

## REQUEST FOR BOARD ACTION

### HENDERSON COUNTY BOARD OF COMMISSIONERS

**MEETING DATE:** December 7, 2009

**SUBJECT:** Henderson County Energy Management Program  
Grant Application for Energy Efficiency and Conservation Block  
Grants: General Innovation Fund Programs (Topic 2)

**ATTACHMENTS:** Yes  
1. FOA from U.S. Department of Energy

#### **SUMMARY OF REQUEST:**

The U.S. Department of Energy (U.S. DOE) has released a Funding Opportunity Announcement (FOA) for Energy Efficiency Programs. This FOA is part of the American Recovery and Reinvestment Act (ARRA) and was issued on October 19, 2009.

The proposed program requests approximately \$1.75 million dollars from the U.S. DOE, with no matching funds, to establish an Energy Management Program for Henderson County for three years. This program would incorporate building assessments and audits, energy tracking databases, public outreach, and building improvements into its operations. Additionally, to oversee this program, a grant-funded position of Energy Coordinator would be created. The Energy Coordinator's tasks would include assisting participating municipalities, schools, and non-profits in building audits and the creation of energy tracking databases.

This program would also utilize grant money for a solar thermal project on the 1995 Courthouse to operate the boiler and chiller. This project could be partnered with the project for a solar thermal water heating system on the detention center. The cost of this project is estimated to be \$850,000.

The \$1.75 million dollars would be used as follows:

<b>Project</b>	<b>Cost</b>
Energy Coordinator	\$ 60,000 X 3 years = \$180,000
Low Cost Energy Efficiency Opportunities	\$300,000
Community Revolving Loan Fund	\$420,000
Solar Thermal Project (1995 Courthouse)	\$850,000
<b>Total</b>	<b>\$1,750,000</b>

**SUBJECT:** Henderson County Energy Management Program  
December 7, 2009  
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The Low Cost Energy Efficiency Opportunities budget would be used for low energy cost improvements such as installing energy efficient lighting, aerators on sinks, insulation in buildings, and weatherization. This fund would be made available to the County and the municipalities partnering with the grant opportunity. The Community Revolving Loan Fund would be used for energy efficiency improvements for low or fixed income housing or other non-profit or businesses working with low or fixed income housing. Payment schedules on this loan would be based on the borrower's ability to pay.

