



STATE OF NORTH CAROLINA
DEPARTMENT OF STATE TREASURER

State and Local Government Finance Division
and the Local Government Commission

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June 10, 2009

Memorandum # 1129

To: Officials of Local Governments and Public Authorities and Certified Public Accountants

**From: Sharon Edmundson
Director, Fiscal Management Section**

Subject: UPDATE - Available Funding Through the ARRA of 2009

Please note: This information revises some of the data included in Memorandum #1128

The Energy Efficiency and Conservation Block Grant Program is being handled in two parts. The first part, which will go to the "entitlement" units (the top ten counties and cities of populations over 35,000), is being rolled out this month. It is this money for which the application deadline is June 25, 2009. **All other units will have until late summer or early fall to apply for these funds.**

Also, all units applying for Energy Efficiency and Conservation Block Grant Program Funds will be required to have a Strategic Energy Plan. The State Energy Office has planned a series of workshops to help units develop these plans. Each session is 6 hours and will be held as follows:

- June 11, Greensboro, Guilford Tech
- June 16, Clyde, Haywood Community College
- June 17, Hickory, Catawba Valley Community College
- June 18, Fayetteville, Fayetteville Tech
- June 19, Wilmington, New Hanover Library
- June 29, Raleigh, Wake Tech

There will be no lunch or refreshments served during these meetings so plan accordingly. Meetings will be held from 9:00 to 4:00 with registration beginning at 8:30. No pre-registration is required and there is no fee to attend. Please check the State Energy Office website for more details – <http://www.energync.net> or you may call Jeanette Martin at (919) 733-2230.

Guidance and application procedures for smaller governments to apply for these funds have not been released, but all applicants will need to have a Strategic Energy Plan regardless of size.

Attached are several documents of interest to governments interested in these grants. Appendix A is an explanation of the grant funds and potential uses. Appendix B is a draft of the an outline of a proposal to use \$20.9 million in federal Energy Efficiency and Conservation Block Grants, funded through the American Recovery and Reinvestment Act. Appendix C is the allocation to the "entitlement" units.

If you have any questions, please contact Sharon Edmundson at sharon.edmundson@nctreasurer.com or at (919) 807-2380. Also, if you have detailed questions about the program please call Kathy Powell at the State Energy Office at (919) 715-1448.

State	Name	Level of Government	Allocation
NC	North Carolina Total	All	\$ 58,050,300
NC	North Carolina	State Energy Office	\$ 20,925,300
NC	Asheville	City	\$ 804,700
NC	Burlington	City	\$ 223,900
NC	Cary	City	\$ 1,166,800
NC	Chapel Hill	City	\$ 554,900
NC	Charlotte	City	\$ 6,780,100
NC	Concord	City	\$ 638,800
NC	Durham	City	\$ 2,173,600
NC	Fayetteville	City	\$ 1,652,900
NC	Gastonia	City	\$ 705,700
NC	Goldsboro	City	\$ 183,600
NC	Greensboro	City	\$ 2,554,900
NC	Greenville	City	\$ 777,600
NC	Hickory	City	\$ 209,300
NC	High Point	City	\$ 998,600
NC	Huntersville	City	\$ 175,100
NC	Jacksonville	City	\$ 781,600
NC	Kannapolis	City	\$ 170,300
NC	Raleigh	City	\$ 3,820,400
NC	Rocky Mount	City	\$ 572,100
NC	Wilmington	City	\$ 1,039,900
NC	Wilson	City	\$ 214,900
NC	Winston-Salem	City	\$ 2,262,000
NC	Buncombe	County	\$ 624,800
NC	Cumberland	County	\$ 590,700
NC	Davidson	County	\$ 631,100
NC	Gaston	County	\$ 525,600
NC	Iredell	County	\$ 645,100
NC	Johnston	County	\$ 636,200
NC	Mecklenburg	County	\$ 649,500
NC	Randolph	County	\$ 578,200
NC	Union	County	\$ 751,800
NC	Wake	County	\$ 3,030,300

This also includes funding for the following Tribal governments in your state, listed below:

(NOTE: If a Tribal government spans more than one state, the number below reflects the allocation for the Tribal government as a whole.)

