



A New Direction: Providing Insight Into Programs and Opportunities Created by the Recovery Act



Annual Report

October 1, 2008 - September 30, 2009

What is STEAB?

The State Energy Advisory Board was established by Public Law 101-440 (The State Energy Efficiency Programs Improvement Act of 1990) to advise the Department of Energy on operations of its Federal grant programs. The Board's statutory charge is to develop recommendations regarding initiation, design, evaluation, and implementation of energy efficiency and renewable energy programs, policies, and technologies. The Board is legislatively mandated to advise and make recommendations to the Assistant Secretary for Energy Efficiency and Renewable Energy (EERE) on efforts relating to EERE programs, with a specific focus on technology transfer and State issues.

The Board is comprised of State energy directors, Weatherization directors, other State officials, representatives of State and local interests, and recognized experts in energy-related disciplines. In its capacity as an advisory board, STEAB serves as a liaison between individual States and the Department of Energy with regard to energy efficiency and renewable energy programs. STEAB is in an advantageous position due to the fact that, unlike other FACA committees, it is not program specific. They offer a forum for the exchange of ideas and information through which federal, State, and local voices can be heard at the Department of Energy. In compliance with STEAB's enabling Statute, the Board submits an annual report to the Secretary, the U.S. Congress, and the General Services Administration (GSA) on the activities carried out within the previous fiscal year. This report contains not only a summary of the Board's activities, but also a copy of all of the Board's Resolutions to the Assistant Secretary during that fiscal year.

U.S. Department of Energy
State Energy Advisory Board (STEAB)

Annual Report

For Period October 1, 2008
Through September 30, 2009



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1. Executive Summary

Fiscal year 2009 was another active year for STEAB. The Board continued its engagement with the Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE), meeting with new Assistant Secretary Cathy Zoi on August 26, 2009. The reason for the meeting was to introduce the new Assistant Secretary to the Board and its activities, as well as explain how it functions as a Federal Advisory Committee that provides recommendations to her office. At this meeting, attended by the Executive Board, Janet Streff and the Designated Federal Office (DFO) Gary Burch, emphasis was made to the fact that STEAB, unlike other FACA committees, is not program specific and therefore advises and makes recommendations with regard to all programs within EERE, not just one specific program. In addition to the overview of the Board, a discussion surrounding ways to enhance communications between the Assistant Secretary's office and the Board took place. This was brought up in an effort to keep the lines of communications open and also to work on maintaining an ongoing dialogue.

The Board held three general meetings during fiscal year 2009, and all three of them were held in Washington, D.C. The first meeting was held in November of 2008. The purpose was to provide the Board with an overview of the new administration's goals and objectives for the next four years, as well as to continue discussions regarding State Energy Programs (SEP) and to receive an update on current initiatives from the Office of Weatherization and Intergovernmental Programs (OWIP). The second meeting, held in mid-March, focused on the American Recovery and Reinvestment Act (ARRA) and its effect on SEPs, Weatherization Assistance Programs (WAP) and other State and local programs. The final meeting, held in late June of 2009, was held to follow up on outstanding topics regarding the ARRA, as well as to discuss the impact of the in-coming Assistant Secretary for Energy Efficiency and Renewable Energy. While at this final meeting for FY 2009, the Board also worked on strengthening their Strategic Direction.

In FY 2009, the Board developed four Resolutions that will assist DOE's Office of Energy Efficiency and Renewable Energy in recognizing and meeting important energy, economic, and environmental issues while continuing to preserve the means to meet the energy needs of future generations of America. These Resolutions focus on four separate and distinct goals which include:

- 1) Recommending that the U.S. Congress support funding for Public Law 110-229 Sec. 601, which would create "Advanced Energy Technology Transfer Centers";

- 2) Requesting the Board's organizational operations continue in the manner set forth by their legislative mandate;
- 3) Recommending the establishment of adequate "Contracting Office" positions at the Golden Field Office (GFO) for Current Formula Grants and possible future Block Grants; and
- 4) Advocating for the establishment of a strategic, coordinated regional staffing presence to facilitate two-way communication and provide technical assistance to State and local governments.

Though all Resolutions were submitted to the Assistant Secretary's office, only 09-02 received a response from the Assistant Secretary. Resolution 09-02 noted that in accordance with its Charter and authorizing legislation, Pub. L. 101-440, the STEAB resolved to continue to operate at an organizational level inclusive of all EERE programs in order to most effectively advise the Secretary of Energy through the Assistant Secretary for EERE. A response to this was sent by then Acting Assistant Secretary John Mizroch on January 12, 2009. In the response, he reaffirmed the Board's legislative mission as a non-program-specific Advisory Board, and confirmed STEAB will continue to provide inputs directly to the Assistant Secretary for purposes of making recommendations affecting all EERE programs. This was the only formal response the Board received to any of its Resolutions during FY 2009.

The Board has continued to invest significant time and effort in its approach to their Strategic Direction. Using the four goals outlined below, members of the Board determined benchmarks for progress, performance indicators, and expected outcomes in order for the Board to meet and exceed these pre-determined goals:

- 1) Facilitate Renewable Energy Advancement,
- 2) Accelerate Energy Efficiency Market Transformation,
- 3) Facilitate Technology Commercialization/Deployment, and
- 4) Enhance Federal/State/Local Synergies.

The Board is committed to making their Strategic Direction and planning central to carrying out its mission. The Board will adjust the process as necessary to continue to obtain desired high priority and relevant planning outputs, effective follow-up, and documentation of outcomes.

2. Background and Challenges

In November 2008, historic elections gave control of America's executive and legislative branches to a single political party. Mired in a deflationary recession cycle of rising unemployment, devalued GDP, and falling stock markets worldwide, newly installed congressional leaders embarked on an agenda to stabilize the American economy. Areas targeted for immediate relief and reform included the financial system, health care, education, and energy.

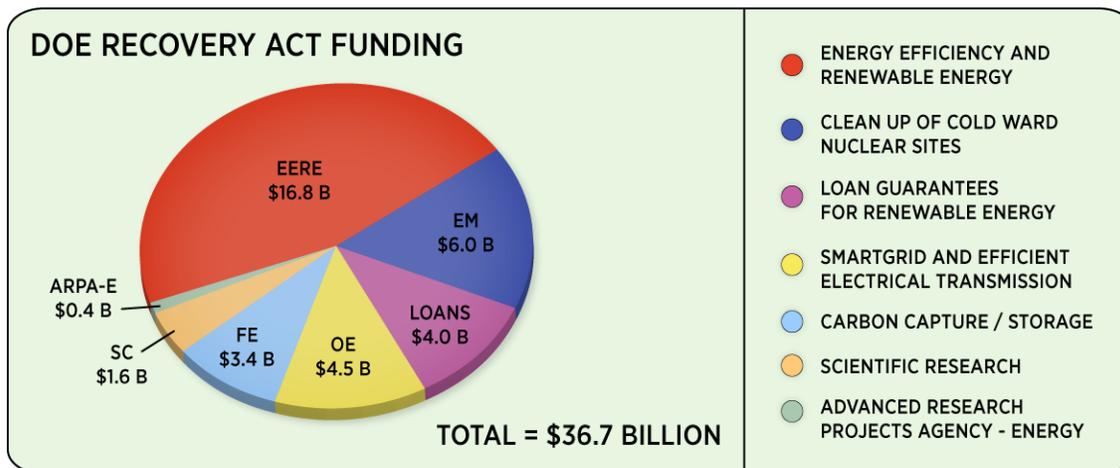
The American Recovery and Reinvestment Act of 2009 (ARRA) was the first legislative action passed under the new political administration. Through a system of direct grants, rebates, and tax cuts, the legislation intended to stop the recessionary spiral of the American economy, provide 3.5 million jobs, and strategically invest in infrastructure developments which in turn would produce lasting long term economic growth. Modeled after previous stimulus legislation passed in 2008 (Economic Stimulus Act and the Emergency Economic Stabilization Act), ARRA's broad scope and large funding investment was historic. Shortly before signing ARRA into law, President Barack Obama stated, "We have to be bold [...] we have to act fast [...] and we have to think of the future that we wish to build."

On January 25, 2009, David Obey (D-WI) introduced the first ARRA prototype, HR 1 in the US House of Representatives. HR 1's generous funding of federal programs and tax credits resulted in more limited funding for States' budgets and had specific restrictions on what the money could be used for. Brought to a vote three days later, HR 1 passed with a vote of 244-188.

The Senate introduced its version of HR 1, S1 (later S. Amdt. 570) on January 6, 2009. While the core values of the HR 1 remained, S1 made some technical changes. The Senate increased overall spending by \$7 billion and directed more funds to green energy programs. The bill passed, February 7, 2009, with a vote of 61-36. The combination of S. Amdt. 570 and HR 1, renamed ARRA, was signed into law by President Obama on February 17th, 2009.

Funded at \$787 billion (from the original rate of \$50 billion), ARRA is a combination of stimulus money (\$304 billion), tax cuts (\$288 billion), long-term economic growth investments (\$100 billion) and state fiscal relief (\$95 billion). Viewed as one of the most promising areas with economic growth potential, over a third of the total stimulus money was earmarked for energy efficiency and renewable energy projects. Lawmakers saw the potential to stimulate the

economy and create green jobs while working to fix issues like America’s doubling energy usage, dependence on foreign sources of energy, and lack of domestic renewable energy resources. Stimulus funded projects included development of clean fuels and high-mileage electric vehicles, upgrading public transit, and creating renewable energy sourced electrical generation stations.



