

## **Beginning a Dialogue: Helping the EE Community Orient to Unprecedented Federal Energy Legislation**

CEE June Member Meeting, General Session  
Boston, MA  
June 3, 2009

Energy efficiency and climate change are high priorities for the new administration and for Congress. In addition to the unprecedented American Recovery and Reinvestment Act (ARRA) signed into law on February 17, 2009, other energy and climate legislation could have significant implications for efficiency program administrators. CEE hosted a session during its June member meeting to address some of the impacts and implications of federal funds on the energy efficiency program community. The purpose of this 90 minute session was to begin a dialogue with energy efficiency program administrators about the common questions, considerations, challenges, and proactive ways in which some programs are preparing for the wave of funding. The session included three presentations, moderated discussion and a meeting handout of stimulus resources, *A Summary of Resources Related to the American Recovery and Reinvestment Act*.

The intended outcomes of this session were to identify information resources that are currently available and to catalogue and categorize member questions and considerations for discussion at a future CEE forum.

### **Presentations**

**Department of Energy.** Bryan Berringer<sup>i</sup> is the Recovery Act point of contact for the Building Technologies Program in the Office of Energy Efficiency and Renewable Energy at the Department of Energy. During the CEE General Session, Mr. Berringer provided an overview of the American Recovery and Reinvestment Act, including the status, timing and magnitude of the Department of Energy's administration of ARRA funding. Mr. Berringer's presentation can be found on the [CEE website](#); highlights from his presentation are below.

- The Department of Energy (DOE) is responsible for administering \$32.7 billion of the \$787 billion economic-stimulus. In addition, DOE is administering \$12.5 billion in loan programs.
- The types of ARRA funding available from DOE include grants, contracts and cooperative agreements, loan guarantees, and energy grant programs administered by state and local governments.
- DOE's Office of Electricity Delivery and Energy Reliability plans to distribute more than \$3.3 billion in smart grid development grants and \$615 million for smart grid storage, monitoring and technology viability.
- DOE's Office of Energy Efficiency and Renewable Energy (EERE) is responsible for administering a total of \$16.8 billion in ARRA funds, including: RD&D (\$2.5 billion), the Weatherization Assistance Program (\$5.0 billion), the Energy Efficiency and Conservation Block Grants Program (\$3.2 billion), the State Energy Program (\$3.1 billion), and the ENERGY STAR Appliance Rebate Program (\$300 million).

- State Energy Program (SEP): SEP funding was announced on March 20, 2009. Applications and plans were due to DOE on May 12, 2009. The deadline for DOE to review proposals was May 29, 2009. The next step is to issue funds to states, the District of Columbia and the territories (formula grants – no matching). See [www.recovery.gov](http://www.recovery.gov) for details.
- Weatherization Assistance Program (WAP): The program has been changed to serve more homeowners with qualifying income levels increased from 150% of poverty to 200%; to install more measures with per-home spending raised from \$2,500 to \$6,500, and to provide more training and technical assistance by allowing DOE to spend up to 20% of funds on training (up from 10%). DOE completed its review of proposals on May 29, 2009, and is preparing to issue funds to States, the District of Columbia and certain Native American tribes (per existing allocation formula). See [www.recovery.gov](http://www.recovery.gov) for details.
- Energy Efficiency and Conservation Block Grants Program (EECBG): The program applies to 2,327 cities and counties nationwide with populations of 35,000 or greater. Smaller cities and counties need to work through their state energy offices to access the funds. The grant was announced on March 26, 2009, with applications due on June 26, 2009. A total of 40 applications have been received to date. All funds must be spent within 36 months. See [www.recovery.gov](http://www.recovery.gov) for details.
- Rebates for ENERGY STAR Appliances: Per ARRA, funding is available to States and U.S. Territories to administer rebates for ENERGY STAR appliances, to supplement existing programs, to target replacement of existing appliances and for proper disposal and recycling of old units. The details on the timing and administration of this program were still being determined at the time of this presentation (with input from the CEE Appliances Committee, among others). See [www.recovery.gov](http://www.recovery.gov) for details.
- Details on how to apply for a grant or loan guarantee from DOE can be found on a number of websites. With DOE assistance, CEE created a handout describing these and other resources, see *Summary of Resources Related to the American Recovery and Reinvestment Act* for details. It was noted that first-time applicants need to register before submitting applications and that the registration process can take several weeks to complete. For grants administered by states or local governments, one must apply directly to state energy office or local government entity. See [www.energy.gov/recovery](http://www.energy.gov/recovery) for links to individual state energy offices.
- For further information, see the 17 Department of Energy contacts listed in the CEE meeting handout, *Summary of Resources Related to the American Recovery and Reinvestment Act*.

Two statewide efficiency program administrators provided insights on some initial ways in which federal activity is affecting their programs. Given their different organizations' roles and positions relative to the ARRA funding stream, these panelists highlighted how they are trying to make sense of the new funds. Both presentations can be found on the [CEE website](#) highlights from each presentation are below.

