

What is STEAB?

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 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 EERE 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 for FY 2010, but also a copy of all of the Board's Resolutions to the Assistant Secretary, as well as outlines of the Board's Sub-Committee's and Task Forces.

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

Annual Report

**For Period October 1, 2010
Through September 30, 2011**



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EXECUTIVE SUMMARY

During Fiscal Year 2011, the State Energy Advisory Board (STEAB) focused its efforts on enhancing energy efficiency and renewable energy deployment and commercialization within the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE), and worked tirelessly to facilitate the development of more active relationships between DOE and USDA as well as other government agencies with a vested interest in energy programs and energy education. During FY 11, the STEAB hosted three live Board meetings which focused heavily on understanding EERE Program Office needs, learning about the barriers preventing successful deployment of Laboratory and DOE developed technologies, and promoting a culture of bottom-up change and interagency collaboration.

The first meeting was held in November in Washington, DC in order to allow the STEAB to meet with key members of the Office of Energy Efficiency and Renewable Energy and discuss ways the Board can continue to support the Department of Energy's commercialization and deployment efforts, find ways to encourage energy efficiency market transformation, meet with EERE Program Managers for updates on emerging technologies and current projects, as well as consider potential collaborative activities between the State Energy Program (SEP) and Cooperative Extension Services (CES) in an effort to encourage energy education at the local level. The Board had an opportunity to hear from Dr. Karina Edmonds, the new DOE Technology Transfer Coordinator, who indicated the Board's "Priorities Through 2012" paralleled to her goals for DOE tech transfer. She encouraged the membership to work with their states and agencies to become early adopters of technology from National Labs and to create a market pull by early implementation. Dr. Kathleen Hogan, the Deputy Assistant Secretary for Energy Efficiency, discussed with the STEAB the importance of engagement with communities regarding energy efficiency and its benefits to individual consumers.

Berkeley, California and Lawrence Berkeley National Laboratory (LBNL), was the site of the second meeting of the STEAB in February of 2011. During this meeting, the STEAB met with senior staff from the lab, as well as with staff scientists and researchers. Meeting at the lab gave the STEAB an opportunity to receive updates regarding emerging and developing technologies, understand the challenges facing the labs ability to deploy and commercialize technologies created at the lab, and look for ways to encourage and promote educational outreach in the community regarding energy efficiency and renewable energy.

It was at this February meeting that the Board, in light of their visit on the LBNL campus, focused discussion and debate on how to most effectively encourage deployment, market transformation and the commercialization of DOE supported technologies. The Board created the National Lab Task Force which would specifically focus on how to get labs engaged with local communities and private companies to create both a market “pull” and “push” for clean energy technology. Additionally, the Deployment Task Force drafted a white paper which focused heavily on the vital need for local buy-in of new technologies coupled with the support of public-private partnerships to boost the transition of the country towards a clean energy economy. The white paper was unanimously adopted by the Board at this meeting and subsequently presented and discussed with Dr. Henry Kelly, Acting Assistant Secretary for EERE, and Dr. Kathleen Hogan, at a briefing in March of 2011, where both gave their support for the concepts and models outlined by the Board.

During the summer, the STEAB held its last meeting of the Fiscal Year back in Washington, DC in June of 2011. The purpose of this final meeting was for the Board to meet with key senior staff within EERE in order to make progress towards a potential collaborative partnership between USDA and DOE, as well as advise EERE on the status and merits of the ongoing SEP Evaluation, provide the Office with information pertaining to the "next steps" for states when ARRA funding ends, and allow Task Forces to meet in person for a continuing discussion and evaluation of current goals and objectives. Acting Assistant Secretary, Dr. Henry Kelly, met with the Board and provided an overview of the changes within EERE in light of the departure of Cathy Zoi, and updated the STEAB on the changing focus of Program areas moving forward. In light of the budget concerns and Continuing Resolutions that plagued Federal Agencies, LeAnn Oliver, then Program Manager for OWIP, attended the STEAB meeting and provided candid remarks about the current and future states of both SEP and WAP, indicating DOE's ongoing commitment to both programs as well as the need to maintain the infrastructure and intellectual capital gained under ARRA.

At the suggestion of Ms. Oliver regarding the essential nature of maintaining the existing Weatherization infrastructure, the Weatherization Task Force convened a meeting in Washington, DC in August of 2011 and met with members of NASCSP and NASEO in order to begin preliminary conversations of how best to assist state programs in a post-ARRA era, and the ways in which STEAB could encourage DOE and the states to continue investing resources, both financial and political, in order to move the program forward and continue the momentum gained under the Recovery Act.

Looking towards Fiscal Year 2012, the STEAB is committed to meeting the goals outlined in their "Priorities Through 2012" document, and feels the Task Forces are central to success of this endeavor. As they did this Fiscal Year, the Board will continue adjusting the number and scope each Task Force to continue making progress and impact with regards to energy efficiency and renewable energy technology transfer and education, and anticipates the creation of new Task Forces in order to continue meeting the changing goals and needs of DOE's Office of EERE.

Finally, the Board will continue focusing efforts on encouraging EERE to take a serious look at implementing a bottom-up approach to program design in an effort to facilitate stakeholder engagement and buy-in. The Board is focused on this effort as it recognizes and sees successes where partnerships and collaboration both created and maintained momentum and longevity of effective energy efficiency and renewable energy programs. With an end to ARRA funding approaching in March of 2012, it is essential for EERE to strengthen relationships with SEO's and local programs, and maintain existing infrastructure vital to programs like Weatherization, in order to ensure the progress and advancements made under ARRA do not simply disappear when the funding does.

The STEAB is committed to helping DOE and EERE make the end to ARRA funding a smooth transition and looks forward to encouraging energy education, driving market transformation, and further enhancing the deployment of energy efficiency techniques and renewable energy technologies.

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SUMMARY OF ACTIVITIES

Dates	Location	Organization Visit	Primary Agenda Topics
November 2 – 4, 2010	Washington, DC	–	Continue an active dialogue with EERE in order to receive a comprehensive update from the different and dynamic Programs to identify areas where STEAB's assistance is most needed and would be most effective in terms of deployment, commercialization and tech transfer. Receive high-level EERE updates from Senior Staff on the overarching focus and goals of the Office through FY 2011 and evolve the STEAB long-term goals to align with those of EERE.
February 22 – 24, 2011	Berkeley, CA	Lawrence Berkeley National Lab (LBNL)	Continue an active dialogue with the National Lab structure, and work with them to understand current outreach and deployment activities, tour the lab campus and view scientists demonstrating their current research and technologies, meet with LBNL staff to discuss collaborative efforts and review how the Board can work with the labs and EERE to ensure technology and research being developed is also able to be commercialized and put into the marketplace for adoption.
June 7 – 9, 2011	Washington, DC	–	Follow-up with EERE Senior Staff to continue discussions on how to assist states as the end of ARRA funding looms, and March 2012 reporting deadlines approach. Address the issues of budgetary concerns surrounding WAP, SEP and other programs, meeting with the OWIP Program Manager to discuss issues specifically related to that office, and meet with staff from NREL on an update to commercialization efforts out of the labs.

Fiscal Year 2011 was a productive year for the STEAB during which three open Board meetings were held, and the work of the STEAB Task Forces continued to impact EERE and activities within the department. The three meetings during FY 2011 were held in various locations across the United States -- the first in Washington, DC, which focused on working closely with EERE Program Managers to better understand the unique and challenging aspects facing different energy efficiency and renewable energy technologies and research as it relates to deployment out of the department and into the marketplace. The November 2010 meeting also delved into the larger vision of DOE with Dr. Karina Edmonds, DOE Technology Transfer Coordinator, and Dr. Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, both providing high-level overviews of what energy goals the department is looking to accomplish through FY 2012, under the current administration. With DOE focusing on technology deployment, outreach and aggressive program goals, the STEAB worked

with 6 different Program's at the November meeting to get an understanding of where the Programs are currently, and where they are looking to go over the next two years.

The second meeting of FY11 was hosted in Berkeley, CA so the STEAB could focus efforts on encouraging market transformation and commercialization of technologies and research conducted at the National Labs. A visit to the National Renewable Energy Laboratory (NREL) in FY 2010 highlighted specific efforts NREL is undertaking to commercialize technologies and collaborate with the community. The Board visited Lawrence Berkeley National Lab (LBNL) to understand the technology development occurring within the lab, and how it was integrating efforts with outside partners to most effectively advance clean energy technologies. The meeting in California consisted of both a comprehensive tour of the lab where the members of STEAB met with scientists and researchers who demonstrated their technology, but also allowed members time to discuss as a group what they see as general challenges facing the National Lab structure and how the Board could liaise with labs and DOE to encourage technology deployment and energy education.

In June of 2011 the Board hosted its third and final meeting of FY 2011. The Board decided to come back to Washington, DC and focus on ways in which they could assist DOE and EERE Programs maximize dollars and work towards President Obama's goals for carbon reduction, reducing the country's dependency on foreign oil, and meeting the renewable energy generation goals for 2050. In light of many funding issues which faced DOE and EERE specifically, the Board also wanted to discuss with EERE senior staff the concerns over massive cuts to the Weatherization Assistance Program (WAP) and the State Energy Program (SEP), as well as work with EERE on guidance to states regarding the looming end of American Recovery and Reinvestment Act (ARRA) funding and the March 2012 reporting deadline. In light of these budget concerns coupled with aggressive energy goals as outlined by President Obama, the STEAB focused their attention on trying to identify ways in which Program areas could work in tandem with other Federal Agencies to address broader issues affecting America's energy independence and the need to move to a clean energy economy.