The Department of Energy (DOE) received \$36.7 billion under ARRA, of which almost half of the total amount, \$16.8 billion, was earmarked for the Office of Energy Efficiency and Renewable Energy (EERE). ARRA funds increased EERE’s budget eight-fold from their FY 2008 budget of \$1.7 billion. Three strategic areas guide EERE’s funding strategies and goals in their Recovery Program Plan: advanced transportation, energy efficiency, and renewable electricity generation.

One of the programs of particular interest to the State Energy Advisory Board (STEAB) is the State Energy Program (SEP). SEP “provides federal grants to states and directs funding to State Energy Offices (SEO) from EERE technology programs.” States use SEP grants to promote energy conservation and efficiency and reduce energy demand by developing and implementing comprehensive State energy conservation plans. Activities occurring with SEP funding include technical assistance, training, education, project implementation, and support for field validation of commercially-available energy efficiency and renewable energy technologies.

Under ARRA, SEP received an additional \$3.1 billion for grants that do not require State funds matching. Yet the additional federal money is highly restrictive; States can only access the funds if they adopt strict building energy codes and provide utility incentives for energy efficiency measures. ARRA gave

\$500 million to the Department of Labor (DOL) for relevant worker training to support states with SEP implementation, but there remain a lot of challenges. The period of performance for SEP grants is thirty-six months as per ARRA’s goal of immediate investment in the economy. States are required to commit all funds within eighteen months from the date of the award. DOE can de-obligate the funds and cancel the award if States don’t obligate funds within the allotted time frame.

EERE projects face six significant challenges: regulation compliance, funding, local municipalities, technology capacity, commercial schedules, and project management. All EERE funded projects must comply with legislated regulations before commencing, which can be a lengthy and daunting process. Project conformance with Davis-Bacon, the National Environmental Policy Act (NEPA), and other regulatory hurdles can also delay projects. Once initiated, projects can be altered or halted by local municipalities, construction schedules, or management. Once the project is completed, it must comply with several different reporting standards (i.e., OMB, DOE) instead of being assessed by a universal rubric.

Future funding of ARRA projects remains the question on everyone’s mind. Indications imply that future funding will be based on the political climate and the social perception of the value of the energy efficiency and renewable energy sectors. Despite that, the scope of this funding is unprecedented and its impact has yet to be fully realized. Over the course of Fiscal Year 2009, the STEAB worked closely with members of DOE, OMB, NASEO and other associations to get a better understanding of the impact this funding was having and how best to advise EERE on the use of funding yet to be appropriated. Throughout all three STEAB meetings held in FY 09, the Recovery Act was a prevailing and dominant theme.

Dates	Location	Organization Visit	Primary Agenda Topics
November 18-20, 2008	Washington, D.C.	-	Discuss progress and challenges facing EERE and DOE with the change in administration; Receive and update on the status of current initiatives and State partnerships; Receive updates on Land Grant College projects as a follow-up from previous discussions; Dialogue on the Board’s Strategic Direction ; Board discussions on ongoing priorities, recommendations and resolutions, next steps for the Board and FY ‘08 Annual Report;

March 17-19, 2009	Washington, D.C.	-	Receive an overview on the Stimulus Package and its impact on DOE and EERE; Presentations and discussions surrounding Stimulus Package impact on SEP, WAP and EECBG with OWIP; Board discussions on the creation of a subcommittee, recommendations and resolutions, and other general Board business;
June 23-25, 2009	Washington, D.C.	-	Learn more about the Waxman-Markey Bill; Dialogue with OMB staff regarding technology transfer; Receive an update on the Stimulus Plan and status of the Davis-Bacon Act; Presentations and feedback regarding SEP, WAP and EECGB; Board discussions on Resolution 09-04 and next steps.

3. Summary of Activities

Fiscal Year 2009 was an active and productive year for the Board during which three general meetings were held. All three were held in Washington, D.C., the first of which focused on challenges and goals facing EERE and the new administration. Understanding the impact of the American Recovery and Reinvestment Act (ARRA) on State Energy Programs and Weatherization Assistance Programs was the main topic discussed at the second meeting. The third and final meeting of FY09 was held to continue the ARRA dialogue, as well as give the Board an opportunity to discuss the impact on the Board’s assigned areas of the new in-coming Assistant Secretary for EERE. In an effort to enhance communication with the Assistant Secretary’s office, STEAB’s Executive Board met with Assistant Secretary Zoi and gave her an overview of the Board’s activities and discussed her goals for the office and how those goals align with those of the Board. To sustain momentum of the Board’s activities, and provide for continuity of the Board’s effort, STEAB held monthly teleconference calls on the fourth Wednesday of each month. These teleconferences and meetings provide a forum through which members of the public can learn of the Board’s activities, and also provide a forum for the exchange of ideas and innovations which the Board can then present to the Assistant Secretary. All meetings and teleconferences are open to the public, and notices of all meetings and teleconferences are published in the *Federal Register*. Following all meetings of the Board, Minutes are posted to the STEAB website for public viewing at www.STEAB.org.

During FY '09, the Board produced and unanimously adopted four Resolutions for consideration by the Assistant Secretary for EERE. All of the final Resolutions are also posted to the STEAB website for review, and are included in this Report as Appendix E.

**a. November 2008 Meeting:
Washington, D.C.**

At the November 2008 meeting in Washington, D.C., the Board met with then Acting Assistant Secretary for Energy Efficiency, John Mizroch, to discuss the biggest challenges facing EERE. The Board learned that the most daunting task has been trying to connect all ten (10) EERE programs in a way that simultaneously benefits all programs through the sharing of information and innovation. There have been efforts made to ameliorate this issue; however, little has been accomplished despite reform and reorganization of program offices, the Golden Field Office (GFO), and the budget. When asked for their response, the Board as a whole felt STEAB can assist in meeting this challenge. The Board's Statute gives them the ability to advise on all programs, therefore placing the Board in a unique position to provide a forum for the exchange of information and accomplishments across all ten programs. Information gained in this exchange would be used by the Board to make recommendations to the Assistant Secretary, in the form of Resolutions, on how the programs are operating and how each program can use other EERE program innovations to their advantage. This portion of the conversation concluded with Mr. Mizroch stating that despite his attempts to connect these programs through personnel restructuring due to retirement and new hiring, the programs are still not where he ideally would like them to be and hopes the Board can assist in meeting this challenge in the coming years.

Another challenge facing EERE is identifying a measurable goal for each of the ten EERE programs. Examples Mr. Mizroch gave were that the Wind Program now had a goal of 20% base load energy, the Solar Program was working towards being cost-effective by 2015, and the Biofuels Program was trying to reach 36 million gallons by 2015. One of the most important comments made during this presentation and open dialogue was the reference to the new administration's focus on energy efficiency and alternative energy. Mr. Mizroch

believes the States are the nexus for turning the aforementioned goals into reality. States have successful programs and information that is applicable nationwide, but States lack a system to provide that information nationwide. It is in that capacity Mr. Mizroch felt STEAB could make a dramatic impact, since the Board acts as a liaison among State programs, EERE programs and the DOE.

In the dialogue that followed, many options for the Board's involvement were proposed and considered. Board members agreed that in order to meet any goals set by EERE, it was crucial, first, for each program to have a comprehensive training, recruitment and management process. Without these, trying to execute successful large-scale program goals would be nearly impossible. It was noted that currently there is no established curriculum to train new program employees, and States currently lacked the funds to establish and implement such programs.

Additionally, comments were made regarding the commercialization of new technologies developed by the ten EERE programs and the State Energy Programs (SEP). The STEAB Statute emphasizes that part of their mission is to assist in "the market deployment of energy efficiency and renewable energy technologies." STEAB felt it can best fulfill their role by first meeting the goal of bridging the gap between EERE programs. Only then can they focus on bringing different program technologies together as a comprehensive answer to the nation's energy efficiency goals. With the transition from fossil fuels to clean energy being at the forefront of national discussion, this bridge between programs is needed now more than ever.

Following this spirited discussion, Gil Sperling, Program Manager for the Office of Weatherization and Intergovernmental Programs (OWIP) spoke to the Board about the need for a radical transformation within Weatherization Programs if the country wants to increase energy security, which is a major part of the DOE mission. He felt that despite the Obama administration's goal of weatherizing one million homes, there needs to be some sort of quantifiable benefit shown to consumers if the program is to be successful. During this presentation, the issue of communication and commercialization were again raised. Mr. Sperling felt that in order to make OWIP's goals, they would need to aid States by opening DOE laboratory's and contractors up for technical assistance. This would, ideally, increase communication between States and programs and help to repair what dialogue was lost when the DOE closed many regional offices.

Continuing the focus on communication and commercialization, Wendolyn Holland, Senior Advisor for EERE's Commercialization Team (C-Team) spoke to the Board about how EERE and STEAB can work to accelerate commercialization efforts. Ms. Holland's recommendation, like that of Gil Sperling, was to create greater transparency with the DOE Labs. The Board asked Ms. Holland how they can assist her team with reaching this goal, and she candidly answered by saying the Board should hold the C-Team accountable for doing their job. With regard to the national labs and information dissemination, C-Team's goal is to create a web-based Initiative. This would be created as a portal hosted by the National Renewable Energy Laboratory (NREL) and supported by EERE in an effort to effectively disseminate information about innovative technology. NREL will be working with other universities to help host this portal; and industries, universities, STEAB members, and others can all sign-up as users to this site. The ultimate goal is to have this portal act as a "one-stop-shop" for research and information exchange. Ms. Holland recalled a previous STEAB Resolution which recommended a portal of this nature, and hopes implementation will be swift despite the funding issues.

