

American Recovery and Reinvestment Act of 2009 (ARRA) Opportunities for Energy Efficiency

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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**

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

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, likely to be added to \$400 million noted above
 - 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
- **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

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.
- 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
- If you have any federal facilities in your service area, you may be able to work with those agencies on these projects

Taxes

- Existing homes energy efficiency tax credit raised from 10% to 30%, capped at \$1,500
- Clean Renewable Energy Bonds increased to **\$2.4 billion**
 - 1/3 dedicated to qualified projects for public power
- Qualified Energy Conservation Bonds increased to **\$3.2 billion**
- Credits for plug-in electric drive motor vehicles include:
 - 10% for low-speed vehicles (up to \$2,500)
 - 10% for plug-in vehicles conversions using battery modules up to 4 kWh (up to \$4,000)
 - Capped at \$7,500