

Michigan Recovery & Reinvestment Plan

Energy Efficiency & Conservation Block Grant Program (EECBG) Overview for Recycling Activities

Michigan Non-Entitlement
Communities



EECBG Overview

Program Purpose

- Reduce fossil fuel emissions
- Reduce total energy use of local governments
- Improve energy efficiency in the building, transportation and other appropriate sectors



State Goals

State EECBG Goals:

- Broaden education, awareness and the value of energy efficiency & conservation statewide
- Initiate cost effective energy efficiency upgrades in 900 local government buildings; up to 10% may include renewable energy generation
- Provide 20 – 40 Light Emitting Diode/Solid State Lighting (LED) demonstration projects



Eligibility for State Grants

Who? How many? When?

- All cities & townships with populations less than 35,000; and were incorporated by 2007 U.S. Census estimate
- Counties with less population than the largest ten (i.e. Other than Genesee, Jackson, Kent, Livingston,, Macomb, Oakland, Ottawa, St. Clair, Washtenaw, Wayne counties)
- Approximately 1,750 jurisdictions are eligible to apply for about 115 state grants. Collaboration will be important.
- A state Request for Proposal (RFP) will be released by the state soon. All responses must be sent to the state



Program Timetable

- **August 2009:** The U.S. Department of Energy (DOE) is expected to approve Michigan's EECBG plan and award a grant.
- **Late August/early September:** The state issues guidelines & RFPs for local government grant applications.
- **October:** The state awards grants to half of its highest ranked proposals; also, they will notify the other half that they've been tentatively selected for a later award.
- **March, 2010** – When state receives the remainder of its EECBG allocation from DOE, the selected, but unfunded applicants may need to update their proposal(s) and re-submit them for award(s).
Generally, grants must be completed within 12 months of the award date and will be monitored by the state for performance.
- **August 2012** – State EECBG program ends.



Funds Available

\$57 million - allocated to entitlement communities

\$15.48 million (79%) is for non-entitlement jurisdictions via competitive grants for a broad choice of EECBG activities, including but not limited to, recycling.



General Requirements

- Complete a National Environmental Policy Act questionnaire for each activity/project site that you plan to include in your proposal.
- Applicants must assure that prevailing wage rates are paid in all projects funded by these grant(s).
- Grantee must be aware of and comply with the Buy American Provision of the American Recovery & Reinvestment Act of 2009, if applicable.



The State Historical Preservation Office is required to review all building-related projects.

Prior to the expenditure of Federal funds to implement these activities, the Recipient is required to comply with the requirements of Section 106 of the National Historic Preservation Act (NHPA), consistent with DOE's 2009 letter of delegation of authority regarding the NHPA. Section 106 applies to historic properties that are listed in or eligible for listing in the National Register of Historic Places. In order to fulfill the requirements of Section 106, the recipient must contact the State Historic Preservation Officer (SHPO), and, if applicable, the Tribal Historic Preservation Officer (THPO), to coordinate the Section 106 review outlined in 36 CFR Part 800. SHPO contact information is available at the following link: <http://www.ncshpo.org/find/index.htm>. THPO contact information is available at the following link: <http://www.nathpo.org/map.html>.

The DOE Contracting Officer shall consider compliance with Section 106 of the NHPA complete only after the Recipient has submitted adequate background documentation to the SHPO/THPO for its review, and the SHPO/THPO has provided written concurrence to the Recipient that it does not object to its Section 106 finding or determination. Section 110(k) of the NHPA applies to DOE funded activities, therefore, Recipients shall avoid taking any action that results in an adverse effect to historic properties pending compliance with Section 106.



Improving Your Funding Odds

- Draft your proposal(s) now, collect costs and savings estimates; share with key stakeholders.
- Identify any collaboration interest from eligible jurisdictions in your area.
- Identify leverage funding sources that best meet local objectives; and secure commitments
- Secure required permits and environmental reviews for any activities not listed as categorical exclusions which you intend to submit



Concept of Leverage Funds

- The EECBG funds for non-entitlement communities only do not require a local match or project cost-share.
- Proposals should include a brief strategy or plan for attracting additional resources for long-term energy efficiency and conservation activities. Leverage funds could include:
 - a change in operational policy
 - support for a community volunteer program; or
 - a commitment of public or private funds or in-kind resources.
- Such strategies will be considered in ranking proposals.



Leveraging Examples

- **Example 1:** Establish bulk purchasing policies that promote use of “greener” alternatives e.g. energy efficient replacement lamps and electronic ballast, paper with high recycled content, EnergyStar rated office equipment with power down features enabled.
- **Example 2:** Create a revolving loan fund to support cost-effective energy efficiency improvements in municipal or other community buildings now and for years to come.