After listening to these presentations and ensuing dialogue, the Board turned the focus of the meeting to holding a strategic dialogue and action session regarding their Strategic Direction. Armed with new information garnered from the day's presentations, the Board worked its way through the four focus areas noting items they would like to possibly recommend, consider, and suggest to the Assistant Secretary for EERE. The Board's four Strategic Area's are:

1. Energy Efficiency Market Transformation
2. Technology Commercialization/ Deployment
3. Federal/ State Synergies
4. Renewable Energy Advancement

When discussing the "Energy Efficiency Market Transformation" focus area, some of the topics discussed were a need for stabilization rather than reinvention with regards to the DOE Weatherization Program, including a relationship between the DOE office and this Board to solve the unstable network dilemma, and the need to study behavioral usage regarding Energy Efficiency.

Additionally, several members felt that Federal resources should be used to create incentives which will create relationships in other areas for effective communication. The Board unanimously believed that by looking at other organizations such as power provider associations, community colleges, etc. will help enable communication to extend beyond traditional avenues.

Pulling inspiration from the on-going commentary, Board Chair, Chris Benson, suggested drafting a recommendation to DOE about standardizing training and setting up training centers for certification, noting it would be beneficial to have a market where there is on-the-job training either from Federal agencies or technical/vocational schools. Mr. Gutierrez noted that this discussion supports Public Law 110-229, which supports partnerships with advanced energy technology centers at the regional level, as well as at DOE. He suggested that DOE should provide support and standardize core competencies to support a curriculum for people in the field after college. The discussion concluded with the Board creating and unanimously adopting Resolution 09-01: Support for U.S. Congress Appropriation of Funding Public Law 110-229 Sec.601 "Advanced Energy Technology Transfer Centers."

Another important topic presented in the November meeting was revisiting a discussion which resulted in Resolution 08-02. That Resolution, adopted by the Board in the previous fiscal year, encouraged DOE to work with State Energy Offices and revisit the "Rebuild America Program." The Board had previously been introduced to the e-Xtension initiative and found it to be a great tool for disseminating information and education which was the basis behind 08-02. Three speakers discussed topics such as "Cooperative Extension Service and Energy Education," efforts by Cornell University regarding housing sustainability and other community practices, and the DOE's Building Technology Program. The Board was pleased to hear that the Building Technology Program had launched a "Builder Challenge" with the goal of building houses that are 30% more energy efficient. Though details are still being worked out regarding a way to recognize those builders who are working towards good energy efficiency levels, this challenge allows for high marketing value at a low cost to DOE.

Continuing this discussion and update on progress surrounding extension programs, a representative from the National Association of State Energy Offices (NASEO) met with the Board to discuss future steps with regards to cooperative extension, green jobs, energy efficiency, and other business affecting both STEAB and NASEO. During the presentation it was noted that energy legislation will be on the forefront of the Obama administration. New programs will likely include long term tax credits for renewables, extended energy efficiency tax credits, commercial buildings deductions, and upgrades of mandatory building codes. Other areas for expansion may include doubling ENERGY STAR activities. Members of the Board discussed that their main concern surrounding the Stimulus money was that it should neither sit nor go to waste. Both the NASEO

representative and the Board concluded they should work together to ensure State, federal, and local cooperative efforts have representation and a forum in which to voice questions or concerns. With so much money on the table, there will be new programs rolled out, more funding given to existing programs, and there will be a lot of conditions and questions surrounding how best to expedite the use of these funds. Both STEAB and NASEO felt the States and other entities need a consolidated voice to make sure their questions are both heard and addressed by DOE.

Following two days of presentations and intense discussion, the Board met for a roundtable to summarize outstanding items which surfaced during the meeting and required additional thoughtful discussion. Out of this roundtable, the Board created short-term and long-term topics to address. Some of the short-term topics were addressing STEAB's relationship to EERE now that there was a new administration and how to reaffirm their position with the incoming Assistant Secretary. If the Board wanted to continue accomplishing goals and providing resolutions benefitting all 10 EERE programs, the Board needed the new Assistant Secretary to understand the Board's role as a Federal Advisory Committee. Resolution 09-02 developed out of this discussion and spoke to the "Organizational operation of the STEAB." A transmittal letter was scribed on-site and the letter was hand delivered to the office of the Assistant Secretary after the meeting adjourned. This Resolution received a written response from then acting Assistant Secretary, John Mizroch, who confirmed the Board's statutory charge and reaffirmed the STEAB's organizational operations as outlined in the Board's Charter.

Another Resolution to come out of discussions regarding short and long-term goals of the Board was Resolution 09-03: "Establish Adequate Contracting Officer Positions at the Golden Field Office (GFO) for Current Formula Grants and Possible Future Block Grants." Currently, State Energy Program and Weatherization Assistance Program formula grants in the Western States are submitted to GFO and forwarded to the National Energy Technology Lab (NETL) for budgetary processing. The main issue surrounds how cumbersome, slow and tedious the process is. The potential for unprecedented Stimulus money to fund new block grants in the Western States may result in over 2,000 new efficiency agreements for the Western States alone. Pulling from the discussion with the NASEO representative and the need to provide solutions and a forum for States to address issues, the Board felt that this Resolution provided a front-end solution to the potential problems associated with an influx of new grant submissions.

This meeting was one of the most productive the Board has had. The Board met with officials from DOE to discuss the goals and challenges facing DOE and EERE in the coming years and took the opportunity to reaffirm STEAB's position within EERE. They had a chance to revisit with extension officials and the head of the National Association of State Universities and Land-Grant Colleges (NASULGC) to receive an update on progress in that area as it related to the Board's previous FY 08 Resolution 08-02. Finally, the Board met with NASEO officials to discuss how both organizations can work together to meet the needs of State and local governments as Stimulus money becomes available at unprecedented funding levels. Three Resolutions were unanimously adopted to address many of the issues which arose during the meeting. All were submitted to the Assistant Secretary for EERE, though only one of those, Resolution 09-02, received a response. It was also at this meeting where the Board said goodbye to two members whose terms expired November 30, 2008. Board Chair, Chris Benson, thanked the retiring members for their service and looked forward to working with newly appointed members at the next meeting.

**b. March 2009 Meeting:
Washington, D.C.**

On Feb. 13, 2009, Congress passed the American Recovery and Reinvestment Act of 2009 (Stimulus Package). Four days later President Obama signed it into law. This legislation was created as a direct response to the economic crisis currently sweeping the United States and affecting all Americans. The immediate goals of the act aimed to do the following:

- Create new jobs as well as save existing ones;
- Spur economic activity and invest in long-term economic growth;
- Foster unprecedented levels of accountability and transparency in government spending.

While impacting all facets of the American economy (the auto industry, health care, tax credits) the Act invested in the domestic renewable energy industry as well as the weatherizing of 75 percent of federal buildings and more than one million private homes.

With news that the Department of Energy received \$36.7 billion dollars and the majority of that going to EERE, the Board met in March to discuss the Stimulus Package and its effects on State Energy Programs, Weatherization Assistance Programs (WAP), Energy Efficiency and Conservation Block Grants (EECBG), and other related State and local programs.

Gil Sperling, the Program Manager for OWIP was in attendance to speak to the Board regarding the funds allotted specifically to the Office of Energy Efficiency and Renewable Energy (EERE) and the way in which the money will be used. The Stimulus Package allotted \$16.8 billion for EERE, with \$11.6 billion going to OWIP alone. Additional Stimulus Package allotment for other programs is as follows:

- Weatherization Assistance Program (WAP) received \$5 billion;
- State Energy Program (SEP) received \$3.1 billion;
- Energy Efficiency and Conservation Block Grants (EECBG) are funded at \$2.8 billion, with another \$400 million in a competitive solicitation; and
- Energy Star Appliance Rebate programs implemented through State Energy Offices (SEO's) received \$300 million.

Since OWIP has stewardship over 70% of the funds allocated to EERE, the Office will ensure funds are deployed in a timely manner. Instead of using the funds on the 5-year grant agreement terms, OWIP aims to utilize the funds on a 36-month grant agreement and additionally requires that within 18 months, the grantees obligate or commit those funds.

The objective of this money is three-fold: Create jobs, stimulate the economy, and spur economic growth. President Obama has committed Congress to work with transparency and accountability, as the American people need to know where the funds are going, how funds are spent, and what results are being produced. Accountability is of the utmost importance since these dollars are coming from the American taxpayer. The Board noted, from this discussion of total funds, it is imperative to aggressively manage the funds and the program as efficiently as possible. Every aspect of spending needs to be effectively managed in order to get the maximum amount of energy saved per dollar spent.

The Board learned one of the things being done quickly, due to the expansion of the weatherization network and workforce, is expanding training centers. This tied into a topic which was discussed in the November meeting where the Board raised the issue that more training was needed in order to successfully reach the goals of large-scale programs. Similarly, the Board had previously recommended

in Resolution 08-02 the establishment of a coordinated regional staffing presence to provide technical assistance to State and local governments. In November, the Board met with extension officials to discuss progress made over the last year and what goals still needed to be accomplished. Mr. Sperling acknowledged the Board's previous attention to this matter and continued the conversation by noting there are currently only 10 training centers nationwide, and OWIP is looking at adding 40 more in the near future. This addition of training centers accomplishes one of the goals of the Stimulus Package by creating the opportunity for more jobs; specifically Green jobs. Green jobs are a new metric for DOE, and a part of the evaluation process because that is the main purpose of the Recovery Act.

