

American Recovery and Reinvestment  
Act of 2009

State Energy Program

# Preliminary Guidelines Workshops

Stockton, San Francisco, San Diego  
July 28, 29, 31, 2009

California Energy Commission



# Workshop Agenda

- Welcome and Introductions
- DOE Perspective – Christine Shafik
- SEP Guidelines Overview – Valerie Hall
- Municipal Financing District Program – Angela Gould
- California Comprehensive Residential Building Retrofit Program – Bill Pennington
- Municipal and Commercial Building Targeted Measure Retrofit Program – Martha Brook
- Questions
- Next Steps



# SEP Guidelines Overview



# ARRA and SEP National Goals

- Create and Retain Jobs –  
Particularly “Green Jobs”
- Promote Economic Recovery
- Reduce Reliance on Imported Energy
- Reduce Greenhouse Gas Emissions
- Spur Technological Advances
- Assist Those Most Impacted by Recession
- Provide Long-Term Economic Benefits
- Deliver Programs Expeditiously



## DOE SEP Objectives

- Market Transformation Initiatives and Actions that Align with the National Goals
- Market Transformation =
  - Strategic Interventions that Cause Lasting Changes in Structure or Function of the Market or the Behavior of Market Participants
  - Resulting in Increase in the Adoption of Energy Efficiency and Renewable Energy Products, Services and Practices



# California Policy Context

- Provide Most Successful Program in the Country to Deliver ARRA Stimulus Funding
- Maximize Benefits to California Economy Through Job Creation and Retention
- Pursue California Policy – Integrated Energy Policy Report, ARB AB 32 Scoping Plan, CPUC Strategic Plan, Energy Action Plan
- Honor the “Loading Order” that Prioritizes Energy Efficiency First



## Overall Guidelines – Major Points

- Guidelines Address Three SEP Programs For Which A Solicitation will be Released
- Up to \$96 Million Will Be Available
- Projects Must be Completed by 3/31/2012
- Commission Will Closely Monitor Projects Through Required Reporting & Audits
- Commission Will Re-Allocate Funds From Projects That Are Not Making Sufficient Progress to Be Complete by the Deadline



# Guidelines and Solicitation Schedule

- July 16 – Preliminary Guidelines Release
- July 28, 29, 31 – Public Workshops
- August 5 – Written Comments Due
- August 21 – Proposed Guidelines Release
- September 23 – Commission Adoption
- October – Solicitation Release
- November – Responses Due
- December – January – Awards



## Other SEP Funding Allocations

- Total SEP Funding - \$226 million
- Dept. of General Services Revolving Loan Program  
- approx. \$25 million
- Employment Develop. Dept./Employment Training Panel  
Green Jobs Training Program - \$20 million
- Energy Conservation & Assistance Account
  - Loans – up to \$25 million;
  - Competitive Grants – up to \$50 million
- Clean Energy Systems Program (combined heat/power, distributed generation, bioenergy) – up to \$35 million
- Programs Covered by the Current SEP Preliminary Guidelines – up to \$96 million



# Municipal Financing District Program



## Municipal Financing District Program

# Program Purpose

- Assist Cities, Counties and Groups of Cities and Counties in Implementing or Continuing Their Own Financing District Programs to Fund Energy Efficiency and On-Site PV Retrofits in the Residential and Commercial Sectors.
- Ensure that Their Programs are Structured to be Cost-Effective, Sustainable, Transparent and Able to Achieve the Greatest Energy Savings for the Amount Invested.



## Municipal Financing District Program

# Financial Assistance to Local Government

## Financial Assistance Options

- Establish a Loan Loss Reserve
- Cover Program Start-Up Costs
- Cover Some Ongoing Program Administration Costs
- Cover the Cost of Energy Audits/Home Energy Ratings
- Interim Financing (Warehouse Line of Credit)
- Interest Rate Buy-Down
- Interest Rate Insurance, May Include an Interest Rate Collar
- Homeowner Grants (for Low Income Homeowners or Whole-House Energy Efficiency Retrofits)



(Any funds provided through ARRA may trigger prevailing wage)

## Municipal Financing District Program

# Proposed Requirements

- Detailed Finance Plan
- Local Government Provides EECBG or Other Match Funds
- Eligible Improvements (Measures From Other 2 SEP Programs)
- Loading Order (Efficiency First)
- Energy Audits/Home Energy Ratings for Program Participants
- Screening Applicants to Ensure Creditworthiness
- Legal Status (Validation, Legal Opinion, Mortgage Priority)
- Assurance of Program's Long-Term Viability
- Quality Assurance/Field Verification
- Documentation of Energy Savings
- Program Transparency



## Municipal Financing District Program

# Additional Desirable Attributes

- County-Wide or Regional Approach
- Workforce Development Plan
- Job Creation/Retention
- Target Economically Disadvantaged Areas



## Municipal Financing District Program

# Eligible Applicants

- Cities, Counties, or Groups of Cities and Counties in California that are in the Process of Establishing or Have Already Established a Municipal Financing District
- Eligible Applicants May be Expanded if Pending Legislation Passes (SB 279, AB 474)



