

- Background on the ARRA and energy efficiency
- Key aspects of the main EE grant pipelines
 - State Energy Program (\$3.1 billion)
 - EE block grants (\$3.2 billion)
 - Weatherization (\$5 billion)
- Updates on ARRA grant process
 - Timing and legal issues for grantee program rollouts
- Prospects for RESNET professionals
 - States/localities rolling out residential retrofit programs

Background on ARRA and EE

- Bill enacted 2/17/09: \$787 billion in direct spending and tax breaks
- Total DOE EE spending under ARRA exceeds \$11 billion (\$16 billion counting Smart Grid)
 - State Energy Program (SEP): \$3.1 billion
 - Energy Efficiency and Conservation Block Grants (EECBG): \$3.2 billion
 - Weatherization Assistance Program (WAP): \$5 billion
 - State Energy Efficient Appliance Rebate Program (SEEARP): \$300 million
 - Smart Grid: \$4.5 billion
- Annual federal EE spending historically under \$1 billion (DOE EERE and EPA ENERGY STAR)
- U.S. state/utility EE program spending ~\$4 billion in 2009 (CEE)
- Stimulus EE \$ totals up to 4X historic spending, 2X on annual basis

Background on ARRA/EE

The Paradox of “speed” and “care”

- **“Speed”**: spend the money fast
 - DOE has never moved so much money so fast
 - Grantees taxed to manage the application process
 - Grantees even more challenged to roll out programs rapidly
- **“Care”**: Achieve quality results, with transparency and accountability (www.recovery.gov)
 - OMB imposing massive reporting requirements
 - Documentation requirements greater than typical grant programs
 - Current laws—NEPA, Buy American, Davis Bacon—creating jams in the grant process

SEP Updates/Implications

- Recent funding: \$40-50 million/yr--ARRA funding: \$3.1 billion
 - 60-fold increase for typical SEO (20-fold annually)
- Combined with EECBG and ENERGY STAR grants, SEP presents “bandwidth” challenges
- While all of the money is “awarded”, \$1.7 of \$3.1 billion is still conditional
 - NEPA review a key issue
- \$545 million has been obligated by states through early Feb. (via contract or subgrant)
 - \$2.5 billion to be obligated by states by June, and all by September
 - Only \$44 million actually shown as spent
- Bottom line—most SEP funds likely to hit the street in the next 6 months

SEP Updates/Implications

- February update from DOE estimates
 - \$1.6 billion for EE in buildings—half or more for public buildings
 - \$887 million for renewable projects
 - \$217 for industrial programs
 - \$122 million for transportation
 - \$101 million for education
 - \$137 million for policy and planning
- DOE estimates some \$500 million of SEP funds going to residential programs
- SEP spending by state posted at:
http://apps1.eere.energy.gov/state_energy_program/recovery_act_wards.cfm
- **New:** \$23 million competitive retrofit grants pool—FOA out this spring

EECBG Updates/Implications

- Authorized in EISA 2007, never funded until ARRA
- Most grantees have no DOE funding history; DOE had no program infrastructure
- Over 2300 eligible grantees—cities, counties, tribes
- States get 28% of money--\$784 million—with 60% or more to be subgranted to smaller communities
- ICF supporting DOE on grant application process

EECBG Updates/Implications

- \$2.7 billion of \$3.2 billion “awarded” to date
- \$1.9 billion still tied up in conditional awards
- \$81 million “costed” or spent
- DOE update indicates funds going to:
 - \$1 billion to EE Retrofits in public buildings
 - \$600 million to energy efficiency strategies
 - \$400 million to private-market EE buildings programs
 - \$400 million to street and traffic lighting
- Grantee list posted at:
<http://www.eecbg.energy.gov/grantees/default.html>
- Webcasts of EEBCG case studies and other resources at
<http://www.eecbg.energy.gov/solutioncenter/webcasts/default.html>

EECBG Updates/Implications

- \$454 million for competitive grants yet to be awarded
- Known as “Retrofit Rampup”, focus is on community-wide, comprehensive retrofits
- Applications were due 12/14/09; awards expected by March-April
- \$390 million pot for formula-eligible grantees: 8-20 awards from \$5-75 million
- \$64 million pot for smaller communities: 15-60 awards of \$1-5 million
- Follow the awards at http://www.eecbg.energy.gov/about/competitive_grants.html

WAP Updates/Implications

- WAP funding averaged ~\$225 million in the last decade
- ARRA funding is nearly \$5 billion—over 20X typical funding (over 7X annually)
- Eligibility raise to 200% of poverty, spending cap per home raised to \$6500
- 50% of funds retained for demonstration of progress in spending funds—states lagging on production may look for help
- State agencies receive grants—subgrantee agencies deliver services
 - State agency contacts can be found at http://apps1.eere.energy.gov/weatherization/state_contacts.cfm
- Local agencies deliver services
 - Must be government or nonprofit
 - Some subgrantees contract out installation/other services
 - Matching workforce to workload an ongoing challenge
 - Davis-Bacon wage guidelines apply: <http://www.wdol.gov/dba.aspx#0>

Key Legal/Admin. Issues

- NEPA—all grants must past NEPA review
 - All EE on existing buildings is categorically excluded
 - BUT...the right forms must be submitted
 - No individual homeowners/contractors will have to deal with NEPA
- Davis-Bacon—Projects exceeding \$2000 must pay DBA wages
 - Individual homeowners are exempt under SEP and EECBG, but contractors receiving funds may not be
 - WAP agencies must follow DBA guidance (see website shown earlier)
- Buy American—Projects in public buildings must use materials and products made in the USA
 - Blanket exceptions issued for CFLs, LED traffic signals, and electronic lighting ballasts
- Historic Preservation—DOE reached an agreement with historic preservation orgs in Feb.—provides model for states to use in specific guidance with their SHPOs
- For detailed guidance on these issues, see
 - (EECBG) http://www.eecbg.energy.gov/about/program_guidance.html or
 - (SEP) http://apps1.eere.energy.gov/state_energy_program/recovery_act_program_guidance.cfm

Key Timing Issues

- Most of the money has yet to hit the street
 - Reach out to grantees ASAP, and be ready to move fast
- ARRA requires all funded to be obligated by 9/2010, and spent by 2012
 - Grantees still dealing with grant approval, procurement, staffing, program design, etc., so there's a backlog of program delivery needs
 - Look for a wave of RFPs and other activity between now and summer
- If you haven't contacted your SEO or local grantee, yesterday is the time

Program Examples

- SEP (see SEO websites for details)
 - Utah Home Performance program
 - Colorado residential rebate program
 - Virginia rebate program
 - California residential retrofit
- EECSBG
 - Oregon—Portland Clean Energy Works
 - Washington—Whatnow County
 - Virginia--Charlottesville

How Can I Play?

- SEP: check out your state energy office at
 - <http://www.naseo.org/members/states/default.aspx>
 - Visit the website/call staff to learn more about residential programs
- EECBG: see what your community is getting (at DOE grantee site listed earlier)
 - Contact your local government if it's getting direct formula \$
 - Contact your SEO to find out about subgrants
- WAP: contact your state and local WAP agencies
- Comment on the new \$23 million SEP competitive grants FOA for building retrofits at
 - http://apps1.eere.energy.gov/wip/pdfs/final_notice_of_intent_2-4-10.pdf
 - Comments due March 1

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