At this point in the discussion, Rob Sandoli and Uday Varadarajan, of the Office of Management and Budget (OMB) interjected that there is a great opportunity for the STEAB to act as an evaluator for the EERE funding. OMB is interested in receiving program evaluation of the monies spent and feels STEAB members can convey to DOE the tools needed in the field to better execute new, and newly funded, programs. OMB is under pressure from the DOE to ensure field data is collected properly and independently verified so that DOE can ensure programs are saving energy and achieving their intended purpose. Both energy savings and job creation are essential reporting indicators to evaluate the effect of the Stimulus Package.

The topic then turned to the EECBG program. The EECBG formula, according to Mr. Sperling, would be published within the next few days, and OWIP was currently working with the Project Management Center (PMC) at the National Energy Technology Laboratory (NETL) to release a funding opportunity announcement (FOA) that will lay out the basic requirements of the program. Both Mr. Sperling and the Board came to the conclusion that STEAB has an opportunity with EECBG to act as liaison between OMB and the DOE with regards to what kinds of need cities and counties are going to require. The Board noted that the extent to which OMB can leverage STEAB's collected information and performance measures is imperative.

OWIP proposed, and General Counsel accepted, that a statutory requirement exists to establish an "advisory committee" in support of EECBG. Mr. Sperling suggested that this new committee might be set up as a subcommittee to STEAB. The make-up of that subcommittee would consist of a portion of STEAB members, as well as a larger group from outside STEAB; however, the subcommittee would report their activities and accomplishments back through the Board.

The size, purpose, and expectations of the subcommittee are still undefined. The Board anticipates the subcommittee would be an independent, overseeing authority of the EECBG, and would provide guidance and clarity on appropriate usage of EECBG funds. Thus, the subcommittee would act as a conduit from the States to EERE on the subject of EECBG oversight. When the validity of creating a subcommittee was questioned, the Board referenced that the idea of this sort of subcommittee is derived from Subtitle E of the Energy Independence Security Act (EISA), Section 543 (f): "State and Local Advisory Committee - The Secretary shall establish a State and local advisory committee to advise the Secretary regarding administration, implementation, and evaluation of the program."

The discussion on the subcommittee concluded with STEAB suggesting the subcommittee stipulations be the following:

- STEAB to chair the subcommittee,
- STEAB to select committee members from a pool of qualified and recommended candidates,
- Each subcommittee member would serve a 3-year term,
- The creation of a subcommittee would be contingent on funding from EERE and concurrence from General Counsel.

Finally, the subcommittee would be comprised of the following membership:

- 18 total members:
 - 2 from STEAB,
 - 5 from city government,
 - 5 from county government,
 - 3 from State government,
 - 3 Native American Tribal Representatives.

The meeting concluded with a final discussion summing up the needs of EERE as it pertains to the Stimulus Package. Throughout discussions at this and the previous November meeting, issues of communication between programs and EERE, States and EERE, and States and programs, have arisen numerous times. Each of these times STEAB was identified as a possible solution to these issues. The March meeting concluded with a lively discussion surrounding how the Board can provide much needed strategic communication. STEAB arrived at the conclusion that *communication strategies* are essential to provide clear, timely, and appropriate information to State and local governments which are receiving

Recovery Act funds. The following points were determined and later presented by the Board for further development:

- Short-term strategy vs. long-term strategy:
 - EERE needs to move quickly to provide information and resources to grant recipients in order to fill immediate needs.
 - Longer term approaches are important to achieve economic and energy goals, i.e., training, economic development, environmental concerns, etc.

- Use of 21st Century technology solutions for 21st Century problems:
 - The use of internet platforms for presentation of video and interactive formats elevates the dialogue between and among DOE, States, and local governments.
 - STEAB should recommend that DOE re-establish a regional presence in an effort to maintain credibility and improve communication channels with Recovery fund recipients.

From this brainstorming session, STEAB identified the need for the creation of an information dissemination network regarding issues dealing with the EECBG, as well as other parts of the Recovery Act. It was their recommendation that the network should be led by the National Association of State Energy Officials (NASEO) and involve National Association of Counties (NACO), League of Cities and Towns, Cooperative Extension, Edison Electric, and US Conference of Mayors. The information network would thus be responsible for the development of materials which assist local entities participating in EECBG and assist them with developing implementation strategies. The network should use 21st Century technology delivery mechanisms, which include electronic newsletters, webinars, conference calls, and video. Based on this discussion, the Board scribed and unanimously adopted Resolution 09-04: “Establishment of a strategic, coordinated regional staffing presence to facilitate two-way communication and provide technical assistance to state and local governments.” The goal of this Resolution is that Regional staff will maintain an active and physical presence in their assigned States in order to achieve effective implementation of the Stimulus Package.

In summary, this meeting was crucial for the Board because it enabled them to better understand the wide-reaching implications of Stimulus Package monies, while simultaneously allowing them to better understand the role the Board can play in the future for EERE. With communication and re-establishing a regional presence being at the forefront of the issues STEAB hopes to tackle, the Board

developed and unanimously adopted Resolution 09-04 which recommended a solution to the Assistant Secretary with regard to both issues. This Resolution was sent to the Assistant Secretary on March 24, 2009.

**c. June 2009 Meeting:
Washington, D.C.**

The third and final full Board meeting in Fiscal Year 2009, was again held in Washington, D.C. during the month of June. This meeting was held in order to continue the conversation surrounding impacts of the Stimulus Package, receive updates on the American Clean Energy and Security Act of 2009, receive an update on the status of Davis-Bacon, and also to discuss the Board's upcoming meeting with in-coming Assistant Secretary Cathy Zoi.

The meeting began with a discussion about the American Clean Energy and Security Act of 2009 and the reasons for opposing or promoting the bill. The purpose of the bill is to create clean energy jobs, achieve energy independence, reduce global warming pollution, and transition to a clean energy economy. Those opposing the bill feel that parts of the country are being shortchanged as it relates to emissions allowances, and others feel that the international land-use rules and controls for strong ethanol States are in need of change. The Board learned, also, that some States are concerned about their existing programs and worry that this bill may affect their funding since it proposes new requirements and stricter standards. They learned, however, that States with already existing and successful energy codes, policies and programs will be allowed to use funds as is, and that the 'managers amendment' section of the bill has language to this effect. The Board questioned how they could assist with helping State programs understand the positive implication of this bill. The presenter, Rob Sandoli of OMB, emphasized that STEAB should engage with Cathy Zoi. He noted she is committed to a mix of Research and Development, deployment, and clean technology. She will need advice and perspective on what programs should be implemented, how they should be implemented, what are the next steps, etc. The Board understood from this comment that their suggestions and recommendations will be extremely valuable in helping to implement new ideas and bring about the necessary change.

Continuing the discussion, but focusing on the issue of deployment of new technologies, Mr. Sandoli noted again deployment remains a significant issue of the Stimulus Package. Again, the issue was raised regarding the disconnect between all ten (10) EERE programs and how the DOE, and EERE specifically, can work to connect these programs in a way that better serves DOE and its mission. Board members voiced concerns regarding the lack of staffing with State or local backgrounds at program and technology offices, structural problems at DOE especially with metrics, and the lack of a point-of-contact at DOE for technology issues. The Board referred to their Resolution 09-04, where it was recommended that DOE should have a regional presence, not necessarily an office. Their Resolution, having been sent to the Assistant Secretary in March, had yet to hear a response, but Mr. Sandoli pointed out that there is \$1.2 billion left in unallocated funds and it could be possible to persuade DOE to use those funds for exactly this type of project.

Gil Sperling attended this meeting and provided updates to the Board regarding Recovery Act funds and the status of Davis-Bacon. He began by reviewing what progress had been made with Recovery Act funds in the months following the previous STEAB meeting. Highlights included informing the Board that ten percent of initial funding, as well as State energy money, had been distributed. Weatherization has set a goal that 50% of all weatherization funds be out by the second week in July of 2009. Additionally, EECBG's have been monitored state-by-state, and DOE is looking to hire 200-plus staff for State oversight and monitoring in order to meet the transparency needs outlined in the Stimulus Package.

The Board was informed that there had been a total of nineteen Recovery Act awards as of the date of the meeting, and all SEP awards should be released by the end of July 2009. When asked about regulations placed on the monies being disseminated, it was mentioned that States will receive 40% of the Stimulus money but will be evaluated to see if goals are achieved prior to additional funding. Stimulus money will be retracted from States that have not shown successful programs or approved usage of the funds. Many of the Board members, being part of State Energy Offices, expressed concerns over the fact that there is a lot of money coming at them and they will need time to make sure the money can be appropriated correctly. The last thing States want is to appropriate their money too slowly, or to the wrong projects, and then have the balance of funding withheld because they couldn't spend it fast enough. Mr. Sperling and other DOE officials at the meeting assuaged these fears and noted that the Board can aid OWIP and EERE. The Board acts as a liaison between

EERE and the States, and in this capacity the Board can encourage States and entities to get information and reports in on time, send in success stories involving Stimulus funds, and provide fact sheets to show State-wide accomplishments. This will help validate the funding being sent to the States and assist with the provision set out by the Recovery Act that this investment is stimulating the economy and creating green jobs.

Mr. Sperling then turned his presentation to the Davis-Bacon Act and its impact on Weatherization programs. The Davis-Bacon Act of 1931 established the requirement for paying prevailing wages on public works projects. All federal government construction contracts must include provisions for paying workers no less than the locally prevailing wages and benefits paid on similar projects.