To sustain momentum of the Board's activities, and to provide for continuity of the Board's effort, the STEAB held monthly teleconference calls on the third Thursday of each month, save for those in which a live meeting occurred. Both the teleconferences and meetings provide a forum through which members of the public can learn of the Board's activities, and also provided a forum for the exchange of ideas and innovations which the Board can then present to the Assistant Secretary. All meetings

and teleconferences were, and remain, open to the public; and notices of all meetings and teleconferences are published in the *Federal Register* at least 15 days prior to the event. Following all meetings of the Board, official Minutes are posted to the STEAB website for public viewing at www.STEAB.org. All adopted white papers, Resolutions and recommendations by the STEAB are also available online or can be procured by contacting the Board's Designated Federal Officer or Contractor Support.

November 2010 Board Meeting:

Washington, DC

Capital Hilton Hotel

At the November 2010 meeting in Washington, DC the STEAB focused their attention on enhancing DOE's and EERE's commercialization and deployment efforts, finding ways to encourage energy efficiency market transformation, meeting with a variety of EERE Program Managers to better understand their challenges and goals for the Program office, and consider ways in which to collaborate with the State Energy Program (SEP) in order to facilitate renewable energy advancement and promote clean energy education.

To these ends, the meeting opened with a presentation from the new DOE Technology Transfer Coordinator, Dr. Karina Edmonds, who indicated that her responsibilities are to accelerate technology transfer within DOE, assist with streamlining partnerships, work to create clean energy jobs, and act as a point-of-contact at headquarters for all tech transfer needs. Her vision is to encourage the public to gain familiarity with the labs in their states in order to create an innovative infrastructure that provides a framework for exchange of information, and connects stakeholders and accelerate tech transfer from the labs to the Commercial Sector. To do this well, she is trying to engage scientists directly in the transfer of their technology and help them recognize the value of the commercialization.

Dr. Edmonds indicated to the STEAB that the "Priorities Through 2012" document she received were parallel to her goals for DOE. She asked the Board to encourage states and agencies to be early adopters of technology from the labs and to create market "pull" through early implementation. As each STEAB member has contact with state Programs and offices, there is an opportunity to facilitate outreach directly and help states understand what is available to them. She noted that market pull is the biggest challenge she faces, but by using a Technology Portal as a resource to highlight new and emerging technologies, she hopes to combat the technology "pull" issue.

Dr. Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, spoke to the STEAB about the current activities of the office of EERE, focusing specifically on the Energy Efficiency Program areas. On the EE side, accelerating the usage and breadth of appliance standards, increasing the adoption and compliance with energy codes, and working with EPA to strengthen the Energy Star Program are all a priority. EERE has had great success with instituting appliance standards, and 11 new standards are being put into place by June of 2011. Board member John Davies asked Dr. Hogan directly about ARRA funding now that DOE is in the implementation and deployment phase, he wanted to know the plan for spring of 2012 when ARRA money is gone, is there planning underway for a 'soft-fall?' Dr. Hogan noted everyone in the government is asking that question, and DOE is reviewing the data collected and trying to lay the groundwork with states and other grantees so sound investments of the final ARRA money can be used maintain momentum. DOE is also reviewing best practices from ARRA to look at leveraging what resources are left.

The Program Manager of the Office of Weatherization and Intergovernmental Program (OWIP), LeAnn Oliver, spoke about her three main focus areas for the program. The first is to ensure the success of an organizational structure to continue supporting the \$11 billion in funding allocated to OWIP by ARRA in a reasonable manner which includes data collection, effective oversight, and tracking of costed funds. The second area of focus is looking towards OWIP and its programs post-ARRA. This includes reviewing what was spent, on what, which programs can continue being effective with other financing options, what are the best-practices, and what are lessons-learned for the future. The final area correlated to Dr. Hogan's presentation, and dealt with supporting the development of the retro-fit industry, and increasing "green" job creation. Duane Hauck commented about the STEAB's support for bottom-up change, noting the infrastructure needed to address EE and RE deployment is a massive undertaking. Instead of trying to start from scratch, perhaps OWIP can look at what exists in each state and community now, and utilize the existing capabilities. This would also encourage DOE to reach out to states and local utilities, engaging the Department in a way which brings all vital stake-holders to the table for discussion, and would help her accomplish the first goal she indicated for the program office.

Following these comprehensive presentations and discussions, the Board also heard from Molly Lunn, of the Technical Assistance Program, and JoAnn Milliken, the Chair of the newly created Efficiency and Renewables Advisory Committee (ERAC). Dr. Milliken noted the ways STEAB and ERAC differ in that STEAB focuses on technology transfer and state interaction, deployment activities, and provides a link between the states and EERE, whereas ERAC focuses on research and development and the overall

EERE portfolio, technology development, R&D integration, and advises EERE on funding, policy, as well as strategies to maintain a balance between the competing program elements within EERE.

At the November meeting the STEAB met with 5 Program Managers from the Biomass Program, Building Technologies Program, Industrial technologies Program, the Solar Program, and the Wind and Water Program. Each discussed the successes and challenges facing their particular program and technology area and many noted that the best way for their program area to move forward and continue being successful was to look at ways to collaborate either within DOE, or with other Federal agencies so that funding could be leveraged to the fullest extent and the knowledge and understanding of the technology extended and promoted by others than just DOE.

The Board then turned its focus onto the five STEAB Task Forces; the Agenda Task Force, the Climate Change and Energy Bill Task Force, the Deployment Task Force, the HUD/DOE Task Force, and the USDA/DOE Task Force. David Terry briefed the group on activities of the Climate Change Task Force, noting the group held conference calls to discuss the scope-of-work and had pulled materials together for review but had to abruptly abandon momentum due to the Cap and Trade Bill coming off the table and the Climate Bill halting progress on the Hill. He felt there's no longer a need for the Task Force since the Bill in question is no longer moving forward. The Board agreed and disbanded the Climate Change and Energy Bill Task Force.

Philip Giudice noted that the Deployment Task Force was going to meet via conference call after the November meeting to begin working as a group to begin drafting a working-paper which will speak to current EERE deployment efforts as well as the suggestion for focusing on bottom-up change. Ideally, the group will have a draft of this working-paper by the February Board meeting.

Duane Hauck and John Davies updated the STEAB on recent activities of the USDA/DOE Task Force which operates off of Resolution 10-01. The Task Force held several conference calls since the end of FY 10 and into FY 11 and flew to Washington, DC, to meet with USDA and DOE officials and begin a dialogue about a proposed CES and SEO collaboration. Earlier in the morning of November 2nd, the Task Force met with Dr. Ralph Otto from USDA, LeAnn Oliver from DOE, and James Wade of USDA to discuss the Task Force's white-paper and open a dialogue between the two agencies. A copy of this white paper can be found as Appendix G following the conclusion of this report. He drew the group's attention to the Task Force's ultimate goal of having DOE and USDA establish a functional inter-agency working group and commit Federal

resources for a minimum of three years towards this collaborative effort. This commitment would allow funds to be allocated through a soft-granting process where every state is eligible for grants and would have to submit a Plan-of-Work Submission compiled by both the SEO and the CES. An evaluation process would be held and the funding could then be granted based on the merits of the submission. Mr. Hauck did reiterate that the issue facing this goal is getting both agencies to buy-into the idea of the program and then ultimately commit funding which will be in short supply once ARRA money is gone.

Board Chair, Janet Streff, then invited the group to participate in a facilitated discussion about the effectiveness of the STEAB Task Forces and if the Board should consider the creation of new Task Forces or alter the current scope of the existing ones. Many comments centered on how the Task Forces allow the Board to concentrate on specific issues, and the structure allowed members to do work outside of the full STEAB meetings and calls. The Board felt Task Forces helped bring a depth and breadth to the STEAB which had not had before, and provided flexibility to go outside of DOE and engage with other Federal agencies and other Federal contacts about interest in particular programs or projects. Paul Gutierrez reminded the Board about the FY 10 Executive Committee meeting with Assistant Secretary Zoi at which she empowered the STEAB to engage in conversations with other agencies about potential projects without committing DOE resources, and this helped advance several priorities and increase the scope of activities the Task Forces could undertake.

Discussion about the creation of potential new Task Forces to take on issues such as post-ARRA Program funding, EERE Budget for FY 2011, state-centric issues relating to DOE, were some suggestions. There were comments about establishing an SEP Task Force to assist with the evaluation currently underway at DOE with respect to SEP and perhaps the STEAB could engage with the contractor who is conducting the evaluation. Members of the Board agreed that looking specifically at the SEP evaluations would be beneficial to the states and the Board created an SEP Task Force with David Gipson as Chair during the November meeting. The objectives of the SEP Task Force will be to first request a draft of the SEP Evaluation before the report is published and use it to create ARRA metrics which can be used to measure the success of ARRA funding on EERE Programs. These metrics can be shared and rolled-out to states for use with future Programs. Additionally, SEP Task Force will engage with ORNL and the contractor running the evaluation to provide feedback on states concerns or questions as the evaluation moves forward.

The November 2010 STEAB meeting concluded with the group looking forward to the upcoming visit to Lawrence Berkeley National Laboratory (LBNL) and the opportunity to visit with lab staff and engage developing energy efficiency and renewable energy technologies.

February 2011 Board Meeting

Berkeley, California

Lawrence Berkeley National Laboratory (LBNL)

The STEAB used their February 2011 meeting as an opportunity to visit LBNL, meet with senior laboratory staff, and staff scientists, hear about the work being done with research and demonstration projects, hear from the policy group, meet with researchers for demonstrations of their technology, and discuss ways the Board can help LBNL overcome the commercialization “valley of death” and encourage deployment out of the lab by collaborating with private partners and private industry.

