



ENERGY EFFICIENCY & RENEWABLE ENERGY (EERE) COMPETITIVE GRANTS *PROPOSAL TO DIRECT FY 2012 APPROPRIATIONS TO* *INNOVATIVE LOCAL CLEAN ENERGY PROJECTS*

Overview: For well over a decade, America's cities and counties have taken the lead in implementing new models of clean energy solutions by serving as laboratories of innovation. Local governments are conducting efficiency retrofits of municipal facilities; providing low-cost financing for energy efficiency retrofits of homes and commercial buildings; setting and enforcing building efficiency standards; developing community-scale renewable energy; utilizing low-emission vehicles and fuels; installing alternative fuels infrastructure; promoting smart land use and increased mass transit to reduce vehicle miles traveled; and developing clean energy jobs.

The value of the federal investment in local government efforts to deploy clean energy innovation has been demonstrated by the implementation of the U.S. Department of Energy's "Energy Efficiency and Conservation Block Grant" (EECBG) program. Congress provided one initial round of funding for the EECBG program, which has been critical for local efforts to deploy green building, energy efficiency, and renewable energy projects and initiatives. This EECBG funding has been transformative in many communities, and has sparked new public-private sector clean energy development. For a report showing more than 100 profiles of the energy and money saved, jobs created, and community benefits achieved using this first-ever round of EECBG funding, see <http://energyblockgrants.org/wp-content/uploads/2010/12/Energy-Block-Grant-Community-Profiles-Packet.pdf>.

However, with no additional funding available for the EECBG program and the elimination of earmarks in FY 2011 and FY 2012, there is no ongoing federal source of funding to help local governments implement energy efficiency and renewable energy projects that create new models for reducing local operating costs, enhancing energy independence, creating local sustainable jobs, leveraging private capital. EECBG helped many communities across the country to take their first steps in reducing energy use in homes, commercial buildings and public facilities. Additional federal resources are critical to helping cities and counties reach the next level in the deployment of clean energy strategies and technologies. To maintain the U.S. Department of Energy's (DOE) partnership with local governments, Climate Communities proposes that Congress direct DOE funding that it traditionally earmarked in the "Renewable Energy and Energy Efficiency" account into competitive grants for local energy efficiency and renewable energy projects.

Funding Source: In FY 2010, \$292 million in DOE funding was earmarked for 295 projects under the "Renewable Energy and Energy Efficiency" account of the Energy & Water Development Appropriations Bill. Many of these earmarks supported local government energy projects. Under this proposal, \$250 million of this funding would be used for competitive grants in FY 2012.

Statutory Authority: The Energy Independence and Security Act of 2007, Title V, Subtitle E authorizes DOE to award competitive grants through the EECBG program. DOE used this authority in 2010 to provide \$450 million in grant funding through the EECBG program and there is sufficient existing staff capacity at DOE to evaluate, award and monitor grants awarded through this program.

Goals of EERE Competitive Grants:

- Foster innovative local approaches to conserve energy and promote the use of renewables;
- Create replicable models for local government energy efficiency & renewable energy initiatives;

- Increase the capacity of local governments to implement energy efficiency & renewable energy projects;
- Demonstrate how limited federal dollars can leverage significant private sector investment in local clean energy projects that create local jobs and stimulate local economic development;

Total Proposed Funding: \$250 million

Number and Size of Awards: 150-250 projects, ranging from \$500,000 to \$5 million each

Eligible Entities: Cities, Counties, Towns/Townships, and Indian tribes

Eligible Project Activities:

- Building energy audits and retrofits
- Financial incentive programs for energy efficiency such as energy savings performance contracting, on-bill financing, and revolving loan funds
- Transportation programs to conserve energy and support renewable fuel infrastructure
- Building code development, implementation, and inspections
- Installation of distributed energy technologies including combined heat and power and district heating and cooling systems
- Material conservation programs including source reduction, recycling, and recycled content procurement programs
- Reduction and capture of air emissions generated by landfills or similar waste-related sources
- Installation of energy efficient traffic signals and street lighting
- Installation of renewable energy technologies on government buildings

Set-aside for Small and Rural Communities: 20%

Direction to DOE in Selecting Grant Winners:

- Fund a diverse mix of local projects that reduce energy consumption and utilize renewable energy
- Fund a wide range of recipients (large, small, urban, suburban, and rural communities) -- 20% set-aside for small/rural communities
- Fund a geographically diverse group of recipients

Evaluation Criteria for Selecting Grantees:

- Project impact, including projected energy saved, cost savings, renewable energy produced, and emissions decreased
- Degree of innovation, including development and testing of new models, approaches, strategies, finance mechanisms, and technologies
- Amount of leverage of private sector and other resources
- Contribution to job creation and local economic development
- Replicability
- Plan to fund and sustain the program over time

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