Michigan Leveraging Opportunities

- **Michigan Green Communities Challenge**
 - A Michigan Municipal League initiative for all local governments, www.mml.org for more information.
- **Low Income/Energy Efficiency Fund Programs**
 - MI Public Service Commission programs for schools & local governments



Michigan Municipal League

- To access the **Green Communities Challenge** go to:
 - <http://www.mml.org>
- Click on this button, located on the right side of your screen
- And follow these steps...



Michigan Green Communities Challenge - *An Energy Efficiency and Conservation Strategy*

Steps of the Basic Challenge

1. [Obtain Organizational Support \(Resolution\)](#)
2. [Assign Responsibility](#)
3. [Collect all Energy Data for Governmental Operations](#)
4. [Assess Situation and Identify Gaps](#)
5. [Develop Goals and Activities: Planning for the Future](#) (includes [attachment C](#))
6. [Measure Performance and Quantify Results](#)



Technical Assistance

Additional Technical Assistance Services

- Ongoing State Energy Office Programs

e.g. Rebuild MI & RETAP for building projects; Clean Cities, renewable energy; green materials handling, recycling, etc.

- New EECBG Program Assistance

- Technical Assistance Grants for Non-Profits -- available after small communities grants are awarded.
- To assist the state in providing local governments with program implementation
- These grants offer services on a regional or statewide basis and will be competitively bid.



Utility EO Programs

- Residential EO programs are generally offering incentives (rebates or buy-downs) for:
 - Efficient Lighting (CFLs and Energy Star fixtures)
 - Energy Star Appliances
 - HVAC and water heater upgrades
 - Home energy audits & weatherization (comprehensive: insulation, CFLs, thermostats, windows, duct sealing, appliances, etc.)
 - Multi-family building upgrades
 - Appliance recycling (e.g. refrigerators)
 - New construction (Energy Star Homes)
- Will also include educational & some pilot programs



EECBG Grants

- **Multi-purpose Grants**
 - Non-entitlement applicants only
- **Light Emitting Diode/Solid State Lighting (LED) Demonstration Grants**
 - Entitlement & non-entitlement applicants may apply



EECBG Grants

Options for Submitting Proposals

- Submit for either or both grant types
- Submit as a single or multi-jurisdictional applicant for each type of grant



EECBG Multipurpose Grants

Eligible Activities

- Develop/implement energy efficiency strategy and/or
- Hire technical consultant to assist in the development of such a strategy
- Residential/commercial building audits
- Financial incentive programs for energy improvements
- Provide grants for energy efficiency building retrofits to nonprofit organizations & government agencies
- EE & conservation programs for buildings and facilities
- Develop/implement energy efficient transportation programs



EECBG Multi-purpose Grants

Eligible Activities (continued)

- Train building code officials on state energy codes; promote EE/C through increased inspections program
- EE energy distribution technologies
- **Material conservation programs including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.**
- Reduce, capture, use methane & greenhouse gases generated by landfills & similar sources
- EE traffic signals, street lighting
- Renewable energy technologies on government buildings



EECBG Multi-purpose Grants

Funding Levels for Cities & Townships

(Guideline for single applicants)

<u>Population</u>	<u>Grant Amount</u>
0-5,000	\$ 50,000
9,500	\$ 70,000
14,000	\$ 85,000
19,000	\$100,000
24,000	\$115,000
30,000	\$130,000
34,999	\$140,000



EECBG Multipurpose Grant

Funding Levels for Counties*

(Guideline for single applicants)

<u>Population</u>	<u>Grant Amount</u>
5,000 - 10,000	\$50,000 - \$75,000
25,000	\$120,000
45,000	\$175,000
70,000	\$275,000
100,000	\$400,000
135,000	\$540,000
163,000	\$650,000

* Less entitlement community and tribal populations in the county



EECBG Multi-Jurisdictional Grants

Funding for Multi-jurisdictional Applicants

(Guideline for multiple small jurisdictions filing a joint proposal)

<u>Population</u>	<u>Grant Amount</u>	<u>Population</u>	<u>Grant Amount</u>
0 – 5,000	\$50,000	58,000	\$232,000
9,500	\$70,000	66,000	\$264,000
14,000	\$85,000	74,000	\$296,000
19,000	\$100,000	83,000	\$332,000
24,000	\$115,000	92,000	\$368,000
30,000	\$130,000	100,000	\$400,000
36,000	\$145,000	135,000	\$540,000
43,000	\$172,000	163,000	\$650,000
50,000	\$200,000		



Limitations on Grant Fund Uses

Limitations are:

- Up to 10% of the multi-purpose grant budget may be used for related administrative expenses
- Up to 20% of the grant funds may be used to establish a revolving loan fund for eligible EECBG activities described in the proposal.