Mr. Sperling stated that as of June 1, 2009, a determination letter was received which stated the Davis-Bacon Act would fully apply to all aspects of the weatherization of homes. There had been issues with the act regarding standards, procedures, cost-effectiveness and low-income communities, which all need to be addressed and evaluated. Very few agencies had stepped forward to use the Recovery Act money due to these issues, which is why this letter was a welcome determination. According to Mr. Sperling, the next steps will be compiling information to create a database of how different States handle labor wages by agency, a new wage survey needs to be completed, and a new job category (“weatherization worker”) must be developed.

The Board was very interested in this discussion as several of the Board members are directors of State or low-income weatherization assistance programs, as mandated by the STEAB Charter. This was the update they were waiting for and were pleased to be able to go back to their States with an update on the progress of Davis-Bacon with regards to weatherization.

The final discussion of the meeting centered on the Board’s upcoming meeting with new Assistant Secretary Cathy Zoi. Through extensive discussion, the members developed specific talking points with the goal of establishing issues of importance to address with Ms. Zoi. It was decided that members of the Executive Board (STEAB Chair, Vice Chair and Secretary) and the DFO would attend the meeting which was scheduled for mid-August of 2009. At that meeting, they would present a STEAB Briefing Book to the Assistant Secretary. The Briefing Book would outline details of what STEAB is, what it does, how it is an asset to EERE, and what it has accomplished through past successes.

**d. August 2009 Executive Board meeting with Assistant Secretary Cathy Zoi:
Washington, D.C.**

In August, the Executive Board and the Designated Federal Officer flew to Washington, D.C. for a face-to-face meeting with new Assistant Secretary Cathy Zoi, on August 26, 2009. The intent of this meeting was to give the Assistant Secretary an overview of what STEAB is, and how it functions as a Federal Advisory Committee providing recommendations directly to her office. It was emphasized that the Board is not program specific, as are the other advisory committees in EERE. Additionally, the Board discussed ways to enhance communications between STEAB and the Assistant Secretary's office, in an effort to keep the lines of communications open and maintain an ongoing dialogue.

During the meeting the Assistant Secretary acknowledged that communication with the Board had not been a priority for the previous Assistant Secretary, and she promised to do her best to provide feedback and responses to the Board with regard to their Resolutions and other recommendations. She made a point to the Board, however, to mention that she struggles with reporting and humanizing success stories to the public. She asked that in order to assist her in this struggle, the Board and other entities like NASEO could assist by creating a "buzz" or unofficial PR campaign, which would allow for the humanizing of successes stories, which in turn would help with public awareness. This public awareness would allow people to see that success in the field of energy efficiency and renewable energy is not "lab magic" or just R&D, but that these successes have a "human face." From this conversation, the Board noted the key was to try to pull general interest into the conversation about energy efficiency and renewable energy, rather than have the DOE or EERE *push* information onto consumers.

The conversation then turned to what Assistant Secretary Zoi would be focusing her efforts on over the next four (4) years. The Board wanted to grasp her vision for EERE and look for ways to assist her in accomplishing her mission. Assistant Secretary Zoi has four main focus areas for EERE during her tenure. The focus areas are:

- Speed and scale,
- High impact innovation,
- Talent (with regard to personnel), and
- Capturing hearts and minds.

The fourth area was the area where STEAB felt it could readily assist her. Per the earlier conversation, the Board felt it could work to capture success stories and humanize what EERE is all about with regards to transfers of technology and deployment. The Board can compile these stories and transmit them to the Assistant Secretary which would help her put that needed “human face” on innovations in order to help the public feel connected and ultimately invested in new technology.

In addition to her four main focus areas, the Assistant Secretary also mentioned that despite the influx of monies due to the Stimulus Package, she had developed three (3) main “Funding Filters” which help her determine whether or not to sign off and approve major funding within EERE. Assistant Secretary Zoi’s filters are:

- Leverage (the more leverage the better),
- Market Transformation (understanding an exit strategy for the DOE before attempting to launch a new program), and
- Leadership (doing something new).

The Executive Board concluded the meeting after more than forty (40) minutes of discussion with the Assistant Secretary. Armed with this new information and her vision for EERE, the Executive Board feels STEAB is in a better position, now more than ever, to assist her office with fulfilling the aforementioned goals. Members of the Executive Board identified areas where the Assistant Secretary could utilize STEAB to its fullest, and feels they can rise to the challenge. In an effort to maintain an on-going and open dialogue, Vice Chair Dr. Patricia Sobrero, invited the Assistant Secretary to the next Board meeting, which will be held in Raleigh, NC, in November 2009.

4. STEAB Recommendations

During FY '09, the Board’s meetings and internal discussions have allowed for evaluations regarding the rate and quality of progress in energy efficiency and renewable energy technology research, deployment, demonstration, and development. From these assessments STEAB identified certain challenges to the EERE mission that resulted in the development of four distinct recommendations. These specific recommendations were conceived, considered, and unanimously adopted by the members of STEAB during the fiscal year, and transmitted to the Assistant Secretary in the form of Resolutions. All formal Resolutions and corresponding transmittal letters can be found in Appendix E.

Resolution 09-01:

“Support for U.S. Congress Appropriation of Funding Public Law 110-229 Sec 601 ‘Advanced Energy Technology Transfer Centers’ ”

Securing America’s energy future is among the most important challenges in today’s current events. The U.S. Department of Energy office of EERE, the USDA Research, State Energy Research Institutions (SERIs), Education and Economics Division (REE), Land-grant Universities (LGU) and State Energy Offices (SEOs) are actively engaged in developing new technologies, researching energy efficiency practices, evaluating renewable energy sources and supporting the market transformation of these activities.

STEAB notes that consumers do not fully appreciate or understand the significant benefits that renewable energy and energy efficiency offer. Better consumer understanding of these technologies and the benefits derived from utilizing energy efficiency and renewable energy is necessary. Enhanced education and technical assistance efforts are needed in order to achieve broader consumer adoption.

Public Law 110-229, Sec. 601 authorizes the creation of advanced energy technology transfer centers that would operate programs to encourage demonstration and commercial application of advanced energy methods and technologies through education and outreach. Appropriation of funds for the creation of these advanced energy technology transfer centers will provide broader consumer adoption of advanced energy methods and technologies and will build upon the many excellent energy related partnership activities and program by entities such as EERE, REE, SERIs, LGUs and SEOs.

In order to broaden consumer understanding and adoption of new technologies, as well as enhancing partnerships between entities, members of the STEAB respectfully encouraged EERE to support funding as authorized in Public Law 110-229, Sec. 601, with the adoption of Resolution 09-01.

Resolution 09-02:

“Organizational Operations of the STEAB”

It was at the November 2008 meeting that the Board took time from discussions and presentations from DOE staff and Program Managers to reflect on the Board’s position within EERE over the past eight years and evaluate how to expand their role with the new administration. The Board unanimously agreed that STEAB had become too closely associated with the Office of Weatherization and Intergovernmental Programs (OWIP) and perhaps was being viewed as a Committee that dealt only with that program office. This view of the Board may have evolved out of the fact that OWIP staff approved and reviewed travel authorizations, and funding was routed through that office. Close ties with OWIP began when the previous Designated Federal Officer (DFO) moved into that program office during his appointment. Hence, all documents, funding approvals and other official Board business was routed through OWIP to the previous DFO. Despite the appointment of new DFO Gary Burch, all funding and approvals continued to be routed through OWIP.

All members of the Board believed that with the appointment of a new Assistant Secretary, there was an opportunity to reassert the Board’s vital position and make it clear to the front office that STEAB looks across all programs and is not part of, nor beholden to, OWIP. The Board wanted to reassert its position and legislative mission of operating at an organizational level that is inclusive of all EERE programs. Discussion at the meeting led the members to unanimously agree that the most effective way to both show their commitment to STEAB’s mission and affirm the Board’s position was to draft a Resolution to the Acting Assistant Secretary for EERE. This concept became Resolution 09-02, which outlines STEAB’s legislative mandate, statutory responsibilities, and resolves to continue fulfilling its purpose of making recommendations about all EERE programs directly to the Assistant Secretary for EERE.

Resolution 09-02 was hand delivered to Acting Assistant Secretary John Mizroch by the Executive Board. On January 12, 2009, Mr. Mizroch responded to the Resolution in a letter to Board Chair, Chris Benson, confirming the Board’s organizational operating status will remain as enumerated by legislative statute and continue to make recommendations directly to the Assistant Secretary for EERE. This was the first time the Board had received a response from the Assistant Secretary’s office with regard to a submitted Resolution. This confirmation by Acting Assistant Secretary Mizroch demonstrated to the Board

that their inputs on programs administered by the office of EERE would now become both anticipated and thoughtfully considered by the new administration.

Resolution 09-03:

“Establish adequate Contracting Officer positions at the Golden Field Office (GFO) for current formula grants and possible future block grants”

During Fiscal Year 2008, the Board reviewed and enhanced its Strategic Direction. The Board chose four specific focus areas to help guide future activities and recommendations. At the November 2008 meeting in Washington, D.C., the Board spent time discussing these four focus areas. It was out of a discussion surrounding “Enhancing Federal/State/Local Synergies” that Resolution 09-03 came about.