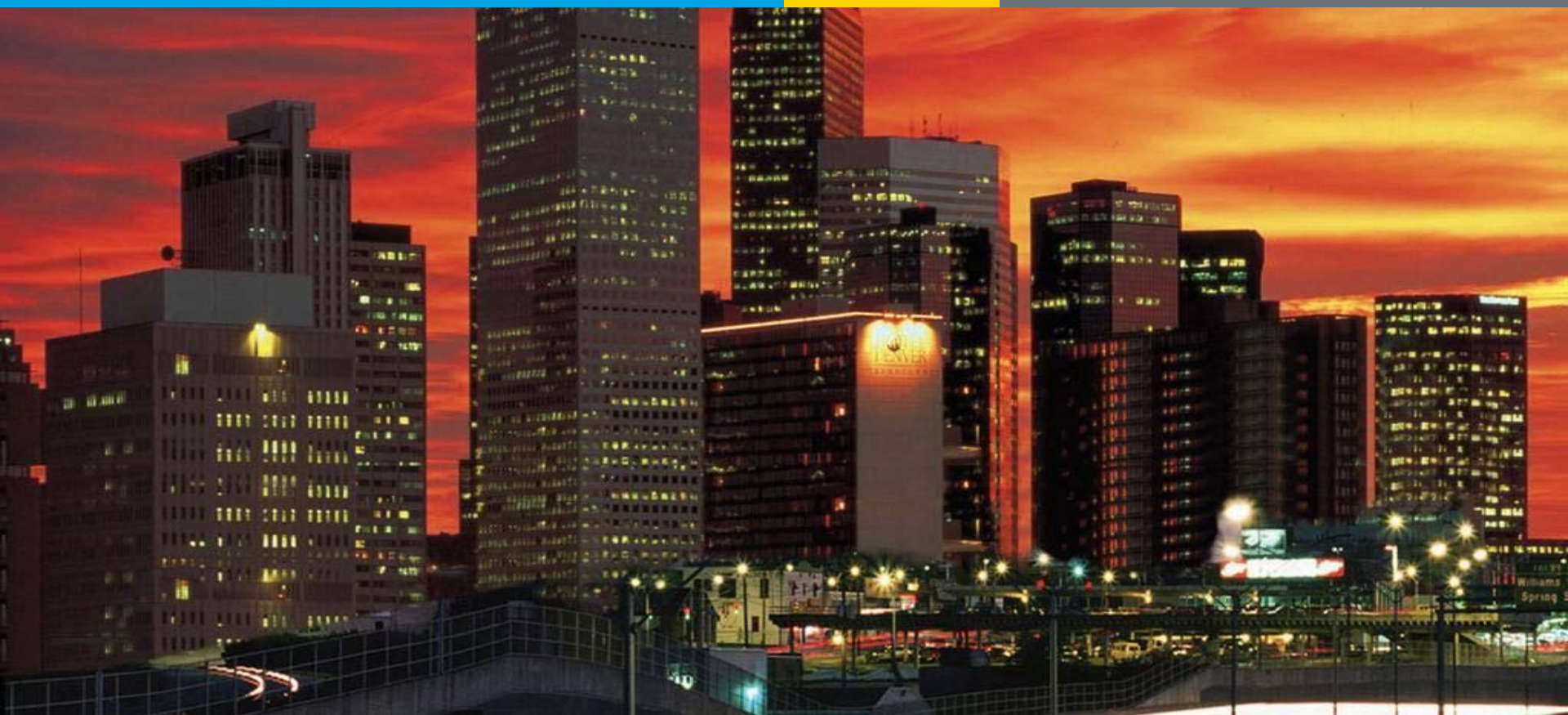
The Energy Management Program and the position of Energy Coordinator would be sustainable past the three year grant funding period. With a current annual energy budget of approximately \$500,000, conservative estimates indicate that the energy saving would be substantially greater than the Coordinator's salary, especially with the installation of the solar thermal system at the 1995 Courthouse. The money saved would be used to continue funding of the Energy Coordinator position and Energy Management Program. The application is due December 14 and work is in progress to finalize the applicant and associated cost estimates.

**BOARD ACTION REQUESTED:**

The Board is requested to approve the ARRA grant application from the U.S Department of Energy for an Energy Management Program.

**Suggested Motion(s):**

*I move that the Board approve the ARRA grant application from the U.S. Department of Energy for the Henderson County Energy Management Program.*



# Energy Efficiency and Conservation Block Grant Program Competitive Grants

Webinar for Applicants  
November 4, 2009

- Welcome!
- This webinar summarizes **Funding Opportunity Announcement Number DE-FOA-0000148.**
- All participants are muted.
- If you have technical difficulties, please use the chat window.
- Speakers:
  - *Karen Bahan, DOE Environmental Management Consolidated Business Center.*
  - *Steve Dunn, DOE Golden Field Office.*
  - *Colin McCormick, Carole Read, and Johanna Zetterberg, DOE headquarters, Washington DC.*

**See also:** [http://www.eecbg.energy.gov/about/competitive\\_grants.html](http://www.eecbg.energy.gov/about/competitive_grants.html) .

- The EECBG competitive grants web page is at [http://www.eecbg.energy.gov/about/competitive\\_grants.html](http://www.eecbg.energy.gov/about/competitive_grants.html) .
- The FOA is posted at <http://www.eecbg.energy.gov/Downloads/EECBGCompetitiveFOA148MON.pdf> .
- FAQs are posted at [http://www.eecbg.energy.gov/about/competitive\\_grant\\_faq.html](http://www.eecbg.energy.gov/about/competitive_grant_faq.html) .
- The application package is available at <http://www.grants.gov> .
- The EECBG Solution Center (technical assistance) is available at <http://www.eecbg.energy.gov/solutioncenter/default.html> .
- **You must submit questions about this FOA through FedConnect.** More information is available on p. 44 of the FOA, and at [https://www.fedconnect.net/Fedconnect/PublicPages/FedConnect\\_Ready\\_Set\\_Go.pdf](https://www.fedconnect.net/Fedconnect/PublicPages/FedConnect_Ready_Set_Go.pdf) .