State	Name	Allocation
NC	Eastern Band of Cherokee Indians of North Carolina	\$ 253,100

The Energy Efficiency and Conservation Block Grant (EECBG)

As included in the Energy Independence and Security Act of 2007

What is the Purpose of the EECBG Program?

To assist eligible entities in implementing energy efficiency and conservation strategies—

- ✓ to reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities;
- ✓ to reduce total energy use; and
- ✓ to improve energy efficiency in the transportation, building, and other appropriate sectors.

What Activities are Eligible Under the EECBG Program?

- Developing/implementing an energy efficiency and conservation strategy;
- Retaining technical consultant services to assist in the development of such a strategy;
- Conducting residential and commercial building energy audits;
- Establishing financial incentive programs for energy efficiency improvements (e.g., loan programs, rebate programs, waive permit fees);
- Providing grants to nonprofit organizations to perform energy efficiency retrofits;
- Developing/implementing programs to conserve energy used in transportation (e.g., flex time by employees, satellite work centers, promotion of zoning requirements that promote energy efficient development, transportation infrastructure: bike lanes/pathways, pedestrian walkways, and synchronized traffic signals);
- Developing and implementing building codes and inspection services to promote building energy efficiency;
- Implementing energy distribution technologies;
- Developing public education programs to increase participation and efficiency rates for recycling programs;
- Purchasing/implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources;

- Installing light emitting diodes (LEDS);
- Developing, implementing, and installing on or in any government building of onsite renewable energy technology that generates electricity from renewable resources (solar and wind energy, fuel cells, and biomass); and
- Any other activity as determined by the Secretary of Energy in consultation with the Secretaries of Transportation and Housing and Urban Development and the Administrator of the Environmental Protection Agency.

What are the Requirements for Direct Block Grant Recipients under the EECBG Program?

- Not later than one year after receipt of first year funding, eligible communities are required to submit to DOE Secretary a proposed Energy Efficiency and Conservation Strategy as described under eligible activities, and which includes the goals and proposed plan for the grant.
- The Strategy shall be approved or disapproved by the Secretary within 120 days or returned to the entitlement communities for revision.
- No more than 10%, or \$75,000, whichever is greater, may be expended on administrative expenses (e.g., staffing);
- No more than 20% or \$250,000, whichever is greater, may be used for the establishment of revolving loan funds.
- No more than 20% or \$250,000, whichever is greater, may be used for the sub-granting to non-governmental organizations for the purpose of assisting in the implementation of the Energy Efficiency and Conservation Strategy.

Annual Report—

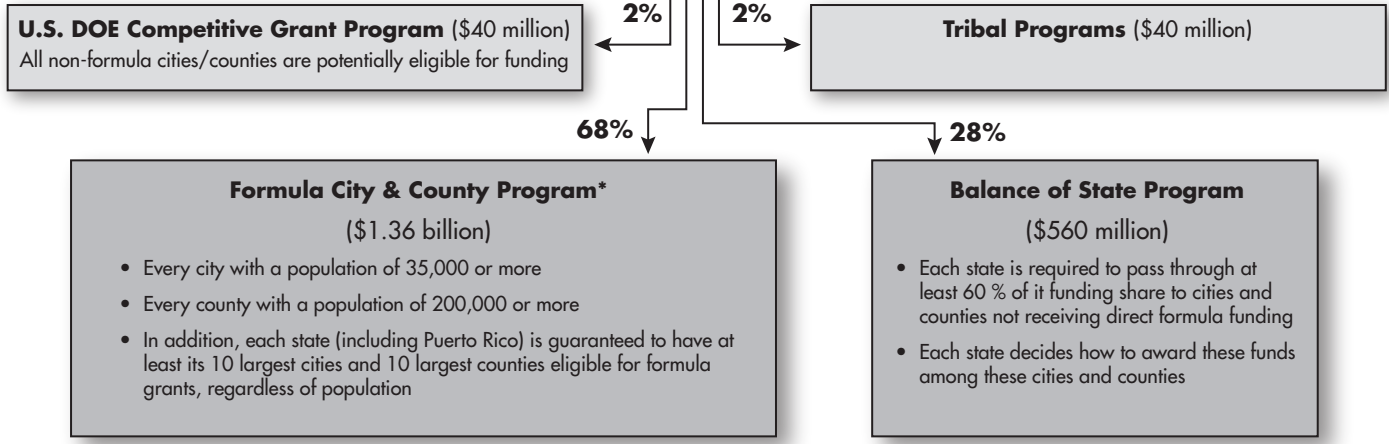
- No later than two years after the date on which funds are initially provided to eligible communities and annually thereafter, the eligible communities shall submit to the DOE Secretary a report describing—
 - ✓ the implementation of the Energy Efficiency and Conservation Strategy, and
 - ✓ energy efficiency gains.

