

American Recovery and Reinvestment Act of 2009

Energy Funding for California Energy Commission

ALL-PARTY MEETING
CPUC – San Francisco
March 16, 2009

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Economic Stimulus Program
California Energy Commission



Topics

- Creation of Interagency Federal Energy Stimulus Team (FEST)
- American Recovery and Reinvestment Act (ARRA) Energy-Related Funds
- Energy Commission Administered Programs
- Non-Formula Funds
- Energy-Related Tax Credits & Financial Incentives for Energy Efficiency
- More Information



Federal Energy Stimulus Team (FEST)

- California State agency team to coordinate response to ARRA energy opportunities
 - Governor's Office (lead)
 - Energy Commission
 - Department of Community Services and Development
 - Public Utilities Commission
 - Air Resources Board
 - California Environmental Protection Agency
 - Natural Resources Agency
 - Housing and Community Development Department



ARRA Energy Appropriations

- Total of \$42 billion
 - \$11.3 billion in formula-based funding
 - Efficiency
 - Renewables
 - Green Community Plans
 - \$30.7 billion in competitive and direct grant, loan and loan guarantee funds
 - Transportation
 - Transmission
 - Renewables
 - Research



ARRA Formula Energy Appropriations

- Total of \$11.3 billion in formula-based funding
 - \$3.1 billion State Energy Program
 - Energy Commission will receive \$226 million
 - \$3.2 billion Energy Efficiency and Conservation Block Grant Program
 - California local governments are expected to receive \$100s of millions
 - Energy Commission is expected receive \$56 million
 - \$300 million nationally for Energy Star Appliance Rebates
 - Energy Commission is expected to receive \$30 million
 - \$5 billion for Low Income Home Weatherization
 - Community Services and Development Department will receive about \$186 million



State Energy Program

- Energy Commission is expected to receive \$226 million
 - Traditional State Energy Program appropriations to California \$1-3 million annually
- Types of activities allowed under State Energy Program
 - Implementing building, industrial and transportation energy efficiency programs
 - Expanding distributed generation, renewable energy and public education programs
 - Conducting any activity to improve energy efficiency, increase use of renewable energy or increase energy efficiency and economic development.



State Energy Program

- Direction from ARRA
 - Expansion of existing energy efficiency programs
 - Expansion of existing programs, to support renewable energy projects and deployment activities,
 - Cooperation and joint activities between States
- Department of Energy guidelines released on March 12
 - Initial Application due March 23, 2009
 - Comprehensive application due May 12, 2009



Energy Efficiency and Conservation Block Grant

- \$3.2 billion nationally
 - 68% to local governments (directly to cities > 35,000 and counties > 200,000 population)
 - 28% to state energy offices
 - 2% to tribes
 - 2% competitive grants
- California local governments are expected to receive \$100s of millions
- Energy Commission is expected to receive \$56 million



Energy Efficiency and Conservation Block Grant

- Assist eligible entities in implementing energy efficiency and conservation strategies
 - to reduce pollution emissions from fossil fuels 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.



Energy Efficiency and Conservation Block Grant

- Stakeholders should contact their local governments to get involved in planning EECBG funds in their city or county.
- The FEST will be working with stakeholders to plan funds for the State-administered Block Grant funds



Energy Efficient Appliance Rebate Program and Energy Star Recovery Funding

- Authorized in Energy Policy Act of 2005
- \$300 million available nationwide
 - Estimated \$30 million to California Energy Commission
- Funding available to states with existing programs
- Provides rebates to residential consumers for purchase of Energy Star products to replace used appliances of the same type
- Rebates shall be used to supplement, not supplant existing funds



ARRA non-Formula Energy Appropriations

- The Governor has declared that California will be the most competitive State in the nation in competing for ARRA funding
- Total of \$30.7 billion in competitive and direct grant, loan and loan guarantee funds
 - \$11 billion for Transmission
 - \$6.5 billion for new loan authority for Bonneville Power and Western Area Power Authority
 - \$4.5 billion for competitive smart grid demonstration projects
 - \$1.7 billion for Transportation
 - Clean Cities, Diesel Emissions Reductions, Electric Drive Vehicles



ARRA Non-Formula Energy Appropriations

- Total of \$30.7 billion in competitive and direct grant, loan and loan guarantee funds

- \$6 billion for Renewable Energy

Renewable Energy Loan Guarantees

- \$8.4 billion for Research

Clean Fossil Energy, Energy Efficiency and Renewable Energy Research, Advanced Battery Research



Energy-Related Tax Credits and Financial Incentives for Energy Efficiency

- **Qualified Energy Conservation Bonds**
 - Conservation bonds may be used for utility energy efficient property installed in commercial buildings (extends deduction by five years)
- **Tax Credits for Energy Efficient Improvements to Existing Homes**
 - Extends tax credit for energy-efficient existing homes through 2010
 - Increases cap on tax credit from 10% to 30% of the amount paid for a variety of qualified energy efficient improvements
- **Extension of Credit for Energy Efficiency Improvements to New Homes**
 - Extends tax credit to contractors of \$1,000 for homes meeting 30% efficiency standard, and \$2,000 for homes meeting a 50% standard through December 31, 2009.



For more information:

Visit the Energy Commission's website at:

www.energy.ca.gov/recovery