1. EECBG Program and Competitive Grants Overview
2. Topic Area 1: The Retrofit Ramp-Up Program
3. Topic Area 2: The General Innovation Fund
4. Limitations on Use of Funds
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**Authorization:** Energy Independence and Security Act of 2007

**Appropriations:** American Recovery and Reinvestment Act of 2009

**Purposes:**

- To assist state, local, and tribal governments in implementing strategies to reduce fossil fuel emissions, reduce total energy use, and improve energy efficiency in the transportation, building, and other appropriate sectors (EISA).
- To spur economic growth and create/retain jobs (ARRA).



## Goals:

- To support activities that move beyond traditional public awareness campaigns, demonstration projects, and other “one-time” initiatives.
- To stimulate investments which can fundamentally and permanently transform energy markets to make energy efficiency and renewable energy the options of first choice.
- To seed programs that can continue beyond the grant funding and time period by incorporating a viable strategy for program sustainability into their overall plan.



- These grants are awarded **on a competitive basis**
- There is a finite amount of funding available, for which applicants compete against each other
- Unlike formula grants, no entity is entitled to an allocation
- Award recipients will be selected based on the merits of their proposals
- Applicants must follow all application instructions and will **NOT** be provided an opportunity to revise or amend an application
- **READ THE FOA THOROUGHLY** before submitting an application

# Overview: Funding and Timing

## Total Funding: Up to \$453.72 million

- Topic Area 1 (Retrofit Ramp-Up): Up to \$390.04 million
- Topic Area 2 (General Innovation Fund): Up to \$63.68 million

Letters of Intent to apply:

Requested by  
November 19



A calendar for November 2009. The days of the week are listed at the top: Sun, Mon, Tue, Wed, Thu, Fri, Sat. The dates are arranged in a grid. A red arrow points from the text 'November 19' to the date '19' in the calendar. The date '19' is circled in red.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

Applications:

Due by  
December 14  
11:59 PM ET



A calendar for December 2009. The days of the week are listed at the top: Sun, Mon, Tue, Wed, Thu, Fri, Sat. The dates are arranged in a grid. A red arrow points from the text 'December 14' to the date '14' in the calendar. The date '14' is circled in red.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

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## Topic Area 1:

### The Retrofit Ramp-Up Program

Number of awards: 8 to 20

Funding: \$5 million to \$75 million per award  
(up to \$390.04 million total)

Letter of intent requested by: Nov. 19

Application due: Dec. 14

## DOE is seeking proposals that:

1. Enable programs of energy retrofits for large numbers of residential, commercial, industrial and/or public buildings in geographically focused areas (“**whole-neighborhood retrofits**”).
2. Deliver **verified energy savings**.
3. Achieve a **high ratio of leveraging** – goal is \$5 leveraged per each \$1 in grant funds.
4. Incorporate a **sustainable business model** for continuing to deliver retrofits after grant funds are exhausted.
5. Are **replicable and scalable** across the nation.
6. Include the support of **multiple partners** including state and local governments, utilities, regional planning organization, businesses, financial institutions, universities, and NGOs.

## DOE is NOT seeking proposals that:

1. Propose **anything other than building retrofit programs.**
2. Propose the **design and construction of new energy-efficient buildings.**
3. Demonstrate technologies **without market transformation.**
4. Focus exclusively or largely on **renewable energy technologies for buildings.**  
(DOE will consider cost-effective renewables integration with efficiency.)
5. Take existing policies/programs and make **incremental improvements** over business-as-usual efforts.
6. Are **not ready for immediate implementation.**

## Neighborhoods

- Not necessarily contiguous.
- Includes a significant percentage of buildings within a defined area.
- Can be urban, suburban, or rural.
- May be based on a different aggregating principle that leads to economies of scale or critical mass.

## Verified energy savings

- Energy savings must be verified through utility billing analysis.

## Program sustainability

- The program will continue beyond the expenditure of funds awarded by DOE.

## Leveraging

- Not a cost-share.
- Can include (but is not limited to) partner contributions, in-kind contributions, building owner contributions, project revenues, state funds, other federal funds (including other DOE funds).

## **Awards:**

- Award size: \$5 million to \$75 million.
- Award number: 8 to 20.

## **Eligible applicants under Topic Area 1:**

- States (including the District of Columbia, Puerto Rico, the US Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands).
- Formula-eligible units of local government.
- Formula-eligible Indian tribes.
- Entities eligible to apply under Topic Area 2.
- Governmental, quasi-governmental, or non-governmental not-for-profit organizations authorized by and on behalf of the above.