Dr. Sobrero, Mr. Ploger and Mr. Duncan all pointed out that State Energy Program (SEP) and Weatherization Assistance Program (WAP) formula grants in the Western states are currently submitted to the GFO and forwarded to the National Energy Technology Laboratory (NETL) for approval and implementation. Board members added to the discussions saying GFO lacks a contracting officer on-site to process current State Energy Program and Weatherization Assistance Program formula grants in a timely manner. This tedious and slow process of having to work through NETL has been a frustration to the States, which was expressed to many members of the Board on separate occasions.

Furthermore, potential block grants in the Western states resulting from the Energy Efficiency and Conservation Block Grant program (Sections 541-548 of the *Energy Independence and Security Act of 2007*) may result in over 2,000 new funding agreements for the Western states alone. The Board recognized that without additional assistance to handle the potential increase, States’ frustrations will continue to grow, and the process will become even more tiresome.

The STEAB recommended that EERE take immediate action to create an adequate number of Contracting Officer positions at the GFO to administer current formula grants and to be prepared to handle any new grants in the Western states. The Board has an interest in the success of this program and submitted this recommendation to create these new positions to the Assistant Secretary as Resolution 09-03.

Resolution 09-04:

“Establishment of a strategic, coordinated regional staffing presence to facilitate two-way communication and provide technical assistance to state and local governments”

During the second meeting of FY 2009, Gil Sperling, then Program Manager of OWIP, spoke to the Board about the Recovery Act and specifically what type of funding OWIP received and for what programs. Aside from \$5 billion going to WAPs, and the \$3.1 billion going to SEP’s, one of the programs receiving funding for the first time with \$2.8 billion are the Energy Efficiency and Conservation Block Grants (EECBG). Mr. Sperling noted in his presentation that the EECBG formula is inordinately complicated as there are iterative algorithms used to determine eligibility and levels of funding. OWIP, he stated, was currently working with Project Management Centers (PMCs) at NETL to release the funding opportunity announcement that lays out the basic requirements of the program.

The Board concluded that communication strategies were essential to provide clear, timely and appropriate information to State and local governments receiving Recovery Act funds. In light of the complicated nature of the new EECBG program, and the massive funding given to SEP’s and WAP’s, EERE needs to move quickly to provide information and resources to grant recipients in the short term, and provide long-term strategies to promote economic development, enhance training, etc. The Board felt these short and long-term goals could be addressed most effectively through a regional approach and allocation of resources.

They recognized that in 2006, DOE consolidated six regional offices into the two PMCs in Pittsburgh, PA, and Golden, CO. States currently rely on the PMCs for guidance and technical assistance related to the SEP and WAP, and now must rely on them for guidance and technical assistance for the EECBG.

The concern is that States and local governments need to have clear and effective communication pathways to Energy Efficiency and Renewable Energy (EERE) to enable the successful implementation of Recovery Act programs. Many states will have an increased need for technical assistance and guidance associated with increased funding. It is unlikely that DOE will be able to meet these needs from the isolation of the PMCs alone. There is a direct need for EERE to re-establish a strategic and coordinated regional staffing presence to meet the needs of state and local governments. The existing fundamental disconnect between the states,

DOE and the PMCs requires communication not only on the procedures and procurement rules, but on the substance of program delivery.

Thus, STEAB put forth the recommendation that EERE take the necessary steps to re-establish a multi state/regional area staffing presence, managed by the PMC's, to focus on outreach and provide direct support to state and local stakeholders in the delivery of SEP, WAP and EECBG. Regional staff will maintain an active and physical presence in their assigned states on a regular basis to achieve effective implementation of the Recovery Act. These PMC regional staff/circuit riders should be established to ensure that information provided to state and local stakeholders is accurate and timely. Additionally, these staff should help state and local stakeholders align their energy related programs with those provided by other federal agencies (e.g. HUD, HHS, USDA, DOL, EDA, and EPA). The Board respectfully submitted this call-to-action to the Assistant Secretary in the form of Resolution 09-04 with the hopes that implementation of this recommendation will result in the effective management and success of these programs.

5. Conclusion

The American Recovery and Reinvestment Act provided unprecedented funding to DOE, and specifically to EERE programs, and create opportunities for the STEAB to play an even larger role than they have in the past. The scope of funding highlights the necessity for better communication between federal and State government with regard to energy efficiency and renewable energy programs. The STEAB is in a position to fill that need as it acts as a liaison between the States and DOE, and has the capacity to advise the Assistant Secretary on projects occurring within all 10 EERE programs. Its Resolutions look to span issues that affect all programs, and not specifically one over another.

The goals of ARRA are three-fold; create jobs, stimulate the economy, and spur economic growth. Accountability is a major feature of the Recovery Act as well, and the President has committed to provide transparency and accountability. The STEAB has already expressed a keen interest in undertaking that role by working directly with States to encourage them to get information and reports in on time, collect and submit success stories involving Stimulus funds, and provide a forum in which questions and concerns can be answered swiftly and comprehensively. With even more money going out to States and local

governments, the Board is excited to work with these entities directly, as well as work with groups like NASEO, in order to make sure Recovery Act spending in the realms of energy efficiency and renewable energy are a success.

The meeting with Assistant Secretary Zoi helped the Board identify the challenges facing EERE in the coming years, but also gave them insight into the goals of her office and the new administration. Armed with this information, the Board looks forward to meeting these challenges head on. Through recommendations and Resolutions, the Board is confident it can continue offering sound advice on how best to meet, and ultimately exceed, the goals set by the Assistant Secretary.

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Appendix A. Legislative Charge of the State Energy Advisory Board

The State Energy Advisory Board was established by Public Law 101-440 (The State Energy Efficiency Programs Improvement Act of 1990) to advise DOE on the operations of its Federal grant programs. The Board also advises on the energy efficiency and renewable energy program in general and on DOE's effort relating to research and market deployment of energy efficiency and renewable energy technologies.

The specific responsibilities of the Board, as mandated by statute, are;

1. To make recommendations to the Assistant Secretary for Energy Efficiency and Renewable Energy (EERE) with respect to:
 - a. The energy efficiency goals and objectives of programs carried out under Parts D and G of the Energy Policy and Conservation Act and under Part A, title IV of the Energy Conservation and Production Act; and
 - b. To make administrative and policy recommendations to improve these programs, including actions that should be considered to encourage non-Federal resources (including private resources) to supplement Federal financial assistance.
2. To serve as a liaison between the States and the Department of Energy on energy efficiency and renewable energy resource programs.
3. To encourage transfer of the results of the energy efficiency and renewable energy activities carried out by the Federal Government.
4. To submit an annual report to the Secretary and Congress on the activities carried out by the Board in the previous fiscal year.

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Appendix B. Board Membership

The State Energy Advisory Board consists of 18-21 members appointed by the Secretary of Energy. Membership regulations are outlines in Public Law 101-440, Section 365 (g) (1) (A) as follows:

At least eight (8) members shall be directors of the State office responsible for developing State energy conservation plans pursuant to Section 362 of the Energy Policy and Conservation Act. At least four (4) members shall be directors of State or local low-income weatherization assistance programs. Other members shall be persons who have experience in energy efficiency and renewable energy programs from the private sector, consumer interest groups, utilities, public utility commissions, educational institutions, financial institutions, local government energy programs, or research institutions. Other members may include State, local, county, and city government officials who meet one of the statutory categories. The members shall be appointed for a term of three (3) years with one-third of the total terms expiring each year. The Board is nonpartisan.

The following is a membership listing of the State Energy Advisory Board, as well as DOE contacts and contract staff support.

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Appendix C. State Energy Advisory Board (STEAB) Strategic Direction

The STEAB Strategic Direction used the Legislative Mission (See **Appendix A**) as a guide for developing their four selected areas and determining the proactive focus.

Proactive Role

STEAB is developing a long-range, proactive approach, and will develop, maintain and periodically update a Strategic Direction and plan to guide its activities, as well as determine its structural, organizational, and operational approach. The Board is committed to making the Strategic Direction and planning central to carrying out its mission. The Board will adjust the process as necessary to continue to obtain desired high priority and relevant planning outputs, effective follow-up, and documentation of outcomes. General parameters for identifying and addressing STEAB strategic focus areas follow. STEAB's actions will focus on:

- Crosscutting EERE programs,
- Long-term planning,
- Proactive information, advice, analysis and recommendations,
- High-priority issues that are based on documented need and relevance (two to three at a time), and
- EERE programmatic and organizational issues.

Strategic Focus

As noted previously, the legislative mandate of STEAB is to advise DOE on the operation of its federal grant programs encompassing energy efficiency and renewable energy in general, and on the efforts of the Department relating to research and market deployment of energy efficiency and renewable energy technologies. In August of 2008 at a meeting in Denver, Colorado, the Board conducted a planning session to identify and review new strategic focus areas as well as refresh older areas with the intent to align the Board's priorities with those of EERE. These areas were chosen on the basis of the idea that the focus areas of the Board's efforts would be evaluated on an on-going basis and re-assessed at least on an annual basis. The Board discussed a wide range of topics at this meeting and decided to focus on four major areas in the immediate future.

Focus areas selected

The Board, in congruence with the legislative mission, will focus time, energy, and activities in the following four strategic areas:

1. Facilitate Renewable Energy Advancement;
2. Accelerate Energy Efficiency Market Transformation;
3. Facilitate Technology Commercialization/ Deployment; and
4. Enhance Federal/ State/ Local Synergies

Approach

Each of the strategic focus areas will be guided by expected outcomes and measurable performance indicators with benchmarks to judge progress. These performance indicators and benchmarks will enable STEAB to demonstrate benefit to the U.S. Congress, the Assistant Secretary for the Office of Energy Efficiency and Renewable Energy (EERE), and to document value to the U.S. Department of Energy and to the States. Progress toward meeting goals in each area will be documented in the Annual Report, and re-evaluation of appropriate focus areas will occur on at least an annual basis, or more often as determined by the Board. The detailed approach in addressing these strategic focus areas is as follows:

I. Strategic Focus Area #1: Facilitate Renewable Energy Advancement

Recommended Areas of Concentration:

This focus includes:

- Policy.
- Deployment of Technology.
- Market/Capital.