The Deputy Division Director of the Environmental Energy Technologies (EET) division, Robert Kostecki, welcomed the Board to the lab campus noting the vision of the lab to be a global innovation hub for science/technology in order to address the world’s critical energy challenges. The mission of the lab is analysis, research and development in order to create and lead better energy technologies in an effort to lessen the environmental impact of energy use in daily life. Mr. Kostecki gave a brief overview of the research projects going on within his division which include Energy Efficiency (EE) Building Systems, the Electric Energy Storage and Conversion Systems, Energy Markets, Policy and Analysis, International/Developing Countries, Combustion and Atmospheric Science, and Advanced Energy Technologies.

During his presentation Mr. Kostecki noted that the lab is currently engaged in some collaboration efforts with private entities to better understand how private industry develops and markets technologies, so the lab can then utilize those models to successfully replicate an internal deployment process. While the metrics of success for the lab with regards to deployment is simply the number of patents and licenses which are acquired by year, he noted the lab is engaged in an attempt improve the market “push” out of LBNL.

A presentation by Dr. David Fridley covered the challenges facing alternative energy in the United States. The presentation pulled from a paper he wrote as a fellow for the Post-Carbon institute and concluded that current alternative energy technologies and

practices rely heavily on fossil fuel and until we can eradicate that, any EE and RE technologies need to be thought of as “assisting” and not as “replacing” technologies.

The Board also heard about how LBNL is providing technical assistance regarding EE financing, driving demand for building EE upgrades, and assisting with post-ARRA sustainability for current EE programs. The lab recognizes many local governments had little to no energy efficiency experience and with the scope of the ARRA grants there was an immediate need for support. Currently, the majority of support is done with BetterBuildings grantees. The type of support provided includes hands-on support, webinars, peer-to-peer exchange facilitation, the creation of tools and resources to highlight innovation, and an analysis of best-practices and lessons-learned. The ‘Driving Demand for Home Energy Improvement’ report put out by LBNL spoke about the limited success to-date of motivating large numbers of Americans to invest in comprehensive home energy improvements, especially in cases where they are being asked to pay for major improvement costs. The major inhibiting factor for consumers which prevents them from making major energy improvements are that consumers don’t have a trusted messenger they can look to which can help alleviate fears of unrecoupable expenses, or ugly aesthetic issues. Additionally, LBNL realized that DOE and other outreach programs were not well targeted towards a specific audience and therefore the message was too broad to actually be effective.

Iain Walker gave an interesting update to the STEAB about how the lab is working towards energizing the country and consumers to retrofit their homes with energy saving solutions. The lab is pulling together information for contractors to help them understand best-practices to help them do their job better and build consumer interest and confidence. 2020 is a target date where all new residential construction has to have net-zero energy usage.

Mr. Walker reminded the STEAB that the technology to do this exists, its changing contractor and consumer behavior that will make this a reality. Changing behavior and understanding has begun with DOE labeling on homes and buildings. The lab has a tool called the *Home Energy Saver* where consumers may enter information about their home and location and receive a score/rating of the efficiency of the home. He emphasized that in order to do residential retrofits well, DOE, the lab, contractors and industry have to know what consumers are doing at home already and what they use in the home before the real savings with retrofits can be measured. There needs to be better information and stronger guidance given to contractors, city and state governments in order for those entities to then deliver that information, as a trusted peer, to the consumer. Changing mass-consciousness is key, and the way to do that is

to get trusted messengers to deliver correct information in a timely and effective fashion to consumers. Getting consumer and contractor buy-in is key to having a successful residential retrofit program roll-out on a nationwide scale.

An emerging project at LBNL is the Silicon Valley Network. It represents 38 cities and counties and the role of the network is to create partnerships between the private sector and city government in an effort to solve key issues, one of which is the large-scale roll-out of the SmartGrid. Currently the network is doing community grid forming to test grid management issues. The benefit of this type of system enables integration of on-site power generation, creates a lower net carbon footprint, and improves power quality for those connected to the grid. This type of small-scale tests helps foster innovation within a real-world grid context and addresses the issue of high-density renewables within a defined area. This is one example of current partnership initiatives ongoing with industry and local communities.

While on tours of the lab campus, the STEAB was able to see the LBNL data Center and the Window Test Facility which demonstrated for the Board several different types of emerging technologies and day-lighting strategies either currently in use or being tested for eventual roll-out to consumers.

Before beginning Board discussion the STEAB heard from member Maurice Kaya and DOE's Sr. Advisor, Steve Lindenberg, about the Hawaii Clean Energy Initiative (HCEI). The purpose of HCEI is to transform 95% petroleum dependent energy structure into one that by 2030 is 70% run on renewables and other clean energy technologies in order to increase Hawaii's energy security, economic security, as well as provide job growth to the islands. HCEI worked tirelessly with organizations to get local buy-in to this initiative and increase community involvement and stake-holder engagement with the process.

The key point which kept being reiterated and emphasized was the absolute need to get stake-holders involved early in a process such as this. Utilities, oil companies, county and state government were brought to the table in the beginning of the process and there are currently five non-profits involved as well. The group holds sector meetings three times a year, and there is a steering committee established to make sure that the working groups are going in the right direction and no one group is bearing the brunt of work and planning. Some lessons-learned from this large-scale integrated deployment indicate that this type of initiative is most successful in markets where utility costs are very high. Ensuring access to resources for analysis of the program is key because metrics can be established and properly monitored. Being able to motivate

people to think about energy and encourage them to go as big as they can with their resources was another reason this project has been so successful for Hawaii.

During the ensuing general Board discussion, the group talked about the first draft of the Deployment White Paper which Philip Giudice and Dan Carol presented to the group. There were comments about perhaps adding a Road Map into the draft which would show DOE how to encourage bottom-up change and work with other agencies and organizations to make that happen would provide a guide to the Department should they be interested in pursuing this type of activity. The Deployment Task Force took time during the meeting to adjust and edit the document and presented the Board with a revised white paper which was unanimously adopted by the STEAB on February 23, 2011. A copy of this paper is included in this report as Appendix I. The Deployment Task Force then agreed to meet with senior staff within EERE to present this paper and the meeting which occurred in March, directly following the February meeting, is outlined in detail in the next sub-section.

Gil Sperling, the incoming Designated Federal Officer for STEAB, commented that the Weatherization and SEP programs have to have attention and dialogue begin immediately because the levels of funding for both programs will be changing due to the Continuing Resolution issues in Washington, and these programs cannot be sustained should funding be cut significantly. Steve Vincent noted that the HUD/DOE Task Force was set up at a time when the make-up of the STEAB was different and the WAP and SEP programs were not at risk of losing all of the funding. He suggested a change to the name and direction of the HUD/DOE Task Force as did Board Chair, Janet Streff, who suggested the members of the HUD/DOE Task Force re-align their goals to meet the current issues facing the program. All members of the Board agreed with this change and the HUD/DOE Task Force became known as the Weatherization Task Force with Elliott Jacobson as Chair.

Ms. Streff then asked for general feedback regarding the visit and tours at LBNL. Roya Stanley noted issues facing LBNL are things universally applicable to all labs, not just LBNL. Members of the Board asked if it was possible for STEAB to get a report about how labs are engaging with private and public partners and promoting technology deployment. The STEAB observed labs current utilize four criteria to measure overall success and all the criteria focus on technical papers published, number of CRADA's, etc., and not one of those metrics focuses on the actual deployment or successful adoption of a lab created technology. Without a metric to measure the deployment capabilities and successes of lab technology, what is the impetus or desire for labs to really work to "push" their technology into the market or try to "pull" in private

investors or corporations to assist with getting over the commercialization “valley of death.”

Based on the feedback by membership the STEAB suggested setting up a Lab Task Force to work with labs to make sure EERE funding is going to the right programs. Roya Stanley volunteered to Chair the Task Force and indicated the focus would be on first discovering how deployment and commercialization was being handled currently at the labs and the second step would be writing recommendations or white papers on how to conduct current activities more effectively, and how to encourage labs to look outside the DOE structure to public and private partnerships in order to increase the ability to get new technologies into the marketplace.

The meeting concluded on Thursday, February 24th with the USDA/DOE Task Force indicating their desire to start convening Working Group meetings with USDA and DOE partners to further discuss interest in a collaborative partnership, the Lab Task Force promising to begin reaching out to lab directors about current outreach and partnership efforts in order to get a better understanding of overall lab activities, the SEP Task Force would continue working with ORNL to provide feedback and suggestions on the SEP Evaluation process, and the Weatherization Task Force would begin looking at the current state of the budget for FY 11 and 12 and begin making recommendations about how to sustain the program in the long-term and maintain the existing infrastructure set-up under ARRA funding.

March 2011 Deployment Task Force Briefing to Dr. Henry Kelly

March 24, 2011

DOE, Washington, DC

Philip Giudice, Chair of the Deployment Task Force, and Gil Sperling, the new STEAB Designated Federal Officer (DFO) met with Dr. Henry Kelly, Dr. Kathleen Hogan and Sr. Advisor to the Under Secretary, Colin McCormick, on March 24, 2011 at DOE headquarters in order to present the Deployment white paper and discuss the recommendations and observations outlined in the document. As the paper deals with specific concerns STEAB members have regarding the effectiveness of EERE deployment related programs and activities, Mr. Giudice wanted to engage the Senior Staff of EERE in an open dialogue to begin a discussion about ways to improve the effectiveness and scope of activities currently on-going at DOE. He explained that STEAB feels DOE has taken an ineffective approach to deployment, noting the linear nature of deployment from the National Laboratories, and the intense focus on licenses,

patents and DOE's fixation on the "Commercialization Valley of Death." The STEAB Deployment white paper, however, outlines an approach to more effectively deploy clean energy solutions by addressing the issue comprehensively through a network of states, universities, private-sector institutions, and other groups who will work with DOE to align policy, standards, and other implementation practices. While there have been steps taken within this administration to take a new approach to deployment, including the establishment of HUBS and the creation of ARPA-E, he asserted there are still significant gaps where an opportunity exists for state and local mechanisms to pull together and fill these voids. A copy of the Task Force's white paper can be found as Appendix I. Additional details and background about the Deployment Task Force can be found outlined in the "Task Force" section of this report.