***Formula-eligible entities can be found at [www.eecbg.energy.gov](http://www.eecbg.energy.gov) .***

## Example 1

- Partners: Bank and construction-related retailer.
- Financing: PACE (property-assessed clean-energy) loans.

## Example 2

- Partners: Utility and Home Performance with ENERGY STAR partner.
- Financing: On-bill loan repayment.

## Example 3

- Partners: State department of commerce and ESCO.
- Financing: Loans through ESCO.

(See the FOA page 11 for more examples and more detail.)

**NOTE: These examples are intended only to illustrate the types of comprehensive program design DOE is seeking, and should not be taken to indicate a preference for any particular approach.**

## **Property-Assessed Clean Energy (PACE) loans**

- Repaid through property taxes.
- All PACE programs are required to follow federal best-practices, posted at [http://www.whitehouse.gov/assets/documents/PACE\\_Principles.pdf](http://www.whitehouse.gov/assets/documents/PACE_Principles.pdf) .

## **On-bill financing**

- Loans repaid on utility bills, partly offsetting average savings.

## **White tags/Energy Savings Certificates**

- Used to sell energy savings into efficiency markets.
- See <http://www.nrel.gov/docs/fy09osti/45970.pdf> for more information.

## **Forward capacity markets**

- Efficiency sold into electricity capacity markets.
- FERC Order 719; see <http://www.ferc.gov/industries/electric/indus-act/competition.asp> .

## **Carbon offset trading**

- Carbon reductions sold into voluntary trading markets.

## Stay tuned for upcoming energy finance webinars from DOE:

- Finance landscape - November 12.
- PACE (Property Assessed Clean Energy) financing - November 18.
- Revolving loans - December.
- Overview on accessing private capital & approaching lenders - December
- Performance Contracting - December

Visit the Technical Assistance Solution Center to sign up, at  
<http://www.eecbg.energy.gov/> .

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## Topic Area 2:

### The General Innovation Fund

Number of awards: 15 to 60

Funding: \$1 million to \$5 million per award  
(up to \$63.68 million total)

Letter of intent requested by: Nov. 19

Application due: Dec. 14

## DOE is seeking proposals that:

1. Propose eligible activities (see following slide).
2. Contribute to **meaningful and sustainable market transformation**. (These are broadly replicable and scalable and/or bring a significant benefit to other units of local government and State-recognized Indian tribes through the successful execution of an outcome or deliverable.)
3. Are able to **highly leverage DOE financial assistance** to achieve significant energy and cost savings.
4. Result in **new or innovative approaches** to the purposes of the EECBG program.
5. Are capable of being **financially self-sustaining** beyond the funding period.

## DOE is NOT seeking proposals that:

1. Propose the **design and construction of new energy-efficient buildings**.
2. Demonstrate technologies **without market transformation**.
3. Focus exclusively or largely on **renewable energy technologies for buildings**.  
(DOE will consider cost-effective renewables integration with efficiency.)
4. Take existing policies/programs and make **incremental improvements** over business-as-usual efforts.
5. Are **not ready for immediate implementation**.

**The following activities under 42 U.S.C. 17154 are allowed under Topic Area 2:**

- Building Energy Audits
- Financial Incentive Programs for Energy Efficiency Improvements
- Energy Efficiency Retrofits
- Energy Efficiency and Conservation Programs for Buildings and Facilities
- Development and Implementation of Transportation Programs to Conserve Energy
- Building Codes and Enforcement
- Energy Distribution Technologies for Energy Efficiency
- Material Conservation Programs including source reduction, recycling, and recycled content procurement programs
- Reduction and Capture of Methane and Greenhouse Gases
- Replacement of Traffic Signals and Street Lighting with Energy Efficient Lighting Technologies
- Renewable Energy Technologies on Government Buildings

*Note: DOE has intentionally left Topic 2 broad to allow for innovation in program design and delivery across a wide variety of market sectors.*

## **Awards:**

- Award size: \$1 million to \$5 million.
- Award number: 15 to 60.