The Energy Efficiency and Conservation Block Grant (EECBG)

EECBG Funding Allocations

\$2 Billion Annual Appropriation

First year funding can be used for strategy development; funding in subsequent years is only for implementation of city and county strategies approved by U.S. DOE.



* Law (PL 110-140) directs U.S. DOE to develop a formula for allocating block grant funds among these cities and counties, with population factors a key consideration.

What are the Requirements for States under the EECBG Program?

- A state that receives a grant under the program shall use not less than 60 percent of the amount received to provide subgrants to non-entitlement communities no later than 180 days after the date on which the DOE Secretary approves a proposed Energy Efficiency and Conservation Strategy of the State.
- No later than 120 days after enactment of the law each state shall modify its energy conservation plan to establish additional goals for increased energy efficiency and conservation.
- Also within those 120 days, each state will submit to the DOE Secretary a proposed Energy Efficiency and Conservation Strategy that establishes a process for providing subgrants to non-entitlement communities and includes a plan for the use of their money to implement their energy conservation plan. The DOE Secretary has 120 days to approve or disapprove a proposed strategy. If a strategy is disapproved, the Secretary will provide reasons for disapproval and allow the recipient to resubmit as many times as needed until the Secretary approves a proposed strategy.)

- A state may not use more than 10 percent of amounts provided for administrative expenses.
- Each state that receives a grant under the program shall submit to the DOE Secretary an annual report that describes the status of the implementation of the State's conservation strategy, the status of the subgrant program, and the energy efficiency gains achieved.

Who is Eligible for U.S. DOE Competitive Grants and How Do I Apply?

- Units of local governments (including Indian tribes) that are not eligible entities and consortia of those units of local government can submit an application at the time and manner that the DOE Secretary designates and includes a plan that outlines the eligible activities that they will be implementing. Priority will be given to units of local governments located in States with populations of less than 2,000,000 or to plans that carry out projects that would result in significant energy efficiency improvements or reduction in fossil fuel use.



North Carolina Department of Administration State Energy Office

Beverly Eaves Perdue, Governor
Britt Cobb, Secretary

Larry E. Shirley, Director
State Energy Office

DATE: June 8, 2009
RELEASE: Immediate

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Draft Proposal To Create Jobs And Renew North Carolina Communities Through Energy Efficiency And Conservation Block Grant Funds Is Now Available For Public Comment

RALEIGH – The North Carolina State Energy Office and the state Office of Economic Recovery and Investment have posted on the Internet, for public comment, an outline of a proposal to use \$20.9 million in federal Energy Efficiency and Conservation Block Grants, funded through the American Recovery and Reinvestment Act. The grants will help create jobs, provide money for greater energy efficiency in our communities and encourage energy-saving innovations.

Public comments will be accepted through noon on Monday, June 15. The state's application is due to be submitted to the U.S. Energy Department on Thursday, June 25.

Citizens can see a summary of the proposal and offer comments on the state Office of Economic Recovery and Investment's Web site: www.ncrecovery.gov/calendar/publicMeetings.aspx or through the State Energy Office's Web site at www.energync.net.

