

Washington State Department of Community,
Trade and Economic Development

State Energy Program and State and Local Energy Efficiency and Conservation Block Grants

Prosperity Partnership
May 21, 2009

Key Criteria for Energy ARRA Funds

- Retain/create jobs
- Save energy
- Produce clean energy
- Reduce greenhouse gases
- Be ready to implement
- Leverage other \$\$\$

Key ARRA Requirements

- Preference for quick start activities
- Funds must be obligated by September 2010 (18 months from award for Block Grant)
- No casinos, aquariums, zoos, golf courses or swimming pools
- “Buy American” - Funds used for public buildings or public work must use U.S.-produced iron, steel and manufactured goods
- Pay prevailing wage under Davis-Bacon Act
- Comply with NEPA

Inputs on SEP and Block Grants

- U.S. DOE Guidelines
- Washington State Legislature/Governor
- Stakeholder meetings
 - Public and private utilities
 - Washington City and County Associations
 - Other state agencies
- EECSBG only:
 - Survey of cities < 35k and counties < 200k
 - Letters to cities > 35k and counties > 200k

State Energy Program – Energy Efficiency and Renewable Energy

- Public and private entities eligible
- Not Low-income Weatherization (\$14.5 M)
- Farm Energy Assessments (\$500,000)
- Credit Enhancements (\$5 M)
- Energy Recovery Act Account (\$38.5 M)

State Energy Program – Not Low-Income Weatherization

\$14.5 million for residential and small commercial energy efficiency pilots

- Partnership with WSU energy program
- Eligible applicants – public and private entities
- Competitive grants for at least three pilots
 - o Provide audits and efficiency retrofits in urban areas
 - o Use local community organizations, local labor
 - o Include sponsor match
 - o Ensure quality control and report on outcomes

(SB 5649 Section 102)

State Energy Program – Farm Energy

\$500K for farm energy assessments

- Partnership with WSU energy extension (consult with Dept. of Agriculture and other stakeholders)
- Develop assessment methods for farm energy use
- Farm auditor curriculum
- Pursue opportunities for other funding for farm efficiency projects

(SB 5649 Section 103)

State Energy Program - Credit Enhancements

\$5 million for *“credit enhancements such as loan loss reserve funds...and consumer financial products and services that will be used to obtain energy efficiency services.”*

- Grants to financial institutions for public or private investment
- *Proposed* limits: \$500,000 to \$2 million
- Section 208: Municipalities can use block grants for “loan loss revenues” or “risk reduction mechanisms.” CTED to work with them.
- Link with any local block grant funds if at all possible

(SB 5649 Sections 205,206,208)

Financing - Energy Recovery Act Account

\$38.5 million for "loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, including **but not limited to:**

- i. renewable energy projects or programs that require interim financing to complete project development and implementation;
- ii. companies with innovative, near-commercial or commercial, clean energy technology; and
- iii. energy efficiency technologies that have a viable repayment stream from reduced utility costs."

(HB 2289, Section 5)

Eligibility – public and private entities

Financing – Energy Recovery Act Account

Our current thinking:

- Invest two-thirds (~\$25 million) in low to moderate risk loans, loan instruments
- Remaining funds in higher risk investments focusing on near-commercial companies, projects
- Loan amounts: \$500,000 - \$2 million
- “Wholesale” loans, third parties may do “retail” loans
- Public or private entities - companies, utilities, state and local governments, non profits...
- May package some grants with the loans

State Energy Program Timelines

- State application submitted to U.S DOE on May 11, 2009 (www.cted.wa.gov/recovery)
- 120-days for U.S. DOE to review – working toward a shorter time frame
- CTED issuance of competitive application for \$38.5 million upon DOE approval
- All funds obligated by September 2010

State and Local Energy Efficiency and Conservation Block Grants

- New program created in 2007 energy act but not funded until ARRA
- Funding to local governments and tribes for energy efficiency activities (only cities, counties and tribes)
 - Formula grants direct from DOE
 - Twenty-six cities $\geq 35,000$ - \$22.6 million
 - Ten large counties $\geq 200,000$ - \$22.7 million
 - Twenty-nine tribes - \$2.7 million
 - State funds for State Energy Program and for cities $< 35,000$ /counties $< 200,000$ - \$10.6 million
 - Competitive grants from DOE - \$400 million all cities and counties, states and tribes; \$55 million just smaller cities/counties (no guidance yet from DOE)

State and Local Block Grants Formula – Resources for Smaller Jurisdictions

- At least 60% of the \$10.6 million (\$6.4 million) to smaller cities and counties as competitive grants
- State can help with technical assistance
- June 25 – State’s application for smaller cities/counties due to USDOE
- June 25 - Large cities’/counties’ applications due to USDOE

State And Local Block Grants – Energy Efficiency and Conservation Activities

- Energy efficiency strategies and technical consultant
- Audits
- Financial incentives
- Grants for energy efficiency retrofits
- Building energy efficiency programs
- Transportation energy efficiency programs
- Building codes and inspections
- Energy distribution technologies that increase energy efficiency
- Material conservation programs that increase in energy efficiency
- Reduce/capture landfills/ waste sources of methane and greenhouse gases
- Energy efficient traffic signals and street lighting
- Renewable energy technologies on government buildings
- Any other appropriate activity

Formula Block Grant Timelines

- State application submitted to U.S DOE no later than June 25, 2009
- 120-days for U.S. DOE to review – working toward a shorter time frame
- CTED issuance of competitive application to all eligible cities and counties upon DOE approval
- All funds obligated within 180 days of award

For More Information

- www.cted.wa.gov/recovery - SEP application has been posted
- Energy Efficiency and Conservation Block Grant: Heather Ballash - (360) 725-3044
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- State Energy Program: Cory Plantenberg
– coryp@cted.wa.gov

U.S. Department of Energy Resources

- **State Energy Program**

http://apps1.eere.energy.gov/state_energy_program/

- **Energy Efficiency and Conservation Block Grant**

<http://www.eecbg.energy.gov/>