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ARRA | American Recovery and Reinvestment Act

# American Recovery and Reinvestment Act (ARRA)

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# Economic Eclipse Changes Loading Order

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## ARRA's Loading Order

- 1. *Jobs***
- 2. *Financial savings***
- 3. *Energy savings***





# Why Invest in Energy Efficiency?

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<b>National Multipliers</b>		
<i>For every \$1,000,000 in investment</i>	<i>Increased Economic Output</i>	<i>Jobs</i>
<b>ENERGY EFFICIENCY</b>		
Net effect of investment	\$5,773,943	47
Net effect of bill savings	\$5,217,648	105
Effect of environmental improvement	\$5,743,952	36
Effect of non-energy benefits	\$17,437,091	150
<b>TOTAL</b>	<b>\$34,172,643</b>	<b>337</b>
<b>ASSISTANCE</b>		
Net effect of investment	\$2,686,702	83
Effect of non-energy benefits	\$2,708,579	21
<b>TOTAL</b>	<b>\$5,395,281</b>	<b>104</b>
<b>MANUFACTURING PLANT</b>		
Net effect of investment	\$16,510,983	127
Effect of environmental detriment	-\$5,110,207	-29
<b>TOTAL</b>	<b>\$11,400,776</b>	<b>98</b>

**3 times the public benefit as investments in manufacturing**

Source: ENERGY EFFICIENCY EQUALS ECONOMIC DEVELOPMENT  
The Economics of Public Utility System Benefit Funds:  
Jerrold Oppenheim, Theo MacGregor, June 2008



# Can Existing Programs Scale?

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- **Energy efficiency models based on one-building or one product at-a-time**
- **Diverse set of EE goals and approaches**  
*Typically independently funded and delivered*
- **Participation may be limited by high costs and inefficient delivery**
- **Funding needs to be incorporated in retrofit programs**  
*reduce constituent cost (subsidies)*  
*Finance upfront payment*





# Scale, Collaboration = More Value?

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- **Bundling creates ability to scale programs:**

*Number of consumers reached*

*Lower administrative cost*

*Lower consumer cost*

*Facilitate transaction (quicker sales cycle)*

- **Puts more people to work now**

- **Integrated program benefits:**

*Improve constituent finances*

*Create city level AB32 plan*

*City revenue potential (RECs, Carbon Credits)*



# Barriers to Scale?

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- Anticipated problems of bundling EE activities under a core program?
- Issues related to combining PGF with city EECBG funds?
- Would a mass-market approach achieve scale significant enough to stimulate local economy?
- Is it possible to collaborate on “upfront” financing?

*On bill financing*

*Municipal bonds AB 811*

*Other?*