The summary follows:

American Recovery and Reinvestment Act Energy Efficiency and Conservation Block Grants \$20,925,300 North Carolina Planned Activities

North Carolina has identified four focus areas for utilizing American Recovery and Reinvestment Act funds through Energy Efficiency and Conservation Block Grants:

1. Energy efficiency and renewable energy for buildings,
2. Technical assistance,
3. Energy conservation programs in transportation, and
4. Implementation of methane and greenhouse gas technologies

Sixty percent (60%) of the allocation will be distributed competitively in subgrants to "non-entitlement" (non-designated) cities and counties through a competitive process for each of the four focus areas. Thirty-four percent (34%) of the allocation will also be distributed competitively to K-12 public school districts, community colleges and other local public authorities in the energy efficiency and renewable energy for buildings focus area. Six percent (6%) of funds have been allocated for administrative expenses.

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Energy efficiency and renewable energy for buildings

“Non-entitlement” cities and counties:

The state will provide local government units subgrants to implement energy efficiency measures and renewable system installations in their communities. All building types --- governmental, residential, nonprofit, retail, commercial and industrial --- will be eligible to participate. The state will issue competitive solicitations for the 90 counties and 526 municipalities that will not receive direct entitlements, but are eligible to receive assistance under this program (*a list of “entitlement” or designated cities follows this draft*). Funding areas include: retrofit existing facilities to improve energy efficiency; design and operation of energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the entity; identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; identification of energy efficient technologies; development, implementation and installation of renewable energy technologies on or in any eligible entity; and onsite renewable energy technology that generates electricity from renewable resources including solar energy, wind energy, fuel cells and biomass. **\$7,150,000**

K-12 public school districts, community colleges and other local public authorities:

The state will provide community colleges, K-12 public schools and other local public authorities subgrants to implement energy efficiency measures and renewable energy system installations in their facilities. The state will issue competitive solicitations for the 58 community colleges and 115 K-12 public school districts which are eligible to receive assistance under this program. Funding areas include: retrofit existing facilities to improve energy efficiency; design and operation of energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the entity; identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; identification of energy efficient technologies; development, implementation and installation of renewable energy technologies on or in any eligible entity; and onsite renewable energy technology that generates electricity from renewable resources, including solar energy, wind energy, fuel cells and biomass. **\$7,044,124**

Technical assistance

The state will provide local government units technical assistance in the form of preliminary energy surveys, identification of potential projects and creation of a strategic energy plan. The state will issue competitive solicitations for the 90 counties and 526 municipalities that will not receive direct entitlements. These entities will be eligible to receive technical assistance funds for activities, including: preliminary energy surveys where the state will provide the local government unit a consultant to perform walk through audits identifying potential energy efficiency or renewable energy projects; development of energy efficiency and conservation strategies or strategic energy plans, utilizing information obtained from the walk through audits; and grant writing assistance for creating a response to general solicitations for projects using EECBG funds. **\$450,000**

Energy conservation programs in transportation

The state will issue competitive grants for the development and implementation of programs to conserve energy used in transportation. Eligible projects include the following: synchronization of traffic signals; state/local/regional integrated planning activities with the goal of reducing greenhouse gas emissions and vehicle miles traveled; incentive programs to reduce commutes by single occupancy vehicles; improvements in operational and system efficiency of the transportation system such as implementation of intelligent transportation system strategies; idle-reduction technologies and/or facilities to conserve energy, reduce harmful air pollutants and greenhouse gas emissions from freight movement; installation of solar panels on interstate rights-of-way to conserve energy in highway operations and maintenance activities; and replacement of traffic signals and street lighting with energy efficiency lighting technologies, including light emitting diodes. **\$2,500,000**

Implementation of methane and greenhouse gas technologies

The state will work with non-entitlement cities and counties to purchase and implement projects which reduce and capture methane and greenhouse gases for the purpose of generating electricity or providing the gas for use as an energy fuel source. Projects will utilize methane and other greenhouse gases generated by landfills or similar waste related sources, such as wastewater treatment plants, operations producing food waste dairy farms and other animal operations. A competitive solicitation will be issued by the state for these type projects. **\$2,500,000**

Preliminary criteria for project selections

Jobs Created
Energy Saved
Renewable Energy Generated
Greenhouse Gas Emissions Reduced
Funds Leveraged
Strategic Energy Plan Completed
Project Sustainability beyond American Recovery and Reinvestment Act Funding
Aggregated Regional Proposals
Project Timetable
Project Management Capability (including Reporting and Monitoring)
Project Costs
Projects in Economically Distressed Regions

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