What the white paper emphasizes is viewing deployment as a "bottom-up" approach. Working with the private-sector, leveraging private capital, and looking at a different structure of deployment are the answers to the deployment issue. Too long DOE has simply handed out funding without considering ways to leverage maximum collaboration with other entities. The paper encourages DOE to consider a program that would pull together these different organizations and talk about prioritizing and identifying the different types of initiatives already underway and the types of activities in which these groups could engage in moving forward. Once these were determined, DOE would need to develop and implement specific metrics to measure success or failure, which would in turn give the programs more meaning and more value. Currently, the only metric of deployment measured are the number of patents and licenses coming out of the labs, and this does not measure long-term adoption or success of these technologies.

An important issue the Deployment Task Force addressed in this paper is the immediate need to build market transformation from within the management and research structure. Each EERE Program Manager is supposed to have a working knowledge of markets and policy, and understand how to finesse advancement of the Program's technology by using this basic understanding. The combination of technology expertise and market expertise is difficult to achieve and one specific recommendation of the Deployment Task Force is the establishment of a Deputy Assistant Secretary (DAS) for Market Transformation and Deployment. This person would be the "guru" of all things commercialization and could act as a resource for all EERE Program Managers.

Dr. Kelly and Dr. Hogan were receptive to these ideas and both commented that one particular issue facing deployment efforts within EERE is a metrics issue in terms of

measuring deployment. On the deployment side, the metrics of success are fuzzy because deployment itself is hard to measure. Mr. Giudice and Mr. Sperling felt this was an area where STEAB could work to create specific metrics for measuring the success of deployment, which are not just simply a total of the number of lab patents or licenses. Dr. Kelly agreed that the metrics issue is a huge barrier to properly measuring success and noted how DOE can measure things that are somewhat abstract and attempt to quantitatively define different deployment issues in a way which is measurable. In his opinion, perhaps instead of rigid metrics, an overview of best-practices is best.

The meeting concluded with Mr. Giudice reiterating the STEAB's full commitment to helping DOE move deployment efforts forward and encouraged a review and serious consideration of the recommendations outlined in the presented white paper. While acknowledging the budgetary concerns facing all Federal agencies, STEAB will work within these constraints as the Board recognizes deployment is not just about dollars, but more about the alignment of successful strategies across a variety of committed stakeholders. Mr. Giudice asked Dr. Kelly and Dr. Hogan to review the paper independently and to please reach out to the Board and him specifically with any questions or concerns.

June 2011 Board Meeting

Washington, DC

Capital Hilton Hotel

Shortly before the June meeting and during the budget crisis that gripped Washington in the early spring, the STEAB sent a letter to Secretary Chu urging his continued support for SEP and WAP, understanding that DOE was faced with difficult budget considerations, but imploring the continued funding of these programs. This letter is included in this report as Appendix G. The Board noted that if 2011 funding was severely reduced or eliminated, it decreased the likelihood for funding in FY 2012 for these important programs. The Board asked Secretary Chu to support funding for SEP and WAP at levels of \$40 million for base SEP and \$168 million for base WAP. On May 19, 2011 DOE announced the funding for SEP at \$50 million and WAP at \$174.3 million total.

On June 1, 2011, Janet Streff received a response from Dr. Kathleen Hogan thanking the STEAB for their strong support for continued funding of the Weatherization Assistance Program and State Energy Program. Dr. Hogan reiterated the importance of these two

programs to the EERE energy portfolio due to the fact they provide support and assistance to states and territories as the programs implement and manage strategies and policies which support the administration's goals and also lead the country towards a clean energy economy. In the response Dr. Hogan indicated DOE's and EERE's strong commitment to WAP and SEP and drew the Board's attention to the fact that DOE had requested Congress fund WAP at \$320 million and SEP at \$63.8 million. Despite the reductions to the requested budget, Dr. Hogan was able to confirm in June that DOE would be funding WAP at roughly \$173 million and funding SEP at around \$50 million for FY 2011 under the continuing resolution.

This letter and the budget crisis was a topic discussed heavily during the final meeting of the STEAB during FY 2011. This was also the first meeting led by the new Designated Federal Officer, Gil Sperling, who was officially appointed DFO in March of 2011. GS welcomed the Board to Washington, DC and encouraged the STEAB that as they hear the presentations at the meeting to think about ways in which the STEAB can assist DOE and EERE Programs maximize dollars and work towards President Obama's goals for carbon reduction, our dependency on foreign oil, and meeting the renewable energy generation goals for 2050.

Dr. Henry Kelly, Acting Assistant Secretary for EERE, and provided an overview to the STEAB regarding the myriad of activities occurring within EERE, noting the biggest challenge was keeping the Programs running with a diverse portfolio in face of the funding issues and budget cuts. Dr. Kelly made it clear to the STEAB that to mitigate these challenges there is no 'one-size-fits-all' answer, but each program and the office needs to look within the regulatory environment and encourage innovation at the state and city level to face these challenges. He asked the Board to help EERE gather ideas the states have for moving forward nothing the Board may also be able to work with states to figure out how to make revolving loan funds operate since each program in each state can work together. Philip Giudice asked Dr. Kelly about how the STEAB can assist DOE change the focus from R&D and getting DOE to begin deploying the market-ready technologies available now within the labs and Program areas. Dr. Kelly stated the hardest part about deploying technologies is getting the cost to consumers down and educating consumers about the positive impact of these technologies on their utility bills and the environment.

Dr. Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency (DAS-EE), presented the Board with a more in-depth review of current EE Programs and focus areas. The EE Programs are interested in promoting state and local policy in order to make change happen. The Programs need to keep pace with education and outreach

efforts with regard to technology/systems solutions and market-based solutions and also policy drivers to help realize possible already existing energy solutions. She also reviewed the challenges facing EE Programs such as promoting more engaged consumers, trying to gain access to better information and access to more funding, maintaining and cultivating a skilled workforce and creating better evaluation models and noted EE still struggles with communicating success stories. Dr. Hogan indicated the big issue facing EE programs now is maintaining jobs created under ARRA once funding is gone. She made it clear that DOE and EE need to leverage local and state policies to help maintain jobs and continue delivering EE savings.

After a brief update on the status of the Technical Assistance Program (TAP) the Board turned their focus to general business and participated in a larger group discussion involving the current progress of the different STEAB Task Forces. Roya Stanley, Chair of the Task Force, let the STEAB know that when the Task Force met for a teleconference they decided the first step was to send letters to the lab directors asking for information about deployment, market-transformation, commercialization and outreach initiatives and programs currently being undertaken by each lab. As of the meeting they had not received many responses, but were working closely with NREL, AMES, LBNL and ORNL at the moment to gather information and background. The purpose of these letters was for the group to educate themselves on the current activities and then facilitate a dialogue with the labs, the STEAB and DOE about what the metrics for success are as they correlate to deployment of technology out of the labs. They want to understand what those metrics are, how they were developed, how they are being measured and can the metrics be defined in the same way by all labs or does each institution have its own indicators for success. She reminded the Board that the key to success is really collaboration between not only the labs themselves, but the labs and DOE, the private sector and the community. The Lab Task Force is going to take another look at the Deployment White Paper in order to start a dialogue with the labs and DOE about how to make deployment successful.

David Gipson, Chair, provided the update noting the Task Force has been actively engaged with ORNL and KEMA regarding the SEP Evaluation since February and has participated on several calls with the lab and the consultant to discuss issues and concerns. One of the issues they raised was that building codes and energy codes were at first not going to be part of the evaluation but because the Task Force and states raised an issue about this, both of these will now be included. Secondly, the Task Force understood that energy assurance and the fuel emergency plan were also not going to be part of the study because even though the programs are doing well, it's difficult to measure the success in the metrics being used such as BTU's saved or dollars spent.

DG went on to say how the group has been talking about the issue of data collection and that the study must reach sub-recipients in order to gain the best data. Since most data collection is happening from November 2011 through January 2012, there may be an issue reaching all of the individuals employed by ARRA since some of those were hired for a specific amount of time, and when those individuals move on, there can be significant sources of data which will be lost. While Mr. Gipson indicated that this Task Force was specifically looking only at the SEP Evaluation, he noted that was coming to a close and perhaps the Task Force could continue looking at a larger part of SEP. Other members of the STEAB agreed and advocated for the creation of a revised SEP Task Force which would look at the whole Program itself in order for the STEAB to weigh in on the future of SEP, in a way similar to the actions and activities of the Weatherization Task Force.

USDA/DOE Task Force gave the next update. Duane Hauck let the STEAB know that positive progress was being made in an effort to bring together DOE and USDA in a joint venture for a Cooperative Extension Service (CES) and State Energy Office (SEO) partnership. Per direction from DOE, the Task Force gauged interest from both agencies and after receiving positive feedback, members of CES, NIFA, and DOE's OWIP met on April 18, 2011 to discuss the concept paper and metrics outlined by the Task Force in the white paper adopted in the early part of FY 11. A copy of this white paper can be found as Appendix G.

This April 2011 meeting became known as the State Energy Extension Partnerships (SEEP) Working Group once strong and positive support was shown for moving forward. A smaller group of these stakeholders met on June 6, 2011 to review a draft proposal which would be submitted to both DOE and USDA which outlines the basics of a partnership between the two agencies in an effort to bring energy education and training to local communities. The draft concept paper is slated to be finalized and delivered to USDA and DOE by the summer, and the ultimate outcome is that the agencies will enter into an Memorandum of Understanding (MOU) and begin funding a pilot program later in FY 2011 or in early FY 2012.. If the SEEP Working Group is able to establish a national program opportunity between USDA and DOE, the actual collaboration would be done between SEO and CES, and the two entities will work together to disseminate information and provide training and educational opportunities. The Working Group has taken the lead on this initiative and the USDA/DOE Task Force currently participates in an advisory role to the Working Group. Mark Bailey of DOE and Caroline Crocoll of USDA are co-chairs of this SEEP group.