# California Comprehensive Residential Building Retrofit Program



## Three-Tiered Approach

- 1<sup>st</sup> Tier – Low-cost Items; Visual Inspection; Provide Information; Minimally Trained Person; Recommend Moving to Higher Tiers
- 2<sup>nd</sup> Tier – Installation by a Specialty Contractor; Limited Diagnostics; Specific Measures; Pull Permits, Use Title 24 Protocols/Field Verification
- 3<sup>rd</sup> Tier – Whole-House Retrofits; HERS II Based; Deeper, Comprehensive Retrofits; Extensive Diagnostics; This is the Level That Will Be Needed to Meet California's Policy Goals
- See p. 36 for Measure Checklists



## Required Program Elements

- Regional Consortia
- Targeted Information to Recruit Participants
- Workforce Training and Support for Each Tier
- Access to Retrofit Financing (Municipal Financing, EECBG, Weatherization, EEMs, NSP, FHA/HUD, Energy Star Mortgage, Utility Incentives, Other)
- Support/Facilitate California HERS Field Verification to Insure Quality Control
- Use Funding to Seed Programs that will be Self-Sustaining After ARRA Expiration



## California Comprehensive Residential Building Retrofit Program

# Collaborate with National and State Programs

- Home Performance with Energy Star
- Building America Teams
- HUD Neighborhood Stabilization Programs and EEM and Other HUD Financing Programs
- California HERS Program, Phase I and II
  - Desirable: Time-of-Sale, Multiple Listing Service Initiatives
- CPUC Home Performance Programs
- Utility Incentives Programs
- CSD and IOU Weatherization Programs
- Energy Star Mortgage Program



## California Comprehensive Residential Building Retrofit Program

### Additional Desirable Elements

- Economically Disadvantaged Areas
  - Neighborhood Stabilization Programs
  - Neighborhood Weatherization – Low-Income or Income Brackets Just Above Current Programs
- Green Jobs Training Program Collaboration
  - Training, Mentoring, OJT, Apprenticeship
  - Local Workforce Investment Boards, Community Colleges, Utilities, Other Providers
  - Extend Successful Training Developed by Utilities, CBPCA, HERS Providers



## California Comprehensive Residential Building Retrofit Program

# Evaluation Criteria

- Leveraging of Funding
- Sustainability
- Economically Disadvantaged Areas
- Total Job Creation
- Total Energy and Greenhouse Gas Reduction
- Time Criticality
- Conformance with California Law
- Collaboration with National and State Programs



## California Comprehensive Residential Building Retrofit Program

# Eligible Applicants

- Consortia of Regional Groups That Include:
  - Local Government Agencies
  - Utilities
  - Community Colleges
  - Local Workforce Investment Boards
  - National/State Energy or Housing Programs
  - Private and Public Program Delivery Groups
  - Private and Public Energy and Building Contracting Experts
  - Private and Public Training Providers



# Municipal and Commercial Building Targeted Measure Retrofit Program



## Municipal and Commercial Building Targeted Measure Retrofit Program

### Program Focus

- Focus on Opportunities to Deploy Specific Technologies Broadly Across the State
  - Negotiate Volume Purchase Pricing
  - Train Entry-Level Workers to Conduct Audits
  - Train Professional Trades to Complete Retrofits
  - Develop Simple, Effective Marketing Campaign to Maximize Participation and Publicize Results



## Municipal and Commercial Building Targeted Measure Retrofit Program

### Targeted Measures

- Focus on Technologies that can Transform Specific Markets
  - Implement Best Practice Concepts
  - Realize Large Energy Savings Compared to Existing Technologies
  - Provide Non-Energy Benefits (e.g., Higher Quality, Increased Safety, Reduced Maintenance)
  - See p. 38 for Targeted Measures



Top: Old HPS fixtures at Sacramento State Univ.  
Bottom: New Beta LED parking garage installation



## Program Leveraging

- Leverage Existing/New Retrofit Program Funds
  - Local Government Clean Energy Financing programs
  - SEP Municipal Financing District Program
  - IOU Local Government Partnership Programs
  - Utility Retrofit Programs
  - ECAA and EECBG Funding Programs
  - Federal Tax Credits



## Municipal and Commercial Building Targeted Measure Retrofit Program

### Program Structure

- Targeted Measures
- Public & Private Partnerships
- Workforce Development and Job Creation
- Volume Purchasing
- Match Funding
- Marketing and Outreach
- Technical Support
- Project Reporting



## Municipal and Commercial Building Targeted Measure Retrofit Program

### Eligible Applicants

- Public, Nonprofit or Private Organizations
- Lead Agency to Act as Program Administrator
  - Organize Key Aspects of Program (e.g., Volume Purchasing, Marketing & Outreach, Workforce Development, Project Reporting)
  - Deploy Retrofits Through Public and Private Partnerships (e.g., Local Governments, Special Districts, Private Building Owners & Managers)



## Next Steps

**We want your input!**

Comments on SEP Preliminary Guidelines by August 5,  
2009 (the Sooner the Better) to:

**[sep@energy.state.ca.us](mailto:sep@energy.state.ca.us)**