LED Grants

- Eligible activities
 - Street lighting
 - Traffic signals
 - Parking structures/parking lots
 - Indoor lighting
- Required component
 - Public information/education/demonstration



LED Grants

Funding Levels

- \$50,000 - \$250,000
- Grants will cover 90% of equipment costs*
- Grantee covers 10% of equipment costs*, plus all labor, training, educational costs

*Buy American provisions may apply What does this mean?



Selection Criteria

- Energy savings & cost effectiveness
- Job creation & retention
- Reduction of greenhouse gases
- Strength of project/program management and implementation plans
- Is project “shovel-ready”?
- Leveraging additional dollars



Reporting Requirements – Federal

1. Jobs created and/or retained
2. Energy savings on a per dollar invested basis
3. Renewable energy capacity installed
4. Greenhouse gas emissions reduced
5. Funds leveraged



Two Available Calculators

- EPA WARM Model, to calculate green house gas reductions and energy savings
http://www.epa.gov/climatechange/wycd/waste/calculators/Warm_home.html
- NERC Recycling Benefits, to calculate other environmental benefits of recycling in addition to energy savings and green house gas reductions.
http://www.nerc.org/documents/environmental_benefits_calculator.html



EPA Waste Reduction Model (WARM)

- WARM calculates and totals GHG emissions of baseline and alternative waste management practices—source reduction, recycling, combustion, composting, and landfilling. The model calculates emissions in metric tons of carbon equivalent (MTCE), metric tons of carbon dioxide equivalent (MTCO₂E), and energy units (million BTU) across a wide range of material types commonly found in municipal solid waste (MSW).



NERC Recycling Benefits Calculator

- Calculates Energy Savings
- Calculates Greenhouse gas reductions
- Calculates Emission reductions
- Can provide a fact sheet that is user friendly and public oriented.
- Calculator was an EPA funded project.



NERC Benefits Calculator Example

2007 Michigan Office Paper Recycling Report, 5.4 million lbs. of paper were recycled. Using the NERC benefits calculator, the following information was reported:

1. 2,426 metric tons of green house gases were reduced by recycling rather than disposing, and
2. 34,992 Btus were saved.



Waste Stream Clause

Prior to the expenditure of Federal funds to implement these activities, the Recipient is required to provide documentation to the Project Officer demonstrating that it has prepared a disposal plan for sanitary or hazardous waste generated by the proposed activities. Sanitary or hazardous waste includes, but is not limited to, old light bulbs, lead ballasts, piping, roofing material, discarded equipment, debris, asbestos, etc.

The DOE Contracting Officer shall consider compliance with this clause complete only after the Recipient has submitted adequate documentation to DOE for its review, and DOE has provided written approval to the Recipient of its proposed plan to dispose of its sanitary or hazardous waste.



Reporting Requirements - Michigan

Quarterly Progress Reports

- Work accomplished during quarter
- Work to be done next quarter
- Real/anticipated problems
- Significant changes to project
- Documented grant expenses and leverage contributions



Reporting Requirements - Michigan

- Final Project Report
 - Summary of project goals/objectives and how completely they were met.
 - Summary of grant activities
 - Discuss impact/benefit of project. Were expected results achieved?
 - Submit final grant payment request



Submitting Your Proposal

- Complete response to Request for Proposals (RFP) in state defined format
- Submit original signature proposal + 3 copies.
- Mail proposal(s) or deliver by hand to RFP-specified location
- Proposal must be received by due date/time



The RFP Release

- Federal approval for state to proceed with RFP release: expected August/early September
- Combined RFP document to be posted on Bureau of Energy Systems website (www.michigan.gov/energyoffice)
- Opportunity for submitting questions and receiving online responses



Projected Timetable

- State RFP Release – Aug/Sept (estimate)
- Q & A Period – for 2 weeks after RFP issued
- Proposals due – 30 days after RFP issued
- Proposals review – 30 days after proposals due date
- Announce/award grants – 30 to 45 days after proposal review completed



Contact Information

Jan Patrick, EECBG Program Manager

DeLEG/Bureau of Energy Systems

Phone: (517) 241-6153

E-mail: patrickj@michigan.gov

Website: www.michigan.gov/energyoffice