Philip Giudice provided a brief update for the STEAB on the activities of the Deployment Task Force reminding the group about the March 2011 meeting with EERE Senior Staff. The Task Force would ultimately like to do a follow-up meeting with the Senior Leadership in the coming months to continue the discussion and see what ideas from the white paper the Office has utilized and in what areas EERE Programs are still in need of guidance and assistance. He noted that based on the presentations and comments from Dr.'s Kelly and Hogan earlier in the morning, there is clearly a need for action within EERE and perhaps the Deployment Task Force can assist with solving some of the challenges with EERE Program deployment.

The final Task Force update was from Elliott Jacobson, and reminded the Board that that Weatherization Task Force was concentrating on two issues; the ultimate survival of WAP in light of the budget and funding concerns, and in the long-term how to get the program on a road of success through 2020 and prove the value of WAP to DOE and the Federal government. In light of the March 2012 deadline looming, the Task Force understands there are states which will have used up all their funding by that time, states that have already used their funding, and then some states which will have ARRA funds remaining by the deadline. The question now is what happens to the programs which are out of money and how do we keep them moving forward and being successful post-ARRA. Reinstating Weatherization Plus is key to creating a long-term sustainable WAP Program. Based on this update, the STEAB recommended that the Task Force come back to Washington and convene a meeting with OWIP and WAP personnel to hear what the different visions are for the program and interface with states and local government to see what their suggestions are. DOE is in need of that type of feedback loop in order to continue a successful program.

In order to continue momentum gained by the different STEAB Task Forces, Gil Sperling encouraged each Task Force to meet as a Task Force while at the June meeting and discuss next steps for the summer and leading up to the November 2011 STEAB meeting in FY 12. The Task Forces met in small groups and then presented brief summaries of what their next moves and objectives will be through 2011 and into 2012.

The Weatherization Task Force reviewed their brain-storming session first, and Mr. Jacobson indicated that an August or September meeting with folks from NASCSP, NASEO, Weatherization Programs and the OWIP Program could be pulled together to begin preliminary dialogues and essentially a "fact-finding" meeting to determine the immediate short-term needs and the ultimate long-term goals for WAP. This meeting

occurred in Washington, DC on August 3, 2011 and details of that meeting are outlined in the next sub-section.

David Gipson of the SEP Task Force presented next and noted that after a brief conversation with LeAnn Oliver, Program Manager of OWIP, the issue of attribution needs to be addressed with both DOE and OMB. He will get together to draft a letter to Secretary Chu and OMB about the SEP attribution issue later this summer. Additionally, he wants the Task Force to meet as a team to continue discussions with ORNL and KEMA regarding the SEP Evaluation. Roya Stanley, presenting for the Lab Task Force, noted the most important thing the lab group needs to do is get all labs on the same page to focus on the infusion of clean energy technology into the marketplace. The impression of the Task Force, after a lengthy discussion, was that despite funding going into the labs, there are no metrics to measure how well funding is spent or allocated. There is no evaluation which collects information on how successful the levels of funding are, and the labs are not reporting what is being done with that funding or if funding has led to technologies which are being commercialized or deployed. While the Task Force is currently on a fact-finding mission to gather as much information about funding, deployment activities, and metrics they will have a conference call later in the summer to discuss the information gathered and discuss a strategy and direction. The biggest question to undertake is determining if the labs are truly a national resource and if so, to what extent and in what ways.

The Deployment Task Force advocated again for another follow-up meeting with EERE Senior Staff to continue the discussion begun in March with Dr. Kelly, while the USDA/DOE Task Force took time at the June meeting to converse with Molly Lunn of the White House Council on Environmental Quality, and Katrina Pielle of DOE. Duane Hauck and John Davies indicated both women were interested in this type of partnership as the focus is energy education and community outreach. The USDA/DOE Task Force also conversed with Ana Garcia, head of SEP at DOE, and briefed her on the background of this potential collaboration. The reaction was positive and Ms. Garcia mentioned she would look at FY 2011's competitive funding piece to see if there would be any remaining funds which could potentially go to this initiative. The Task Force finished their update by mentioning the same type of support is needed from USDA, and the SEEP Working Group would continue looking at ways to try and creatively fund this initiative and a pilot program by the end of the fiscal year.

Mr. Sperling thanked the STEAB for their diligence and commitment to STEAB throughout FY 11 and suggested the Board keep engaging stakeholders at all levels which is what the Task Forces have been most successful doing. He indicated the Task

Forces have been successful reaching out to ORNL, NASCSP, DOE personnel and states to begin dialogues and discussions which have led to initiatives like the CES and SEO partnership and the engagement with the SEP evaluation. The best thing the STEAB can do is to continue to ask pointed questions and hold the right people accountable. STEAB cannot rely simply on DOE to help change policy and move forward; the Board needs to collaborate with stakeholders and other agencies to facilitate any change.

Weatherization Task Force Stakeholder meeting

August 3, 2011

Washington, DC

With the March 2012 deadline for spending ARRA funding quickly approaching, the Weatherization Task Force focused efforts on reaffirming to DOE the importance of the WAP Program. The Board had previously sent a letter to DOE during the June Board meeting, the Task Force met with DOE stakeholders from the Office of Weatherization and Intergovernmental Programs (OWIP) to dialogue with them on what DOE's vision for the future of WAP is and what impact that vision could have on the states and on low-income families. Based on those discussions and feedback, the Board approved the Task Force sending a letter to Dr. Kathleen Hogan, bringing to DOE's attention that a successful future of WAP will require a combination of secure base level funding, expanding partnerships with other federal agencies and programs, acknowledgement of the distributive benefits of weatherization, recognition of the private sector benefits and exploration of creative service delivery methodologies. The letter recommends that DOE develop short and long term strategic plans with clearly defined deliverables and targeted outcomes for WAP. These "targeted outcomes" should ensure that economic equity and energy affordability concerns are incorporated.

As a follow up to its work at the June discussion with stakeholders and to the letter to Dr. Hogan the Task Force met with OWIP staff, NASCSP and other organizations to discuss the current issues facing WAP, the suspected future funding levels for the Program, and to begin a dialogue about how best to move the program forward. From this meeting it became clear that the most immediate need is to discuss with DOE the possibility of an extension of deadline for the spending of ARRA weatherization funding. This would maintain a base for all states, and sustain jobs within the network.

The Task Force also saw a need for additional funding to be provided to states without remaining ARRA money, Wisconsin for example, so they may continue supporting

existing weatherization networks and delivery infrastructure while maintaining jobs created under ARRA. This issue was explored for additional background in a meeting with Dr. Hogan and again with the Office of Management and Budget (OMB).

As a result of these meetings and the feedback received, at the close of FY 2011 the Task Force was drafting a Resolution (temporarily named Resolution 11-01) to present to the Board that outlines the background and recommendations for a possible ARRA extension for WAP.

STEAB'S "PRIORITIES THROUGH 2012"

During FY 2010, the Board redefined their direction moving forward to align more directly with the goals of the Obama administration, and the objectives of EERE. This newly aligned direction became known as the Board's "Priorities Through 2012." They are listed below and the official document is included as Appendix E following the conclusion of this report:

1. Enhance State / Regional EE & RE capacity;
2. Facilitate the development of more active relationships between DOE and state / local programs;
3. Understand common issues facing other organizations and become of value to these organizations, perhaps through partnering (e.g., U.S. Conference of Mayors; NGA; NARUC; NASCUA; etc.);
4. Support successful implementation and deployment of EERE Programs;
5. Promote consumer education efforts;
6. Encourage the implementation of EE and RE technologies and services;
7. Propose and support strategies to maintain state activities after the ARRA funding is no longer available; and
8. Accelerate development of "green" jobs at state / local levels.

Based on these priorities, the Board determined that the most effective way to expeditiously meet and achieve these priorities was to divide the Board into separate Task Forces, each of which would address one of the above priorities. The Task Forces took this charge seriously throughout FY 2011 and the five Task Forces which were created in FY 2010 we revised and re-worked early in the year in order to most effectively address these priorities and affect change with EERE and the states.

The following Task Force section outlines in detail the activities each Task Force undertook in FY 2011 as a result of the constant review and debate surrounding these Priorities.

It is expected that the Board will continuously review these priorities and will revise them as needed, in response to evolving political drivers, economics, opportunities, etc. The Board will review these Priorities at the first meeting of FY 2012 and address which areas have already been accomplished and which areas are in need of attention, while also identifying new priorities which have arisen given the volatile nature of the Federal budget, and the looming March 2012 ARRA funding and reporting deadline.

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STEAB'S TASK FORCES

In FY 2011, the State Energy Advisory Board (STEAB) maintained its goal of supporting energy efficiency and renewable energy growth throughout the United States and focused efforts on the areas established by the Board's "Priorities Through 2012." These include activities that will actively support energy efficiency and renewable energy market growth throughout the United States. The following are the identified priorities: (1) Enhance State / Regional EE & RE capacity; (2) Facilitate the development of more active relationships between DOE and state / local programs; (3) Understand common issues facing other organizations and become of value to these organizations, perhaps through partnering (e.g., U.S. Conference of Mayors; NGA; NARUC; NASCUA; etc.); (4) Support successful implementation and deployment of EERE Programs; (5) Promote consumer education efforts; (6) Encourage the implementation of EE and RE technologies and services; (7) Propose and support strategies to maintain state activities after the ARRA funding is no longer available; and (8) Accelerate development of "green" jobs at state/local levels.

