



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by  Date 9/11/09
General Manager

DATE: September 11, 2009
TO: General Manager
FROM: Finance Manager
SUBJECT: Economic Stimulus Funds

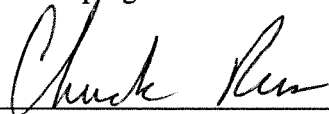
As reported in the June 2009 Board Meeting, District staff has continued to investigate potential opportunities for pursuing federal funds under the American Recovery and Reinvestment Act (ARRA) of 2009 over the last several months. A number of different avenues have been pursued and there appears to be funding available on several fronts, including renewable energy production, recycling, conservation and public education and outreach related to recycling. However, the link between the funds and the District continues to be a challenge to locate.

Staff is involved in an ongoing dialogue with the Deputy Director at the Monterey County Resource Planning Agency wherein we discussed potential funding opportunities for District programs outlined above. She is very receptive to the types of future programs outlined, including increased production of renewable power through wind, solar or biomass. Staff has also held discussions with Representative Farr's office and will be meeting with Assemblyman Monning in October. Staff continues to meet with representatives of renewable power and conversion technology firms in gathering information and exploring avenues related to future programs and related funding alternatives.

The California Energy Commission issued on August 28, 2009, Committee Final State Energy Programs Guidelines for the ARRA (attached). The programs that are being funded are:

1. Municipal Financing District Program ("AB 811 type programs")
2. California Comprehensive Residential Building Retrofit Program
3. Municipal and Commercial Building Targeted Measure Retrofit Program
4. Low Interest Energy Efficiency Financing Program.

The District does not have any projects that would benefit from these four program funds. Staff will continue to work on this matter and will report to the Board later this fall.



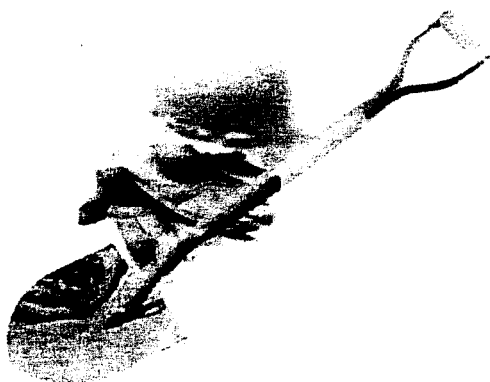
Chuck Rees

Attachment



California Energy Commission

COMMITTEE
FINAL
STATE ENERGY PROGRAM
GUIDELINES



AUGUST 28, 2009

CEC-150-2009-004-CTD

American Recovery and Reinvestment Act 2009

CALIFORNIA
ENERGY
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CHAPTER I: American Recovery and Reinvestment Act State Energy Program Guidelines

A. Background

The California Energy Commission (Energy Commission) has developed these *Guidelines* to help implement and administer specific program areas funded by the State Energy Program (SEP) under the American Recovery and Reinvestment Act (ARRA) of 2009. ARRA was enacted by Congress to preserve and create jobs and promote economic recovery, to assist those most impacted by the recession, to provide investments needed to increase economic efficiency by spurring technological advances, and to make investments that will have long-term economic benefits. ARRA gives preference to projects that promote and enhance these objectives of the Act in an expeditious manner.

The U.S. Department of Energy (DOE) encourages states to develop SEP strategies that align with the following national goals: increasing jobs, reducing US oil dependency through increases in energy efficiency and deployment of renewable energy technologies, promoting economic vitality through an increase in "green jobs," and reducing green house gas emissions. The DOE encourages states to focus their program efforts on market transformation initiatives and actions that align with these national goals. Market transformation is defined as: "Strategic interventions that cause lasting changes in the structure or function of a market or the behavior of market participants, resulting in an increase in adoption of energy efficiency and renewable energy products, services, and practices."¹

The DOE has allocated the Energy Commission \$226 million in ARRA funding for the SEP. State law authorizes the Energy Commission to use these SEP funds for energy efficiency, energy conservation, renewable energy, and other energy-related projects and activities authorized by ARRA.² The Energy Commission will use the SEP funds to fund projects in the following program areas:

1. Municipal Financing Program ("AB 811-type programs")
2. California Comprehensive Residential Building Retrofit Program
3. Municipal and Commercial Building Targeted Measure Retrofit Program
4. Low Interest Energy Efficiency Financing Program.

These *Guidelines* describe the manner in which the Energy Commission will implement the ARRA SEP for the four program areas. Chapter I of the *Guidelines* describes how the ARRA SEP program will be administered and includes information and requirements that apply overall to the SEP and to all of the four program areas. Chapters II, III, IV, and V describe the four program areas for which funding will be made available and include requirements specific to each program area.

¹ See http://www.energy.ca.gov/recovery/documents/SEP_Recovery_Act_Guidance_DE-FOA-0000521.pdf

² Public Resources Code sections 25460 – 25463, as enacted by Assembly Bill X4 11 (Stats. 2009, 4th Ex. Sess., ch.11, sec. 22).