## **Eligible applicants under Topic Area 2:**

- Units of local government and State-recognized Indian tribes that are not formula-eligible.
- Consortia of units of local governments and/or State-recognized Indian tribes that are not formula-eligible.
- Governmental, quasi-governmental, or non-governmental not-for-profit organizations authorized by and on behalf of the above.

***Formula-eligible entities can be found at [www.eecbg.energy.gov](http://www.eecbg.energy.gov) .***

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# Limitations on Use of Funds

- Limitations are based on the identity of the funds recipient.
- For joint applicants, limitations apply to individual portions of funds.

	States	Formula-eligible local governments or tribes	Formula-Ineligible local governments or tribes
Limit on admin expenses including the cost of reporting	Not more than 10% of the amount provided to the state.	Not more than the greater of: (a) 10% of the amount provided to the entity; or (b) \$75,000.	None.
Limit on the amount for establishing a revolving loan fund	None.	Not more than the greater of: (a) 20% of the amount provided to the entity; or (b) \$250,000.	None.
Amount required to be provided as sub-grants to formula-ineligible units of local government	Not less than 60% of the amount provided to the State.	None.	None.

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- Request for Information (RFI) closed 9/28/09.
- Funding Opportunity Announcement (FOA) opened 10/19/09.
- (Optional) Letters of Intent to Apply requested by 11/19/09 to [FOA148@emcbc.doe.gov](mailto:FOA148@emcbc.doe.gov) .
- **Applications due by 12/14/09 at 11:59pm ET.**

*If you are considering applying, get started now!*

1. *Read the FOA thoroughly.*
2. *Register with FedConnect.*
3. *Submit any questions to FedConnect.*
4. *Plan your proposal and prepare your application.*

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## **Initial compliance review:**

Prior to a comprehensive merit evaluation, DOE will perform an initial review to determine that (1) the applicant is eligible for an award; (2) the information required by the announcement has been submitted; (3) all mandatory requirements are satisfied; and (4) the proposed project is responsive to the objectives of the FOA.

## **Merit-based selection process:**

A “thorough, consistent and objective examination of applications based on pre-established criteria by persons who are independent of those individuals submitting the applications and who are knowledgeable in the field of endeavor for which support is requested”.

## **Selection officials may make decisions based on:**

- Merit-review results.
- Program policy factors.
- Availability of funds.

***Merit-review criteria and program policy factors can be found on pp. 37-40 of the FOA.***

The following proposed activities will be deemed non-responsive during the initial compliance review and eliminated from full Merit Review:

- Programs that fall under uses of funds as described in 42 U.S.C. 17154(1)-(2),(14): Development and implementation of an energy efficiency and conservation strategy; Technical consultant services to assist the eligible entity in the development of the energy efficiency and conservation strategy; and any other appropriate activity, as determined by the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Transportation and the Secretary of Housing and Urban Development
- Programs for the design and construction of new energy-efficient buildings.
- Technology demonstration programs without market transformation.
- Programs which focus exclusively or largely on renewable energy technologies for buildings (without integrating comprehensive energy efficiency and conservation activities).
- For Topic 1 only, programs that do not specifically target building retrofits.

***Activities deemed non-responsive can be found on p. 37 of the FOA.***

### MERIT REVIEW CRITERIA

1. Leveraging and Sustainability: 25%
2. Project Impact: 25%
3. Project Approach: 25%
4. Partnership Structure & Capabilities: 25%

### PROGRAM POLICY FACTORS

- Diversity of awards, including multiple locations, climates, and program structures.
- Impact on reducing property owners' risk of loan default by reducing energy bills.
- Adoption of updated building codes. This applies only to prime applicants that have the authority to adopt building codes by the close date of the FOA.
- Selection of Applications which promote and enhance the objectives of the Recovery Act, especially job creation, and/or preservation and economic recovery in an expeditious manner.
- Consideration of the impact on, and benefits to, a diversity of communities, including low-income and rural communities.

### MERIT REVIEW CRITERIA

1. Project Impact: 50%
2. Project Approach: 25%
3. Partnership Structure and Capabilities: 25%

### PROGRAM POLICY FACTORS

- Diversity of awards, including multiple locations, climates, and program structures.
- Selection of Applications from local governments located in states with populations of less than 2 million people, or that plan to carry out projects that would result in significant energy efficiency improvements or reductions in fossil fuel use.
- Selection of Applications which promote and enhance the objectives of the Recovery Act, especially job creation, and/or preservation and economic recovery in an expeditious manner.
- Consideration of the impact on, and benefits to, a diversity of communities, including low-income and rural communities.