STEAB conducted much of the preliminary work through Task Forces comprised of Board members. The Task Forces that were established in FY 2010 include the Meeting Agenda Task Force, the Climate Change and Energy Bill Task Force, the Deployment Task Force, the HUD/DOE Task Force, and the USDA/DOE Task Force.

In FY 2011 the Board continued, but modified the Task Forces to reflect recent developments. For example, the Board determined that as a result of the decision in Congress to discontinue consideration of legislation to address global warming the Climate Change and Energy Bill Task Force was no longer relevant. The Board also decided that the activities of the Agenda Task Force could be more efficiently handled by the Chair, DFO, and the Vice Chair and Secretary working together. At the November meeting the Board re-established focus areas for each Task Force and created a new Task Force; the SEP Task Force. Additionally, as the Board looked more closely at the immediate needs of EERE, it was determined that the HUD/DOE Task Force should focus their efforts more directly on finding a short-term solution for maintaining momentum of the Weatherization Program, while looking towards a long-term financial solution to WAP funding in light of the spring Continuing Resolution budget cuts and constraints.

The new areas of focus for FY 2011 included a commitment by the USDA/DOE Task Force to bring together USDA Ag extension services and DOE by creating a white paper outlining a potential joint agency program to involve the Cooperative Extension Service

in educational and related efforts to expand energy efficiency and renewable energy. The Deployment Task Force decided to resurrect Resolution 09-01, to work with state and local organizations to find and market EE and RE technologies, to work to create a close partnership with EERE Commercialization efforts, and to refine future STEAB Resolutions to ensure they reflect the Board's view that collaboration, deployment, market transformation and commercialization are essential to improving energy efficiency and expanding renewable energy nationwide.

While continuing to work towards expanding the dialogue between HUD and DOE regarding collaborative Weatherization activities, the HUD/DOE Task Force decided to expand its focus to consider more broadly the current and future state of the Weatherization Assistance Program (WAP) and the implications to the states and program post-ARRA. The Task Force was renamed the Weatherization Task Force and selected Elliot Jacobson was selected as the Chair.

The newly formed ARRA Task Force is focused on innovative ideas to soften the landing once ARRA funding has been spent, and will try to work with DOE on ideas for those funds that may not be costed by the grant expiration deadline. The Task Force is examining what works, what doesn't work, how to use the existing infrastructure to encourage the sustainability of programs and projects begun under ARRA, and at increasing the flow of information from DOE to the states.

Finally, the SEP Task Force is working closely with Oak Ridge National Lab (ORNL) regarding the SEP Evaluation to identify ways to create ARRA metrics that can measure the success of ARRA funding. These metrics would then be shared with the ARRA Task Force and rolled-out to states for use with future programs or initiatives.

Throughout FY 2011 The USDA/DOE Task Force continued their dialogue with USDA and DOE officials to gauge interest in a potential collaboration on a Cooperative Extension and State Energy Program partnership to bring energy awareness and education to local communities. After receiving positive feedback from Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, the Task Force met with Dr. Ralph Otto of USDA and other members of the National Institute of Food and Agriculture (NIFA) to explore details of a joint agency program. The Task Force created a white-paper outlining potential metrics for the program, including, reduced use of energy in homes, farms and businesses, the expected dollar savings and carbon reduction, the increased number of trained renewable energy workers, businesses and jobs created in each state, including average wages paid and tax revenues generated, the increased number of participants in energy efficiency incentives programs, the

growth and maturation of programs over time, and the total number of dollars saved or earned through adoption of energy efficiency measures. This white paper was approved by the full Board at the February meeting, along with the previously shared USDA/DOE concept paper (a copy of this adopted white paper can be found in this report as Appendix G).

The USDA/DOE Task Force convened a round-table discussion on April 18, 2011 in Washington, DC with members of USDA, NIFA, DOE and the Cooperative Extension Service where the concept paper and metrics documents were shared with the potential partners in the proposed collaboration. The participants in the meeting enthusiastically embraced the Board's proposals and agree to establish a "State Energy Extension Partnership (SEEP) Working Group". The success and interest generated at this initial meeting prompted the group to host a second meeting on June 6, 2011, and then again on July 26, 2011. A formal proposal that to be submitted to the respective agencies including a proposed Memorandum of Understanding (MOU) is expected to emerge soon from the SEEP Working Group. Senators Conrad and Bingaman sent a letter to USDA Secretary Vilsack and DOE Secretary Chu on May 3, 2011 expressing their support for this collaborative effort. On June 17, 2011 the Task Force sent a letter to Secretary Vilsack and Secretary Chu, which included the adopted Task Force white paper and metrics documents to provide each agency with an update on the activities of the Task Force and the recommendation that DOE and USDA formally establish a partnership to better disseminate information about energy efficiency and renewable energy as well as promote a move towards a clean energy economy.

In early July of 2011, both Secretary Chu and Secretary Vilsack responded to the Senators' letter affirming their agency's support for the concept and committing to working with the STEAB Task Force and the other stakeholders to move this initiative forward (copies of these letters between the Senator's and DOE and USDA, as well as responses from both agencies can be found in Appendix H). DOE's support for this effort is reflected in DE-FOA-0000533, which includes "Area of Interest 3 - Piloting a State Energy Extension Partnership (SEEP)." \$620,000 has been awarded under this area of interest to Kentucky, Wisconsin and Nebraska. Based on the fact that over 20 applications came in for Area 3 funding, DOE hopes to expand this program in future FOA's.

The USDA/DOE Task Force was not the only STEAB success story in FY 2011. The Deployment Task Force spent much of the winter drafting a white paper that was adopted by the Board during its February Board meeting (the white paper is included in this report as Appendix I). The paper specifically addresses DOE's role in

accelerating job creation and clean energy deployment. The paper identifies some of the problem areas that DOE needs to address such as lifting-up young, job creating companies to create not just small businesses, but new businesses and new industries. Additionally, the paper identifies a need for DOE to understand the need to engage the private sector as a critical solutions partner since public funding is limited and needs to be committed in ways that leverage private capital. The Deployment White Paper adopted by the Board outlines recommendations for DOE including the following:

- DOE should develop a strategic plan to achieve the goal of 80% clean energy by 2030 and take steps to ensure that stakeholder involvement in implementing the plan is continuous over time.
- Create a centralized DOE Deployment Services Hub integrated with program offices and infrastructure at the state and local level.
- Develop more “market centric” performance measures within the DOE, e.g., number of companies created, jobs created, sales, market capitalization, and private investment leverage.
- Work with DOE’s expanding Technology Transfer Office and ARPA-E to more closely connect technical assistance and technology transfer to the needs of state and local partners and to the work of the inter-agency Task Force on Regional Innovation Clusters.
- Consider and implement STEAB resolutions adopted 6/20/07 and 9-01 and 10-01 and 10-02 with a renewed focus to include deployment.
- Identify and actively engage regional, state and local partner organizations.

The Deployment Task Force Chair, Philip Giudice, briefed Acting Assistant Secretary for Energy Efficiency and Renewable Energy, Dr. Henry Kelly, DAS-EE Dr. Kathleen Hogan and Sr. Advisor to the Undersecretary, Colin McCormick on the White Paper. A more detailed outline of this meeting can be found in the previous section entitled “Summary of Activities.” Specifically, one recommendation addressed in this meeting was the establishment of a Deputy Assistant Secretary (DAS) for Market Transformation and Deployment. This person would be the point of contact and repository of all things commercialization related at DOE and be a resource for EERE. Dr. Hogan indicated that there is an ongoing discussion about improved ways to manage the assets DOE and EERE have. She also indicated there is an immediate need to clearly define research goals in a way such that barriers to the market-place are addressed by the time the technology is market-ready. Mr. Giudice pointed out it was the consensus of the Board that lab employees are internally focused on their work and did not interact with the private-sector sufficiently, unless solicited by the outside for assistance or collaboration, so this is an area where immediate assistance is needed.

Dr. Kelly asked how DOE can use the labs more effectively, noting some labs excel at research and provide a real value added to EERE. Mr. Giudice indicated a detailed analysis of what is and is not working, both at the lab and state level, is something DOE really needs to identify areas where there can be improvement and changes. He concluded by reiterating that STEAB is a resource for EERE and its ten programs, and STEAB will help to accelerate the roll-out of new initiatives if that is something that could help EERE make forward progress. At the conclusion of this briefing both Dr. Kelly and Dr. Hogan reaffirmed their commitment to working with the STEAB to continue making progress with regard to deployment and market-transformation.

The concern about the national labs expressed in the Deployment white paper and in the ensuing discussion with Drs. Kelly and Hogan, arose out of the site visits to NREL and LBNL by the Board. During those visits, in particular the meetings with LBNL officials, Board members noticed several areas where they felt the labs need assistance or guidance. The Board believes that communication, coordination with other labs, feedback from the states and DOE, allowing the public better access to lab expertise, and the deployment activities of the labs are areas that can be improved. As a result of the visits and the concern of Board members, the Board decided to form a National Lab Task Force. This Task Force is focused on liaising with the labs to ensure EERE funding is working well and going to the right programs. The Task Force is also analyzing the lab structure and identifying ways to improve the efficacy and functionality of any deliverable from the labs.

In an effort to gain a better understanding of the balance between research and deployment, the Lab Task Force drafted letters to the lab Directors asking for information on the different types of deployment activities occurring at each lab. An example of the letters sent to lab Directors can be found as Appendix J. The Task Force is specifically seeking information about what types programs or initiatives labs are undertaking to get newly developed technology out of the research stage and into the hands of consumers and private business. These letters were sent out in May and June, and as of the end of FY 2011, the Task Force had received information and feedback from LBNL, NREL, Ames, and Argonne. The information is being reviewed and assessed by the Task Force in order to develop recommendations for improving the labs which will be submitted to the Board for consideration.

