

# Briefing on ARRA State Energy Program (SEP) Funding for USG

- Overall context, GEFA's role, and anticipated funding levels
- General project funding criteria and eligibility
- Overview of project submittal process
- Timeline for submittals and selections



# GEORGIA ENVIRONMENTAL FACILITIES AUTHORITY

[www.gefa.org](http://www.gefa.org)



WATER & SEWER FINANCING ● ENERGY EFFICIENCY ● LAND CONSERVATION ● RENEWABLE ENERGY ● FUEL STORAGE

David Godfrey  
PJ Newcomb

## State Facilities Retrofit Program

*May 15, 2009*

## *Introduction*

- **ARRA appropriates funding for the USDOE to issue formula-based grants to State Energy Programs (SEP)**
- **GEFA is the designated agency for DOE/SEP funding in Georgia**
- **Application will address federal goals and state goals enumerated in Governor's Energy Challenge**

## *Assignment*

- **GEFA will approve project funding based on need, ROI, Btu/GHG saved, and jobs created/retained**
- **Assistance provided by inter-agency subcommittee of the SFEC with reps from State Property Officer, Regents and OPB**

## *Deadlines*

- **Application submitted to DOE: May 12**
- **DOE approval expected no sooner than 60 days (~July 12)**
- **Phased funding expected ~ August 1**
- **DOE guidelines specify that 50% of funding to be obligated within 18 months after awards**

## *Federal Goals & Priorities*

- **SEP Goals**
  - Increase energy efficiency to reduce energy costs & consumption for consumers, business & gov't
  - Reduce reliance on imported energy
  - Improve reliability of electric and fuel supply & delivery of energy services
  - Reduce the impacts of energy production/use on the environment
- **ARRA priorities**
  - Stimulate the creation or increased retention of jobs
  - Saving energy (kWh/therms/gallons/BTUs/etc)
  - Increase energy generation from renewables
  - Reduce greenhouse gas emissions

## *Georgia Goals*

- **State Facilities Energy Council**
  - Created by Governor Sonny Perdue in 2006 to provide guidance and recommendations regarding energy policies, purchasing strategies, and optimization strategies to help ensure consistent energy supply
- **Governor's Energy Challenge**
  - Established by Governor Sonny Perdue in 2008 to create a Culture of Conservation among Georgia citizens
  - State Leadership Initiative charges Georgia government to reduce energy use per square foot by 15 percent by 2020
- **Energy Baseline Data and Energy Management Plans**
  - GEFA has requested baseline data and plans to help fulfill State Leadership Initiative goals.

## *Program Features*

- **Proposed Funding: \$65 M**
  - Phased allocations w/ 50 percent expected 8.1.09
- **Statewide Support Activities (\$2 M)**
  - Energy audit “SWAT Teams”
  - Green Building Rating “Seed Money”
- **35% BOR (\$22 M); 65% SPO**
- **Project Guidelines**
  - Focus on “energy hogs” based on need/ROI
  - Phased approach—“shovel ready /high ROI projects first”
  - Energy use reduction (BTU/ft<sup>2</sup>)
  - Jobs creation/retention
  - Greenhouse Gas Emissions Reduction
  - Leveraging non-federal dollars
  - Non-supplanting existing state dollars

## *Project Guidance for Agencies*

- **Overview: The following list is strongly suggested as guidance to help agencies/institutions make initial project selections:**
- **(1) Prohibited Activities (per federal guidance document)**
  - Construction, e.g. mass transit, bus lanes, or constructing or repair of buildings or structures
  - Purchase of land, buildings or structures
  - Subsidy of public transportation
  - Subsidy of utility rates or state tax credits
  - Purchase of equipment for R&D/demonstrations of non-commercially available technologies
- **(2) Scheduled building disposition (sale or demolition)**
- **(3) Non-federal funds leveraged, e.g. state, utility, other**
- **(4) “Shovel-readiness” (18 months to obligate 50% of funds)**
- **(5) Building code compliance**

## *Project Evaluation Criteria*

- **Overview:** Projects submitted will be evaluated by criteria based on the federal priorities contained in the guidance document. These include:
  - **(1) Stimulating the creation or increased retention of jobs**
  - **(2) Saving energy (kWh/therms/gallons/BTUs/etc)**
  - **(3) Increasing energy generation from renewable sources, and**
  - **(4) Reducing greenhouse gas (GHG) emissions.**
- **In addition, GEFA recommends that Project Cost be an evaluation criteria.**

# Key points

- Applications in a range of \$1-3 M are encouraged.
- **Agencies are urged to bundle projects together for optimal administrative efficiency.**
- GEFA shall pay recipient on a **cost reimbursement** basis.
- Larger scale, higher return on investment projects are preferred. Multiple energy conservation measures, as typically identified by investment grade audits by energy services companies are encouraged.

# Possibilities for Bundled Projects

- Provide 30% energy efficiency enhancement for approved FY10 MRR energy projects \$6-9M
- Pursue job order contract or similar mechanism for common conservation measures, e.g. lighting retrofits, submeters
- Fund unfunded energy requests from FY10 MRR \$4-6M
- Others??

# Expected Timeline

- **Current:** Pilot testing on-line application process
- **Mid-June:** Application process opens
- **Mid-July:** Application process closes
- **End July:** Selections made
- **August:** Seek Board/Governor's approval
- **August:** Notifications/Projects awarded upon receipt of funding from DOE
- **September:** Projects begin / must end by March 2012

# Questions??