**New York.** Ruth Horton<sup>ii</sup> is a Program Manager for the New York State Energy Research and Development Authority (NYSERDA) and the lead for energy-related programs under the American Recovery and Reinvestment Act. As the state energy office for New York, NYSEDA is responsible for all energy-related opportunities in the state, including administration of the SEP Program, EECBG Program for Small Municipalities, and the Appliance Rebate Program. In deciding whether ARRA funds should be used to expand, supplement, or complement existing programs, NYSEDA considered short duration of the funding, the contract and reporting requirements involved, and NYSEDA's cost-effectiveness criteria. Ms. Horton made the point that the ARRA

initiative is primarily about job creation; therefore, a priority will be placed on programs that create jobs, rather than energy consumption or demand reduction.

In the NYSERDA area alone, there are 54 municipalities that are expected to apply for block grants. To assure fairness, NYSERDA is looking at project caps and specific regional allocations, so that the funding is distributed equitably across their entire service area. Ms. Horton also spoke of the need to coordinate with other programs and utilities, to avoid customer confusion, and the need to keep administrative costs low so that more money could flow through to the people and programs that the ARRA initiative is designed to directly benefit. For these reasons, NYSERDA has decided to establish new programs under SEP that complement existing programs by way of competitive grants (up to 100% of cost for energy efficiency, alternatively fueled vehicles and renewable projects) and energy performance contracting. For the EECBG, NYSERDA plans to issue a separate competitive grant program for small municipalities allowing a menu of possible pre-qualified and custom measures based on DOE guidance. In closing, she mentioned the following challenges going forward:

- Identifying measurement and verification approaches that attribute energy savings from projects with multiple funding sources;
- Identifying implementation approaches that provide accountability while not depleting program resources;
- Managing expectations while providing opportunities for recognition of results.

**Wisconsin.** Kathy Kuntz<sup>iii</sup>, Director of Energy Programs for Focus on Energy in Wisconsin, expressed excitement at the opportunity to use ARRA funds to advance efficiency as well as some qualms. She said that because organizations like Focus on Energy are the actual "face of energy efficiency" in their state, stakeholders expect them to understand what is going on and to serve as an information conduit on recovery programs, even though Focus is not part of the state infrastructure that handles ARRA funds. In an effort to inform stakeholders and facilitate coordination, Focus on Energy has updated and distributed fact sheets on stimulus funding opportunities, established a system of email alerts, and participated in meetings with major implementers of block grants in the state to make sure they are aware of Focus on Energy resources.

Ms. Kuntz noted that stimulus funding for weatherization will have implications on the infrastructure Focus on Energy has built over time to support residential and commercial efficiency programs, including adding demand for workforce training opportunities in the state. She noted that Focus on Energy is reaching out to technical colleges to help address the growing need for workforce development and training. With regard to the SEP program, Kathy noted that the governor will be the ultimate decision maker and that economic development will be the most important consideration. She said that the bulk of SEP stimulus funds will mostly likely be used to help industrial plants "re-tool" for a green economy, i.e., clean manufacturing. With the EECBG program, Kathy noted that working with new stakeholders, such as municipal and county governments, has been a challenge and emphasized the important role Focus on Energy is playing as coordinator and supporter of the application process. For instance, to help inform the projects being proposed by individual communities under the block grants, Focus on Energy forwarded a summary of projects it had previously completed in each of the 42 communities in Wisconsin that were eligible to apply for stimulus funds. In closing Kathy emphasized both the need to move quickly with the administration of stimulus funds, since many small efficiency product and services providers are already on the verge of going out of business, and the need to introduce safeguards for quality assurance so that the funds are used wisely and achieve real and attributable results.

## Moderated Discussion

Following the presentations, members had the opportunity to frame questions regarding how increased federal and state efficiency activity could impact existing efficiency programs.

*Frank Gundal of NSTAR Electric and Gas kicked off the discussion portion of the session by asking how DOE was communicating with states on an ongoing basis. He also expressed concern that the ARRA funded state efficiency programs would compete with local efficiency programs, pulling away resources cultivated by efficiency programs over many years.* Brian Berringer commented that in addition to the formal application process, DOE was posting regular updates for states on the [energy.gov/recovery/](http://energy.gov/recovery/) website and providing a list of DOE contacts for states to use. The list of contacts was made available via a meeting handout, *Summary of Resources Related to the American Recovery and Reinvestment Act*. In addition, the State Energy Program publishes a bimonthly newsletter outlining projects by state energy offices, summarizing news from the states, and listing new state publications, see [http://apps1.eere.energy.gov/state\\_energy\\_program/](http://apps1.eere.energy.gov/state_energy_program/). While it was noted that the impact of stimulus funding on local efficiency programs could be disruptive in the short term, the overall intent is to preserve the infrastructure for energy efficiency implementation during a downturn in the economy.