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Questions regarding the content of the FOA must be submitted through the FedConnect system. **You must register with FedConnect to respond as an interested party to submit questions, and to review responses to questions.** It is recommended that you register as soon as possible to have the benefit of reviewing all responses.

More information on FedConnect is in the user guide:

[https://www.fedconnect.net/Fedconnect/PublicPages/FedConnectReady\\_Set\\_Go.pdf](https://www.fedconnect.net/Fedconnect/PublicPages/FedConnectReady_Set_Go.pdf)

FedConnect homepage:

<https://www.fedconnect.net/fedconnect/>

- **Do NOT** submit your proposal idea as a question in FedConnect. DOE will NOT comment on proposal ideas.
- **Do NOT** submit questions to an email address or any channel other than FedConnect.

## What characteristics will a strong proposal have?

DOE is seeking applications for programs that:

- Maximize the creation and/or retention of jobs in the United States
- Move beyond the planning stage and are ready for implementation
- Highly leverage grant dollars
- Are broadly replicable and scalable, and have the potential to make an impact at the regional or national level
- Comprise a collaborative partnership including but not limited to local jurisdictions, tribal governments, regional planning agencies, businesses, utilities, non-governmental organizations, and State energy offices
- Are capable of being financially self-sustaining beyond the funding period

## **Do Davis-Bacon wage requirements, the Buy American Provision, the Historic Preservation Act and the National Environmental Policy Act apply to the EECBG competitive grants?**

Yes. Please see the full FOA document for all Recovery Act requirements.

**Can entities that are eligible for both Topic Areas submit an application under each?**

**Can entities that are eligible submit multiple applications under one Topic Area?**

**Can an entity be a partner on more than one application?**

Yes. Separate, stand alone applications are required.

## What is a “state”?

“State” means the 50 United States, the District of Columbia and the following Territories of the United States: Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

## What is a “Formula-eligible unit of local government”?

“Formula-eligible unit of local government” means a unit of local government that was eligible for direct funding under the EECBG formula.

For a list of formula-eligible units of local government, see <http://www.eecbg.energy.gov/grantalloc.html>

“Unit of local government” means:

- A city or city-equivalent such as a town or village
- A county or county-equivalent such as a parish
- A consolidated city/county government

For more information on definitions see the EECBG Formula Methodology available at <http://www.eecbg.energy.gov/about/FAQ.html>

## What is a “formula-ineligible unit of local government?”

A “formula-ineligible unit of local government” means a city or county that:

- Is listed in the 2007 Governments Integrated Directory (GID) as an incorporated entity;
- Is identified by the 2007 Census of Governments as having a governance structure consisting of an elected official and governing body;
- Has a governing structure,
  - as indicated by the 2007 Census of Governments publication, with the capabilities
  - and jurisdiction necessary to carry out the broad range of EECBG programs, or
  - with the capabilities and jurisdiction necessary to carry out the broad range of EECBG programs, as demonstrated by the applicant; and
- Was not eligible for direct funding under the EECBG formula.

## What is a “formula-eligible tribe”?

A “formula-eligible tribe” means a tribal government that was eligible for direct formula funding: As defined by section 541(4) of Title V, Subtitle E of EISA, “Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act.” The Indian Self-Determination and Education Assistance Act states that, “Indian tribe’ means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians” (25 U.S.C. 450b).

A list of formula-eligible tribes is at <http://www.eecbg.energy.gov/tribealloc.html>

## What is a “formula-ineligible” tribe?

A “formula-ineligible” tribe is a state-recognized tribe that was not eligible for formula funds.

To establish State-recognized Indian Tribe eligibility, an applicant must submit verifiable documentation from one or more individual States in which it resides that it is formally recognized as having self-governance authority.

## Are leveraged funds required?

No; however the leveraging of funds carries substantial weight in the merit review criteria for both Topic 1 and Topic 2. For the purposes of this FOA, DOE considers leveraging to include partner contributions, in-kind contributions, project revenues, other federal funds (including other DOE funds), and state funds. For example, programs that leverage DOE Weatherization Assistance Program funds and associated resources could constitute one example of a source of leveraged funds.

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# Thank You