Expected Outcomes:

STEAB Outcomes will lead to:

- Improved deployment of renewable energy information and technologies from national labs and other sources.
- Deployment of commercialization opportunities, best practices, and strategies.

Performance Indicators:

STEAB will measure the:

- Number of deployment strategies and tactics that facilitate and enhance communication between Federal, State, and local stakeholders.

Benchmarks:

In 2009 STEAB will establish a baseline for benchmarks based on:

- Three national or regional communication events involving stakeholders.

II. Strategic Focus Area #2: Accelerate Energy Efficiency Market Transformation

Recommended Areas of Concentration:

This focus includes:

- Policy
- Deployment of Technology
- Market/Capital

Expected Outcomes:

STEAB Outcomes will lead to:

- Improved communications and awareness working with stakeholders.
- Improved deployment strategies and tactics among stakeholders.
- Increased priority and policy support for Energy Efficiency.

Performance Indicators:

STEAB will measure the:

- Number of recommended communications strategies implemented (i.e., webinars, e-Xtension, etc.).
- Number of recommended strategies and tactics implemented from STEAB recommendations.

Benchmarks:

In 2009 STEAB will establish a baseline for benchmarks based on:

- Increased number of working relationships among stakeholders.
- Documented use of technology transfer among and between partners.

**III. Strategic Focus Area #3: Facilitate Technology Commercialization/
Deployment**

Recommended Areas of Concentration:

This focus area includes:

- Economic development
- Opportunities in support of EERE's Commercialization Team.

Expected Outcomes:

STEAB Outcomes will lead to:

- Transfer of information and data.
- Deployment of commercialization opportunities, best practices, and strategies.
- Application and utilization of the technology.
- Established strategic relationships with EERE's Commercialization Team.

Performance Indicators:

STEAB will measure the:

- Number of commercialization events among stakeholders.

Benchmarks:

In 2009 STEAB will establish a baseline for benchmarks based on:

- Number of commercialization events STEAB has facilitated.

IV. Strategic Focus Area #4: Enhance Federal/ State/ Local Synergies

Recommended Areas of Concentration:

This focus includes:

- Government partner collaboration (federal, State, local).
- Engagement of additional stakeholder groups.

Expected Outcomes:

STEAB outcomes will lead to:

- Improved collaboration with regional stakeholders.
- Improved collaboration with federal, State, and local governments.

- Increased involvement with higher education research and outreach initiatives in energy efficiency and renewable energy.

Performance Indicators:

STEAB will measure the:

- Number of interfaces with stakeholders.
- Number of strategic partnerships facilitated.

Benchmarks:

In 2009 STEAB will establish a baseline for benchmarks based on:

- Increased engagement of involved governmental agencies and higher education representatives related to EERE priorities.
- New strategic partnerships created.

STEAB Strategic Planning Process

The STEAB Strategic Planning Process is a facilitated group activity, conducted in plenary session on a periodic and/or as required basis, to ensure the Board is addressing strategic considerations within the scope of its Charter and that are relevant to the current economic, technological and political situation. The unit of analysis is the “focus area”, which may be broad or narrow depending upon criticality of need and availability of STEAB resources. Focus areas will be identified, described and prioritized; and a vital few, perhaps two or three, will be selected for STEAB action.

Process Steps

- Step 1.** Board uses brainstorming or a similar technique to identify potential focus areas in three categories:
 - Programmatic
 - Organizational
 - Current Issues
- Step 2.** The Board discusses potential focus areas for definition, clarification, advantages and disadvantages, opportunities and barriers or constraints.
- Step 3.** The Board uses a consensus technique to reach agreement on priority ranking of identified topics.
- Step 4.** The Board decides on the number of highest ranking items to address simultaneously (usually 2-3) based on criticality and availability of resources.
- Step 5.** The Board further defines each selected focus area in terms of its importance, significant considerations and expected impacts.
- Step 6.** The Board identifies necessary actions and addresses the selected focus areas.
- Step 7.** The Board’s decisions for each focus area are recorded in minutes of the meeting.
- Step 8.** Action assignees take appropriate actions, e.g., conduct fact finding, draft resolutions, prepare to meet with Government officials to provide advice and recommendations, etc. Proposed

actions are reviewed by the Board prior to implementation unless otherwise agreed.

- Step 9.** At each meeting, the Board will review the actions and outcomes of each focus area to determine which to continue, with or without redirection, and which to close.
- Step 10.** The Board decides whether sufficient resources and criticality exist to select, further define, assign and initiate action on the next highest ranking potential focus area.
- Step 11.** For the new area(s) selected, the Board repeats items 4-6.
- Step 12.** The Board conducts a one-day group strategic planning session every other year or sooner if changes in the economic, technological and/or political situation warrant.

Appendix D: FY 2009 Travel Expenditure Report

In accordance with Section 365 (g)(1)(B)(I)(7) & (8) of Public Law 101-440, which required a reporting of federal reimbursement of Board members' expenses (including travel expenses) incurred in the performance duties, the following accounting is provided:

For FY 2009, travel expenses of \$65,759 were incurred and reimbursed for State Energy Advisory Board meetings.*

** Estimate based on the number, location, and duration of meetings, the number of attendees, the average cost of airfare and local travel, and per diem rates.*

Appendix E: FY 2009 STEAB Recommendations/Resolutions



January 14, 2009

Honorable John F. Mizroch
Acting Assistant Secretary
Office of Energy Efficiency & Renewable Energy
U.S. Department of Energy
EE-1 / Forrestal Building
1000 Independence Ave., S.W.
Washington, DC 20585-1290

Dear Mr. Mizroch,

On behalf of the STEAB, I am submitting to you the following Board Resolution for your review and consideration: 09-01, Support for U.S. Congress Appropriation of Funding Public Law 110-229 Sec. 601 "Advanced Energy Technology Transfer Centers".

The Members of the STEAB have unanimously adopted the aforementioned document. It is our belief that this Resolution is not only consistent with the STEAB's legislative mission to provide recommendations to the Assistant Secretary for the Office of Energy Efficiency and Renewable Energy regarding energy efficiency goals and objectives, but it is also consistent with EERE's technology transfer and educational goals for the enhancement of energy efficiency and renewable energy use. The Board is pleased to present this Resolution to you and your Office at this time.

If you have any questions regarding this Resolution, or would like to discuss it in further detail, please contact me at (501) 682-8065 or via e-mail CBenson@ArkansasEDC.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Benson". The signature is fluid and cursive, with a prominent initial "C".

Chris Benson
Chairman, State Energy Advisory Board

Enclosure: STEAB Resolution 09-01

cc: Steven Chalk, Principal Deputy Assistant Secretary for Renewable Energy
David Rodgers, Deputy Assistant Secretary for Energy Efficiency
Gary Burch, DOE's Designated Federal Officer
STEAB Executive Committee

STATE ENERGY ADVISORY BOARD
7475 WISCONSIN AVE. SUITE 900, BETHESDA, MD 20814 240.223.5500

**United States Department of Energy
State Energy Advisory Board (STEAB)
*Resolution 09-01***

Topic: **Support for U.S. Congress Appropriation of Funding for Public Law 110-229, Sec 601, “Advanced Energy Technology Transfer Centers”**

Background: Securing America’s energy future is among the most important challenges in today’s current events. The U.S. Department of Energy’s EERE Office; the U.S. Department of Agriculture’s Research, Education and Economics Division; land-grant universities; and State Energy Offices (SEOs) are some of the domestic players that are actively engaged in developing new technologies, researching energy efficiency practices, evaluating renewable energy sources, and supporting the market transformation of these activities.

Issue: Consumers do not fully appreciate or understand all of the significant benefits that renewable energy and energy efficiency offer. Better consumer understanding of these technologies and the benefits derived from utilizing energy efficiency and renewable energy is necessary. Enhanced education and technical assistance efforts are needed in order to achieve broader consumer adoption.

Public Law 110-229, Sec. 601, authorizes the creation of “advanced energy technology transfer centers” that would operate programs to encourage demonstration and commercial application of advanced energy methods and technologies through education and outreach. Appropriation of funds for the creation of these advanced energy technology transfer centers will provide broader consumer adoption of advanced energy methods and technologies and will build upon the many excellent energy related partnership activities and programs by the entities cited above.

Recommendation: Members of the STEAB respectfully encourage EERE to actively support appropriation of funding for these advanced energy technology transfer centers, as authorized in Public Law 110-229, Sec. 601.

Unanimously Adopted by the STEAB on November 20, 2008

NOTE TO THE FILE

STEAB Resolution 09-02 was hand-delivered to John Mizroch, Acting Assistant Secretary for EERE, in a face-to-face meeting at DOE HQ by Pat Sobrero and Elliott Jacobsen in November / December 2008.