Based on her experience with the EECBG Program, Kathy Kuntz mentioned that states and municipalities are often reluctant to share their program plans before they are officially approved by DOE. She said it would be helpful if DOE could keep CEE members informed on the status of state and municipal plans on an ongoing basis by making the strategy portions of the plans (including contact information) available for easy downloading. Because of the uncertainty of the timing and status of the plans, Kathy suggested that DOE host regularly scheduled webinars to update members on the status of administering stimulus funds.

*What appliances will be included in the ENERGY STAR rebate program? What guidance is there on the rebate funding?* Detailed guidance to the states on the appliance rebate program is still in development and will be posted on the [www.recovery.gov](http://www.recovery.gov) website. Brian said that states may have the latitude to make decisions on the types of appliances eligible for rebates, the level of rebates offered, how they would supplement existing programs in the state (if at all), and how they would address early replacement opportunities and recycling issues.

*How do I get a list of cities that have applied directly for stimulus funding?* The list of cities eligible to apply for stimulus funding can be found on the following website: [www.eecbg.energy.gov/grantalloc.html](http://www.eecbg.energy.gov/grantalloc.html).

*What projects are eligible for SEP funding? What criteria does DOE use to select projects?* Details on the application process are available through the recovery.gov website or [http://apps1.eere.energy.gov/state\\_energy\\_program/about.cfm](http://apps1.eere.energy.gov/state_energy_program/about.cfm).

## Next Steps

CEE staff concluded the session by summarizing key information needs of members. These information needs will be used to inform how CEE might better equip members in orienting themselves to the changing federal landscape in the future.

- Efficiency program administrators have questions on how stimulus funded efficiency programs will be evaluated, measured and verified over time and how the savings will be attributed.
- Efficiency program administrators have been investing resources over time to build an infrastructure that supports their program goals (e.g., trained and certified contractors). They are concerned that stimulus-funded efficiency programs will increase demand for qualified contractors and energy-efficient products,

which, in turn, makes them less available to participate in ongoing efficiency program efforts. Program administrators are counting on these implementation resources to meet their annual savings goals.

- CEE members understand that there are delays in finalizing guidance for both the ENERGY STAR rebates and tax credits for energy efficient equipment. Since many CEE members offer rebates for ENERGY STAR appliances, they have questions about how the stimulus-funded rebates will be coordinated with their existing efficiency program offerings. Regarding the tax credits, members want to know when the IRS has finalized the application procedures so that they can pass this information on to their customers.
- In addition to accessing information available at the [www.recovery.gov](http://www.recovery.gov) and the [www.energy.gov/recovery](http://www.energy.gov/recovery) websites, members are seeking regular updates from DOE on the status and direction of relevant stimulus-funded programs in order to plan their efficiency efforts accordingly.

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<sup>i</sup> **Bryan Berringer** has been with the Department of Energy for the past 14 years in the role of Team Leader for the Office of Energy Efficiency and Renewable Energy, Building Technologies Program, Appliance Standards and Analysis Team responsible for federally mandated energy efficiency standards and test procedures for residential appliances and commercial equipment. In this capacity he has worked closely with manufacturers, trade associations, energy efficiency groups, utilities, states, and other interested parties. In October 2007, he transitioned to the Energy Star Program. His primary ENERGY STAR product responsibilities are advanced water heating technologies, solid-state lighting, advanced cooling products and processes, photovoltaics, and small wind turbines. He is currently the Recovery Act point of contact for the Building Technologies Program in the Office of Energy Efficiency and Renewable Energy at the Department of Energy.

<sup>ii</sup> **Ruth Horton** is a Program Manager for the New York State Energy Research and Development Authority, with over 28 years experience managing energy-efficiency and transportation programs. She currently is NYSERDA's lead for the energy-related programs under the American Recovery and Reinvestment Act, and has served as NYSERDA's designee on several committees of Governor Paterson's Renewable Energy Task Force. Ms. Horton currently manages a \$30 million portfolio of market development initiatives for the commercial/industrial sector as part of the New York Energy Smart Program. These include energy efficiency efforts related to workforce development, quality lighting installations, motor systems, building performance, and electronics. Ms. Horton also oversees the New York Energy Smart Loan Fund which provides low-cost financing for efficiency projects, as well as NYSERDA's alternative-fuel vehicle deployment activities.

<sup>iii</sup> **Kathy Kuntz** is Director of Energy Programs for WECC (the Wisconsin Energy Conservation Corporation) where she oversees the design and delivery of Focus on Energy, Wisconsin's statewide energy efficiency and renewable energy program. With an annual budget of \$91 million, Focus on Energy includes multiple award-winning programs for residents and businesses as well as win-win partnerships with thousands of private businesses that sell and install energy efficient and renewable energy products and services through the program. Kathy has been involved in the Focus effort since it first launched statewide in 2001 and in the last six months she's been the Focus lead in working with public and private entities on various aspects of the Recovery Act. In addition to her duties at WECC, Kathy serves on various advisory boards associated with energy education at the K-12, technical college and university levels.