The Energy Commission plans to develop and fund additional SEP program areas, for which it will provide guidance at a later date. The Energy Commission will enter into partnerships with other State agencies to fund energy efficiency programs. For example, it will work with the Department of General Services to establish a revolving loan program for energy efficiency retrofits to state buildings. \$25 million has been allocated for this purpose pursuant to state law.³ It also intends to work with the Employment Development Department and Employment Training Panel to support the Green Jobs Training Program and anticipates allocating \$20 million for this purpose.

The Energy Commission also may allocate up to \$50 million in SEP funds for competitive grants under the Energy Commission's Energy Conservation and Assistance Account (ECAA) program.

In addition, the Energy Commission plans to develop a Clean Energy Systems Program, which would provide up to \$35 million to fund systems such as combined heat and power systems using natural gas or renewable energy and distributed generation systems that use renewable energy.

The final guidelines of SEP funds for the above noted purposes will be determined by the Energy Commission at a later date.

The Energy Commission will use approximately \$10 million for program administration, implementation, technical support, monitoring, verification and evaluation.

B. Funding

Up to \$95 million in ARRA SEP funds will be available for the Municipal Financing Program, the California Comprehensive Residential Building Retrofit Program, and the Municipal and Commercial Building Targeted Measure Retrofit Program areas under these *Guidelines*. These funds will be awarded based on the quality of the proposals submitted to the Energy Commission during the solicitation period. The Energy Commission will consider the ability of the proposed programs to implement energy saving projects on or before the March 31, 2012 deadline when making its funding allocation decisions. Depending on the quality of the proposals submitted, all or a portion of the total funds available (up to \$95 million) could be awarded to proposals in any of the three program areas.

A minimum of \$25 million in ARRA SEP funds will be used to augment funding for loans under the Energy Commission's existing Energy Efficiency Financing Program. The Energy Efficiency Financing Program is funded through ECAA and provides low-interest loans for energy efficiency and renewable energy retrofits to cities, counties, special districts, public schools and colleges, public hospitals, and public care institutions. As described in Chapter V, the SEP-funded loans under the Energy Efficiency Financing Program will be subject to additional requirements, but offered at a lower interest rate of 1 percent per annum.

Applicants are encouraged to use existing sources of federal, state and utility funding to leverage the ARRA SEP funding applied for through these *Guidelines*. ARRA SEP funds may be used to supplement these existing sources of funding, but may not be used to supplant these existing funds.

³ Public Resources Code sections 25470 – 25474, as enacted by Assembly Bill X4 11 (Stats. 2009, 4th Ex. Sess., ch.11, sec. 23).

Pursuant to the federal ARRA guidelines, ARRA SEP funding may not be used to fund projects for gambling establishments, aquariums, zoos, golf courses or swimming pools. No more than 20 percent of each award shall be used to purchase office supplies, library materials, or other equipment whose purchase is not otherwise prohibited. In addition, ARRA SEP funding may not be used:

1. For construction, such as construction of mass transit systems and exclusive bus lanes, or for construction or repair of buildings or structures;
2. To purchase land, a building or structure or any interest therein;
3. To subsidize fares for public transportation;
4. To subsidize utility rate demonstrations or State tax credits for energy conservation measures or renewable energy measures; or
5. To conduct, or purchase equipment to conduct, research, development or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available.

C. Period of Performance

Pursuant to the federal SEP guidelines, all projects⁴ and activities that are awarded SEP funds under these *Guidelines* must be completed and funds must be expended by March 31, 2012.

An applicant may not begin work under these *Guidelines* prior to the Energy Commission's approval and execution of the applicant's funding award agreement. Program expenses incurred prior to the approval and execution of a funding award agreement are not eligible for reimbursement under the funding award agreement.

D. Application Process and Selection Method

1. Solicitation Document

The Energy Commission will issue a solicitation document to initiate the application process. Eligible applicants who wish to receive funding for projects pursuant to these *Guidelines* must apply to the Energy Commission as specified in the solicitation document. The solicitation document will identify the following:

- a) The program or program area for which the solicitation is issued;
- b) Eligibility requirements;
- c) Maximum amount of funds available under the solicitation, including any maximum or minimum amounts for individual funding awards;
- d) Leverage fund/resource requirements (if any);
- e) Utility rebates applicable to the project;
- f) Schedule or timetable for conducting the solicitation;
- g) Administrative requirements for submitting applications, including forms and instructions;
- h) Criteria used to screen and evaluate funding applications; and
- i) A sample funding award agreement that the recipient will be expected to execute.

The agreement will identify the terms and conditions applicable to an award and will include provisions that address matters such as funding award payments

⁴ A "project" may include a program to fund multiple subprojects or activities under Chapters II, III, and IV of these *Guidelines*.