U.S. Department of Energy
State Energy Advisory Board (STEAB)
Resolution 09-02

Subject: Organizational Operation of the STEAB

Background: The State Energy Advisory Board (STEAB) was established by Public Law 101-440 (The State Energy Efficiency Programs Improvement Act of 1990) to advise the U.S. Department of Energy (DOE) on the operation of its federal grant programs. The Board also advises on energy efficiency and renewable energy programs in general and on the efforts of DOE relating to research and market deployment of energy efficiency and renewable energy technologies. The specific advisory responsibilities of STEAB, as mandated by statute, are to make recommendations to the Assistant Secretary for the Office of Energy Efficiency and Renewable Energy (EERE) with respect to:

- a) the energy efficiency goals and objectives within the federal grant programs; and,
- b) programmatic and administrative policies designed to stimulate and improve federal grant program effectiveness.

Consistent with STEAB's Legislative charge, the DOE's current Charter for STEAB, which was approved July 29, 2008, identifies the STEAB's objectives and scope of activities and duties as follows:

“In accordance with Section 365 of the Energy Policy and Conservation Act (42 U.S.C. 6325; the “Act”), as amended by Section 5 of the State Energy Efficiency Programs Improvement Act of 1990 (Pub. L. 101-440), the Board shall make recommendations to the Assistant Secretary for Energy Efficiency and Renewable Energy on the energy efficiency goals and objectives of programs carried out under Parts D and G of the Energy Policy and Conservation Act and under Part A, Title IV of the Energy Conservation & Production Act, and make administrative and policy recommendations to improve these programs, including actions that should be considered to encourage non-Federal resources (including private resources) to supplement Federal financial assistance.”

Therefore: In accordance with its Charter and authorizing legislation, STEAB resolves to continue to operate at an organizational level that is inclusive of all EERE programs to effectively advise the Secretary of Energy through the Assistant Secretary for Energy Efficiency and Renewable Energy.

Unanimously Adopted by the STEAB on November 20, 2008



Department of Energy
Washington, DC 20585

RECEIVED

JAN 22 2009

AEDC
ARKANSAS ENERGY OFFICE

January 12, 2009

Mr. Chris Benson
Board Chair
State Energy Advisory Board (STEAB)
One State Capitol Mall
Suite 4B-215
Little Rock, AR 72201

Subject: Resolution 09-02
Organizational Operation of the State Energy Advisory Board

Dear Mr. Benson: *Chris*

Thank you for forwarding Resolution 09-02 adopted by STEAB on November 20, 2008. The resolution summarizes the organizational operation of STEAB. The assignment of the Designated Federal Official for STEAB to headquarters will not affect the organizational operation of STEAB as outlined in the Resolution. The Designated Federal Official will continue to report to the Assistant Secretary.

We look forward to your continued input on the programs administered by the Office of Energy Efficiency and Renewable Energy.

Sincerely,

A handwritten signature in black ink, appearing to read "John Mizroch", written over a horizontal line.

John Mizroch
Acting Assistant Secretary
Energy Efficiency and Renewable Energy





January 14, 2009

Honorable John F. Mizroch
Acting Assistant Secretary
Office of Energy Efficiency & Renewable Energy
U.S. Department of Energy
EE-1 / Forrestal Building
1000 Independence Ave., S.W.
Washington, DC 20585-1290

Dear Mr. Mizroch,

On behalf of the STEAB, I am submitting to you the following Board Resolution for your review and consideration: 09-03, Establish Adequate Contracting Officer Positions at Golden Field Office (GFO) for Current Formula Grants and Possible Future Block Grants.

The Members of the STEAB have unanimously adopted the aforementioned document. It is our belief that this Resolution is not only consistent with the STEAB's legislative mission to provide recommendations to the Assistant Secretary for the Office of Energy Efficiency and Renewable Energy regarding energy efficiency goals and objectives, but it is also consistent with EERE's technology transfer and educational goals for the enhancement of energy efficiency and renewable energy use. The Board is pleased to present this Resolution to you and your Office at this time.

If you have any questions regarding this Resolution, or would like to discuss it in further detail, please contact me at (501) 682-8065 or via e-mail CBenson@ArkansasEDC.com.

Sincerely,

Chris Benson
Chairman, State Energy Advisory Board

Enclosure: STEAB Resolution 09-03

cc: Steven Chalk, Principal Deputy Assistant Secretary for Renewable Energy
David Rodgers, Deputy Assistant Secretary for Energy Efficiency
Gary Burch, DOE's Designated Federal Officer
STEAB Executive Committee

STATE ENERGY ADVISORY BOARD
7475 WISCONSIN AVE, SUITE 900, BETHESDA, MD 20814 240.223.5500

U.S. Department of Energy
State Energy Advisory Board (STEAB)
Resolution 09-03

Subject: Establish adequate Contracting Officer positions at the Golden Field Office (GFO) for current Formula Grants and anticipated future Block Grants

Background: Annual operating plans for State Energy Program and Weatherization Assistance Program formula grants in the Western states are currently submitted to the GFO and then conveyed to the National Energy Technology Laboratory (NETL) for review and funding authorization.

Issue: The GFO lacks a Contracting Officer to process current State Energy Program and Weatherization Assistance Program formula grants on-site and in a timely manner. The GFO's current contracting process is cumbersome, slow and tedious; and it adversely affects the timeliness with which the formula grant recipients in the Western states can carry out their Annual Plans.

Furthermore, potential block grants in the Western states resulting from the Energy Efficiency and Conservation Block Grant Program (Sections 541-548 of the *Energy Independence and Security Act of 2007*) may result in around 2,000 new funding agreements for the Western states alone. The lack of a Contracting Officer position at GFO will most certainly adversely affect the efficiency of block grant processing for the Western states.

Recommendation: The State Energy Advisory Board strongly recommends that EERE take immediate action to create an adequate number of Contracting Officer positions at the GFO to administer both the current Formula Grants and the anticipated Block Grants for all recipients that work through the GFO.

Unanimously Adopted by the STEAB on November 20, 2008



March 24, 2009

Steve Chalk
Principal Deputy Assistant Secretary
Office of Energy Efficiency & Renewable Energy
U.S. Department of Energy
EE-1 / Forrestal Building
1000 Independence Ave., S.W.
Washington, DC 20585-1290

Dear Mr. Chalk:

On behalf of the State Energy Advisory board (STEAB), I am submitting to you the following Board Resolution for your review and consideration: 09-04, "Establishment of a strategic, coordinated regional staffing presence to facilitate two-way communication and to provide technical assistance to State and local governments."

The Members of the STEAB have unanimously adopted the aforementioned document. It is our belief that this Resolution is not only consistent with the STEAB's legislative mission to provide recommendations to the Assistant Secretary for the Office of Energy Efficiency and Renewable Energy regarding energy efficiency goals and objectives, but it is also essential for the successful implementation of all aspects of the Recovery Act that include States, counties, and local governments. The Board is pleased to present this Resolution to you and your Office at this time.

If you have any questions regarding this Resolution, or would like to discuss it in further detail, please contact me at (301) 682-8065, or via e-mail at CBenson@ArkansasEDC.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Benson".

Chris Benson
Chairman, State Energy Advisory Board

Enclosure: STEAB Resolution 09-04

cc: Gary Burch, STEAB Designated Federal Officer

STATE ENERGY ADVISORY BOARD
7475 WISCONSIN AVE. SUITE 900, BETHESDA, MD 20814 240.223.5500

United States Department of Energy
State Energy Advisory Board (STEAB)
Resolution 09-04

Subject: Establishment of a strategic, coordinated regional staffing presence to facilitate two-way communication and provide technical assistance to state and local governments.

Background: In 2006, DOE consolidated its six regional offices into the two Program Management Centers (PMCs) in Pittsburgh, PA, and Golden, CO. States currently rely on the PMCs for guidance and technical assistance related to the State Energy Program (SEP) and the Weatherization Assistance Program (WAP). Additionally, the PMCs will be responsible for providing guidance and technical assistance to states and approximately 1,700 local governments for the new Energy Efficiency and Conservation Block Grant (EECBG).

Issue: States and local governments must have clear and effective communication pathways to Energy Efficiency and Renewable Energy (EERE) to enable the successful delivery of Recovery Act programs, specifically State Energy Plan (SEP), Weatherization (WAP) and (EECBG). Many states will have an increased need for technical assistance and guidance associated with the increased funding levels of SEP and WAP. Furthermore, DOE must find a way to adequately support state and local governments with issues that arise in the administration of the block grant. It is unlikely that DOE will be able to meet these needs from the isolation of the PMCs. There is a direct need for EERE to re-establish a strategic and coordinated regional staffing presence to meet the needs of state and local governments. The existing fundamental disconnect between the states, DOE and the PMCs requires communication not only on the procedures and procurement rules, but on the substance of program delivery.

Recommendation: The State Energy Advisory Board (STEAB) recommends that EERE take the necessary steps to re-establish a multi state/regional area staffing presence, managed by the PMC's, to focus on outreach and provide direct support to state and local stakeholders in the delivery of SEP, WAP and EECBG. Regional staff will maintain an active and physical presence in their assigned states on a regular basis to achieve effective implementation of the Recovery Act. These PMC regional staff/circuit riders should be established to ensure that information provided to state and local stakeholders is accurate and timely. This effort should be closely coordinated with the regional efforts that are being initiated by the state and local organizations that directly represent these governments and other direct providers (e.g. NASEO, NASCSP, ICLEI, NACO, U.S. Conference of Mayors, NCAF, League of Cities, Native American Tribal Representatives, etc). Additionally, these staff should help state and local stakeholders align their energy related programs with those provided by other federal agencies (e.g. HUD, HHS, USDA, DOL, EDA, and EPA).

Unanimously Adopted by the STEAB on March 19, 2009

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U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585



State Energy Advisory Board
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