



Energy Efficiency Measures and the American Recovery and Reinvestment Act of 2009 (ARRA)

2010 Midwest Energy Solutions: Opportunity Now!
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Introduction

- The primary purposes of the American Recovery and Reinvestment Act of 2009 (ARRA) are job preservation and creation, infrastructure investment, assistance to the unemployed, State and local fiscal stabilization, and **energy efficiency** and science.
- ARRA provides billions of dollars in new funding for energy efficiency programs.
 - Total ARRA funds: \$787 billion
 - Focus on spending/stimulus in 2009-2011, not long-term
 - About \$30 billion energy-efficiency related
 - \$2 billion for residential retrofit tax created
 - \$2.3 billion for tax credits for investments in energy efficiency and clean energy products



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
- \$50 million of the \$3.2 billion will be distributed through Retrofit Ramp Up and General Innovation -- a competitive program among state, local and tribal entities (applications were due on 2/14/09)
- 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
 - 2% available to tribes
- Operated by the Office of Weatherization and Intergovernmental Programs (OWIP) under the Energy Efficiency and Renewable Energy Division at DOE (EERE)
- Spending lag caused, in part, because this is a new program, procurement issues: NEPA, Davis-Bacon and Buy-American



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 sent letters to Energy Secretary Chu regarding utility regulatory policies on energy efficiency and upgrading of building energy efficiency codes (§ 410 of ARRA) [NASEO Building Code Training Session – 2/4-5/10 – Washington, D.C.]
- 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 Intergovernmental Programs (OWIP) within the Office of Energy Efficiency and Renewable Energy (EERE).
- Spending lag caused, in part, by procurement, NEPA, Davis-Bacon, Buy-American issues



Weatherization Assistance Program

- \$5 billion is provided for the Weatherization Assistance Program (WAP)
 - WAP received \$227 million in federal fiscal year 2008
- 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 (NASPCSP) coordinates state-level program managers [Rebecca Stewart – rstewart@nascsp.org]
- National Community Action Foundation (NCAF) represents community action agencies
- Lag caused, in part, by Davis-Bacon and program expansion



Energy Star Appliance Rebates Program

[State Energy Efficient Appliance Rebate Program (SEEARP)]

\$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
- Programs are rolling out across the country utilizing various appliances
- <http://www.energysavers.gov/rebates>
- appliancerebates@drintt.com



Smart Grid

- \$4.5 billion is provided for investments in the “smart grid,” as authorized by Title XIII of the Energy Independence and Security Act of 2007 (EISA)
 - Includes advanced metering and demand response equipment, as well as other measures
- 100 Awards of Smart Grid Investment Grants
 - \$3.2 billion
 - DOE issued Notice of Awards on October 27, 2009
- 32 Awards of Smart Grid Demonstration Grants
 - \$435 for regional demonstration projects
 - \$184 for energy storage projects
 - DOE issued Notice of Awards on November 24, 2009
- Awards are geographically dispersed across the United States



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 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 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.
- \$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.
- \$17 billion in ARRA for public transportation



Green Jobs

- \$100 million through Department of Energy, Office of Electricity Delivery and Energy Reliability, and associated with “Smart Grid”
 - \$5 million for regional resources and training in solar infrastructure and marketing (in addition to \$22 million in DOE annual appropriations)
- \$750 million through the Department of Labor
- Up to \$1 billion for Training and Technical Assistance associated with the Weatherization Assistance Program



Schools

- No specific funding for energy efficiency in schools
 - ARRA encourages schools to 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



Information Technology & Communications

- \$47 million awarded for 14 projects (announced January 6, 2010)
 - Research, development and demonstration projects
- Intended to reduce energy use and energy costs for the IT and communications sector
 - Utilize software to maximize equipment energy efficiency
 - Minimize power losses in power supply chain
 - Reduce power use in cooling



Tax Credits

- Approx. \$2.3 Billion in clean-tech manufacturing credits
- Awards announced January 8, 2010
- 183 projects, geographically dispersed
- Includes energy efficiency projects



Energy RD&D

- Total available – approximately \$2.5 Billion
- \$800 M for Biomass through DOE, Energy Efficiency and Renewable Energy Office
- \$480 M available for integrated biorefinery projects
- \$400 M for Geothermal through DOE, Energy Efficiency and Renewable Energy Office
- \$256 M for Industrial programs through DOE, Energy Efficiency and Renewable Energy Office:
 - \$ 156 M for combined heat and power, district energy systems, waste energy recovery, efficient industrial equipment and “Save Energy Now”
 - \$117.6 M for accelerating solar deployment:
 - \$40.5 M for Solar Market Development (includes \$10 M for Solar America Cities program and \$5 M for solar jobs training)
 - \$77.1 M for photovoltaic research, development and deployment
- \$93 M for Wind Power R&D
- \$400 M Advanced Research Projects Agency-Energy (ARPA-E)
- \$2 billion for advanced batteries



Resources

- <http://www.recovery.gov> (Government-wide sources)
- <http://www.energy.gov/recovery> (Department of Energy)
- <https://e-center.doe.gov>
- <http://www.treasury.gov/recovery> (tax issues)
- <http://www1.eere.energy.gov/informationcenter/>
(1-877-EERE-INF)(1-877-337-3463)
- <http://naseo.org> – National Association of State Energy Officials
- <http://www.aceee.org/energy/national/recovery.htm>
American Council for an Energy Efficient Economy
- <http://drsgcoalition.org> – Demand Response and Smart Grid Coalition
- <http://waptac.org> – Weatherization Assistance Program