The Weatherization Task Force was busy during FY 2011 meeting monthly to discuss the status of the Program itself, and also discussing budgetary implications and where the Program should be moving in the short-term, and how to sustain the program in the

long-term. The August 2011 meeting in Washington, DC, outlined in more detail in the earlier section entitled “Summary of Activities,” was a good jumping off point for the group because it allowed them to meet with critical stakeholders who outlined broad-based concerns from states, the view of the program from the perspective of Congress, the commitment on behalf of DOE to the program both financially and with regards to long-term stability, and allowed for the Task Force to gather needed information which they would use over the coming months to formulate a plan of action.

At the end of FY 2011 the Task Force was drafting a Resolution (temporarily named Resolution 11-01) to present to the Board that outlines the background and recommendations for a possible ARRA extension for WAP. The Weatherization Task Force will continue to meet via conference call and exchange emails about edits and possible changes to this Resolution. The goal is to have this presented to the Board at the first meeting in FY 2012 and discuss the merits of either continuing this document and creating a final Resolution, or perhaps going the way of the USDA/DOE Task Force and turning these ideas into a white paper.

The SEP Task Force spent FY 2011 working closely with ORNL on the SEP Evaluation. The Task Force asked to be, and was, included in conference calls and exchanges about the evaluation with KEMA and ORNL and representative from the states and stakeholders about the evaluation process and next steps. The STEAB, as a liaison between the states and DOE, has gathered concerns and questions from states and SEP managers and has been able to bring those concerns directly to the Evaluation group for review and consideration. On the issue of SEP Reauthorization, the Task Force suggested STEAB draft a letter to DOE encouraging the agency to reach out to the Senate Energy Committee Chairman regarding reauthorization. As of the end of FY 2011, the Task Force and the Board were circulating a draft of the letter for edits and comments.

STEAB RESPONSE TO DOE'S STRATEGIC PLAN

Along with the success and activities of the Task Forces, the STEAB also provided feedback to DOE on a variety of other issues throughout FY 2011. For example, the STEAB sent a letter to Secretary Chu providing comments and suggestions on DOE's draft "Strategic Plan." The official STEAB response to DOE regarding the Strategic Plan is included as Appendix K. The Board suggested DOE develop a clear definition of what "clean energy" means both to and for this country as it is referenced so often throughout the document. STEAB encouraged DOE to develop specific "targeted outcomes" for the section entitled "Leverage Partnerships to Expand Our Impact." Specific targeted outcomes should, the letter argued, ensure economic equity and energy affordability concerns are incorporated and addressed.

Additionally, the Board's letter recommends that the list of agencies with which DOE coordinates identified in the "Interagency Engagement" subsection, should be expanded to include the U.S. Department of Agriculture (USDA). USDA, through the National Institute of Food and Agriculture (NIFA), is affiliated with the Cooperative Extension Service (CES), which is the major educational outreach agency of land-grant universities. STEAB suggested one of the "targeted outcomes" of this section should be the development of a DOE/USDA Memorandum of Understanding (MOU) that formalizes a partnership between the State Energy Program (SEP) and CES in order to facilitate energy efficiency and renewable energy education. Also, STEAB noted the plan did not adequately propose specific programs to link DOE's work more closely to market needs and deployment. Overcoming the span from applied R&D, demonstration, market transformation, and commercial success, was not mentioned in the draft, the letter pointed out. Ensuring the research that DOE conducts is relevant requires public-private partnerships beyond the "contract-oriented" collaboration that occurs among private and public sector researchers. This was a carry-over from the Deployment Task Force's white paper that was presented to DOE previously.

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EECBG SUB-COMMITTEE

At the STEAB's November 2010 Board meeting in Washington, DC, Mark Johnson, Chair of the Energy Efficiency and Conservation Block Grant (EECBG) Sub-Committee, spoke to the STEAB about the recommendations compiled by the group for review by the Board. He noted that overall, the biggest failure of the Program since its inception was the guidance provided by DOE to the grantees. All guidance was new, as was the Program, and when there were issues or concerns about grants, spending, reporting, etc., all of the answers and information from DOE took too long to be effective. On the flip side, it is important to note the biggest success of the EECBG Program has been the 2,430 grantees who received funding for various projects in their states and localities. The EECBG Program has created a grassroots indoctrination which DOE is confident will continue once funding ends. Many of the grantees have funded pilot programs or case studies with their funds, and ultimately DOE hopes the success of those efforts will encourage private funding to roll-out larger efforts moving forward.

In order to showcase the successes and discuss challenges and best-practices, DOE has convened meetings with grantees, State Energy Program (SEP) officials, and EECBG Project Officers in order to encourage a dialogue. Through the suggestions and criticisms made at these meetings, DOE made changes and improved guidance for grantees. Mr. Johnson went on to say that these workshops with states and DOE look beyond just the implementation issues, and aid in relationship building, stake-holder buy-in, and connecting SEP with the workforce in a way that DOE feels is making lasting changes. He indicated to the Board that in order to sustain this type of a successful program, more education and knowledge sharing is needed between DOE, the grantees, and the public about the benefits of these projects.

The Sub-Committee continued the discussion on how to look at leveraging Federal funds with private dollars and building relationship with potential long-lasting stakeholders at a November 2010 meeting in Huntington Beach, CA. The group met with local officials to discuss current projects occurring in the area due to EECBG grants, as well as discussed ways the program could continue post-ARRA. Out of this meeting the Sub-Committee identified a few areas where they felt additional assistance from DOE could be provided, and ways in which the program could improve should it possibly be funded under the new budget or should a similar program kick-off in its place. The group recognized a need for the DOE Technical Assistance Team to conduct quantitative and qualitative analysis of completed EECBG projects and use the results to investigate why certain programs are working and others are failing (is it due to local conditions, economic conditions, etc.). Additionally, the group felt that investment in

Solar PPA with EECBG funds could and should be used to leverage other funding and stimulate the local economy. Communities can use EECBG funding up front, and then encourage the leveraging of other funding to give the best value to taxpayers. This is a great way to foster public-private partnerships and engage in energy education with communities since local partnerships will be assisting with the management and implementation of the projects and can work within the community to showcase the benefits of energy saving technologies.

On March 16, 2011, the EECBG Sub-Committee went to Phoenix, Arizona in order to meet with members of the Arizona Department of Commerce to receive an update on the status of current projects in the state, as well as hear the success stories and best-practices the state has identified since the onset of the program. The Board also had an opportunity to tour the Arizona State University campus where they could see EECBG projects in the works, and met with officials of the Global Institute of Sustainability (GIOS) and the Director of the school of Sustainability. The meetings focused on assisting states develop lasting and strategic relationships with leadership in the community in a way which encourages the sustainability of the EECBG program itself, or programs similar to it. The group spent time discussing how EECBG money has been spent, the problems that are still plaguing the program, what things are working, and how DOE can assist with solving some of the inherent issues which seem pervasive to all states and projects. Some of the suggestions and recommendations for improving EECBG that arose as a result of this meeting were ideas like gathering and developing a comprehensive algorithm, of sorts, which can assist grantees in determining which types of projects may be more successful for a given community. Using data and reporting from completed projects, the Sub-Committee felt there would be enough criteria to create almost a road-map of what types of projects fit what types of communities in terms of geography, funding, infrastructure, etc.

The group also noticed that the turn-over within local communities in terms of institutional knowledge created issues with not only reporting, but also with management of long-term projects. The ability to maintain and retain personnel with energy efficiency experience is key to making programs like EECBG successful. While short-term infusions of money is needed to get some projects through to completion, the Sub-Committee continued to see that the real solution was finding a way to combine Federal funding with private or local funding in order to create collaborations between organizations invested in the local community and interested in energy efficiency and renewable energy. It is important to make sure localities see a Federal commitment to these projects, but local buy-in is ultimately the key to sustainable and continuous projects and programs.

In June, the Sub-Committee got a new Chair after the retirement of Mark Johnson. The new Chair, Ted Donat, hosted his first Sub-Committee meeting in June of 2011 in Denver, Colorado. The Sub-Committee not only had an opportunity to provide updates of EECBG efforts on-going in their own states, but also hear from members of the greater Denver area about what is occurring in the city as a result of EECBG funding. The group also took time to visit NREL and tour the Research Support Facility, and other locations on campus to view energy efficiency and renewable energy features. NREL showcased technologies and innovation which are currently being used by EECBG projects in the state and in other areas as a result of what has been developed by NREL and the members of the Sub-Committee enjoyed being able to see the research side of the technology, as well as the implementation while on their various other tours at previous meeting in Huntington Beach and Phoenix.

Some key recommendations and observations came out of the Denver meeting. Members felt it is important to have a measurement and verification structure in place immediately so information can be gathered from grant recipients prior to the closure of their programs and their administrative offices. Creating a searchable database collection of EECBG closeout profiles should be created for use as a resource for future project planning. Resource information should include items listed on EECBG grantee Activity Worksheets, as well as second-tier information, such as Building Project Type. This tied into the previous recommendation made in March which suggested creating a searchable database that could help communities see what types of projects have been successful in their area and what other types of projects could be successful based on certain criteria. Having databases for future project planning and for use as simply a resource is key to providing a sustainable program as well as for promoting project collaboration with private partners who may be hesitant to engage in activities such as these because of a lack of knowledge or understanding of some type of certainty of success.

The final meeting in FY 2011 of the EECBG Sub-Committee occurred right before the end of the fiscal year in September of 2011. The group traveled to Atlanta, Georgia and met with the Fulton County Board of Commissioners, and the Fulton County Green Team. Specific grantees also met with the Sub-Committee to discuss their projects, frustrations, successes and best-practices. A tour of EECBG program sites around Atlanta rounded out the meeting and allowed the members to view EECBG funding in action and gave the grantees an opportunity to engage with the Sub-Committee about their desire for programs of this type to continue post-ARRA with or without Federal funding. Many of the grantees indicated that any future grant programs should really

require the grantees to have a local capacity development component, and future grant programs should implement a phased award structure with Year One being seed money based on the expected potential success and the following years be funded on a performance-based return on investment. Again, the comments continued that local buy-in and connections between grantees and academia or private business are keys to the success and the sustainability of these programs. Since the projects occur on the local level, local buy-in is imperative.

As FY 2011 came to a close, Ted Donat committed to compiling these recommendations and observations into a master document and presenting them to the STEAB at the first Board meeting of FY 2012 for consideration and adoption, should the STEAB agree with the notes and comments compiled over the last year. Should the STEAB agree with the Sub-Committee's findings, the Board would discuss and create either a resolution or white paper regarding the EECBG Program and submit it formally to DOE for consideration. The STEAB is looking forward to Mr. Donat's presentation and recommendation's which is scheduled for November 2011.

The Sub-Committee's "Operating Notes," membership roster, membership map and all of the Sub-Committees recommendations can be found as part of Appendix L. Minutes were taken at all Sub-Committee meetings and are available for review by contacting the STEAB's Designated Federal Officer, or the Board's contractor support.

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CONCLUSION

Fiscal Year 2011 was a busy year for the State Energy Advisory Board, their Task Forces and the EECBG Sub-Committee. The Board re-worked and re-structured the number and objectives of the Task Forces to better fit the immediate needs of deployment, energy education and outreach, and the current data gathering by the SEP evaluation team. Through facilitated discussion and on-site tours of the National Labs, the Board more clearly identified and outlined specific areas on which to focus targeted assistance in order to make the largest impact and most beneficial recommendations, and eliminated older Task Forces and created new Task Forces such as the National Lab Task Force and SEP Evaluation Task Force.

These Task Forces enable the STEAB to more effectively and expeditiously address current and significant issues facing EERE Programs and energy agenda. The Task Forces have been successful with creating a forum for the exchange of ideas between members of different governmental agencies, and allowed for increased collaboration between USDA, DOE, NASCSP, NASEO and the states. EERE senior staff is interested in the model of bottom-up deployment and commercialization as outlined by the Deployment Task Force and the Board continues to work closely with DOE and the labs to facilitate more aggressive deployment opportunities. The successes of the USDA/DOE Task Force in bringing DOE, USDA, NIFA, CES and APLU stakeholders together towards the common goal of a CES and SEO partnership for energy education and outreach, showcases the ability of these Task Forces to create lasting interagency relationships that will aid in creating sustainable collaborations and fruitful partnerships.

As the STEAB moves into Fiscal Year 2012, the Board is committed to expanding and enhancing the capabilities of EERE's programs and projects to deploy new and emerging technologies, keeping a strong focus on state needs and during the transition post-ARRA, and advancing a clean energy economy through bottom-up change, local educational outreach programs, and inter-agency collaborations.

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.

Appendix B: Board Membership

The State Energy Advisory Board consists of 18-21 members appointed by the Secretary of Energy. Membership regulations are outlined 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, at the end of the fiscal year, with their designation noted – as well as DOE contacts and contract staff support.

Board Membership

Susan S. Brown (WAP)

Deputy Administrator, Wisconsin
Division of Energy
Department of Administration
101 E. Wilson Street
P.O. Box 7868
Madison, WI 53707-7868
Phone: (608) 266-2035
E-mail: Susan.Brown@Wisconsin.gov

Dan Carol (SGE)

Senior Fellow
Innovation and Clean Technology
New Policy Institute
2440 Charnelton Street
Eugene, Oregon 97405
Phone: 541-337-7046
Email: dan@dancarol.com

William Vaughn Clark (SEO)

Director, Office of Community
Development
Oklahoma Department of Commerce
900 N. Stiles
Oklahoma City, Oklahoma 72104
Phone: 405-8115-5370
Email: Vaughn_Clark@odoc.state.ok.us

John Davies (SEO)

Deputy Commissioner
Department for Energy Development
and Independence
Energy & Environment Cabinet
500 Metro St., Capitol Plaza Tower
Frankfort, Kentucky 40601
Phone: 502-564-7192
E-mail: John.Davies@ky.gov

Cris Eugster (Other Representative)

Executive Vice President and Chief
Sustainability Officer
CPS Energy
P.O. Box 1771
San Antonio, Texas 78296
Phone: 210-353-5521
Email: ceugster@cpsenergy.com

David Gipson (SEO)

Director, Energy Services Division
Georgia Environmental Facilities
Authority
233 Peachtree Street, NE
Harris Tower, Suite 900
Atlanta, Georgia 30303
Phone: 404-584-1007
Email: dgipson@gefa.ga.gov

Philip Giudice (SEO)

Chief Executive Officer
Liquid Metal Battery Corporation
237 Putnam Avenue
Cambridge, Massachusetts 02139
Phone: 617-714-5723
Email: philg@lmbcorporation.com

Ryan Gooch (SEO)

Energy Policy Director
Tennessee Economic and Community
Development
312 8th Ave North, Tenth Floor
Nashville, TN 37243
Phone: (615) 741-2994
E-mail: ryan.gooch@state.tn.us

Paul H. Gutierrez (State Employee)

Vice Provost for Outreach Services
Associate Dean and Director
Cooperative Extension Service
College of Agriculture and Home
Economics
New Mexico State University
P.O. Box 30003 MSC 3AE
Las Cruces, NM 88003
Phone: (575) 646-7500
E-Mail: pgutierr@nmsu.edu

Duane Hauck (State Employee)

Director, Extension Service
North Dakota State University
Dept 7000
P.O. Box 6050
Fargo, ND 58105-5437
Phone: 701-231-8944
E-mail: Duane.Hauck@ndsu.edu

Elliott Jacobson (WAP)

Vice President for Energy Services
Action Energy
180 Main Street
Gloucester, Massachusetts 01930
Phone: (978) 281-4040
Fax: (978) 283-3567
E-mail: ELJ@actioninc.org

Peter Johnston, Ph.D. (SGE)

Project Manager, Clean Energy
Technologies
Burns & McDonnell
4742 North 24th Street, Suite 355
Phoenix, Arizona 85016
Phone: 602-977-2623
E-mail: pjohnston@burnsmcd.com

Maurice H. Kaya (State Employee)

Hawaii Renewable Energy
Development Venture
2800 Woodlawn Drive, Suite 132
Honolulu, Hawaii 96813
Phone: 808-237-5164
Email: maurice.kaya@pichtr.org

Mr. Steve Payne (WAP)

Managing Director
Housing Improvements & Preservation
Department of Commerce
906 Columbia Street S.W.
P.O. Box 48350
Olympia, Washington 98504-8350
Phone: 360-725-2950
Fax: 360-586-5880
Email: steve.payne@commerce.wa.gov

Larry Shirley (SEO)

Director of the Green Economy
Energy Division
North Carolina Dept. of Commerce
4301 Mail Service Center
Raleigh, North Carolina 27699-4301
Phone: 919-716-0110
Email: lshirley@nccommerce.com

Roya Stanley (SEP)*

Deputy Director
Iowa Office of Energy Independence
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Phone: (515) 725-0431
Email: Roya.Stanley@iowa.gov

**Ms. Stanley retired from the Board effective
in June 2011*

Janet Streff (SEO)

Manager, State Energy Office
Minnesota Department of Commerce
85 7th Place East, #500
St. Paul, MN 55101
Phone: 651-297-2545
Fax: 651-296-7891
E-mail: janet.streff@state.mn.us

David Terry (Other Representative)

Executive Director, ASERTTI
4736 N. 32nd Street
Arlington, VA 22207
Phone: 702-395-1076
E-mail: DTerry@asertti.org
DTerry@statelineenergy.org

Steve Vincent (SGE)

Avista Utilities
580 Business Park Drive
Medford, Oregon 97504
Phone: 541-858-4773
Fax: 541-858-4790
Cell: 541-944-8992
E-mail: Steve.Vincent@avistacorp.com

Dan Zaweski (State Employee)

Assistant Vice President - Energy
Efficiency
and Distributed Generation Program
Long Island Power Authority
333 Earle Ovington Boulevard
Suite 403
Uniondale, New York 11553
Phone: 516-650-1477
Email: dzaweski@lipower.org

DOE Contact Information

Dr. Henry Kelly

Acting Assistant Secretary
Office of Energy Efficiency and
Renewable Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Phone: 202-586-9220
Fax: 202-586-9260
Email: Henry.Kelly@ee.doe.gov

Mr. Steven G. Chalk

Deputy Assistant Secretary for
Renewable Energy
Office of Energy Efficiency and
Renewable Energy
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Phone: 202-586-9220
Fax: 202-586-9260
Email: Steven.Chalk@ee.doe.gov

Dr. Kathleen B. Hogan

Deputy Assistant Secretary for Energy
Efficiency
Office of Energy Efficiency and
Renewable Energy
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
Phone: 202-586-3910
Email: Kathleen.Hogan@ee.doe.gov

Ms. Merle Sykes

Acting Deputy Assistant Secretary for
Business Administration
Office of Energy Efficiency and
Renewable Energy
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585
E-mail: Merle.Sykes@ee.doe.gov

Gil Sperling

STEAB Designated Federal Officer
Sr. Management Technical Advisor
Intergovernmental Projects
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 2058
Phone: 202-287-1644
Email: Gil.Sperling@ee.doe.gov

Contract Support Contact Information

Jo Blais

Vice President

SENTECH, Inc., a part of SRA
International

Phone: 703-284-7482

E-mail: Jo_Blais@SRA.com

Emily Lindenberg

Project Manager

SENTECH, Inc., a part of SRA
International

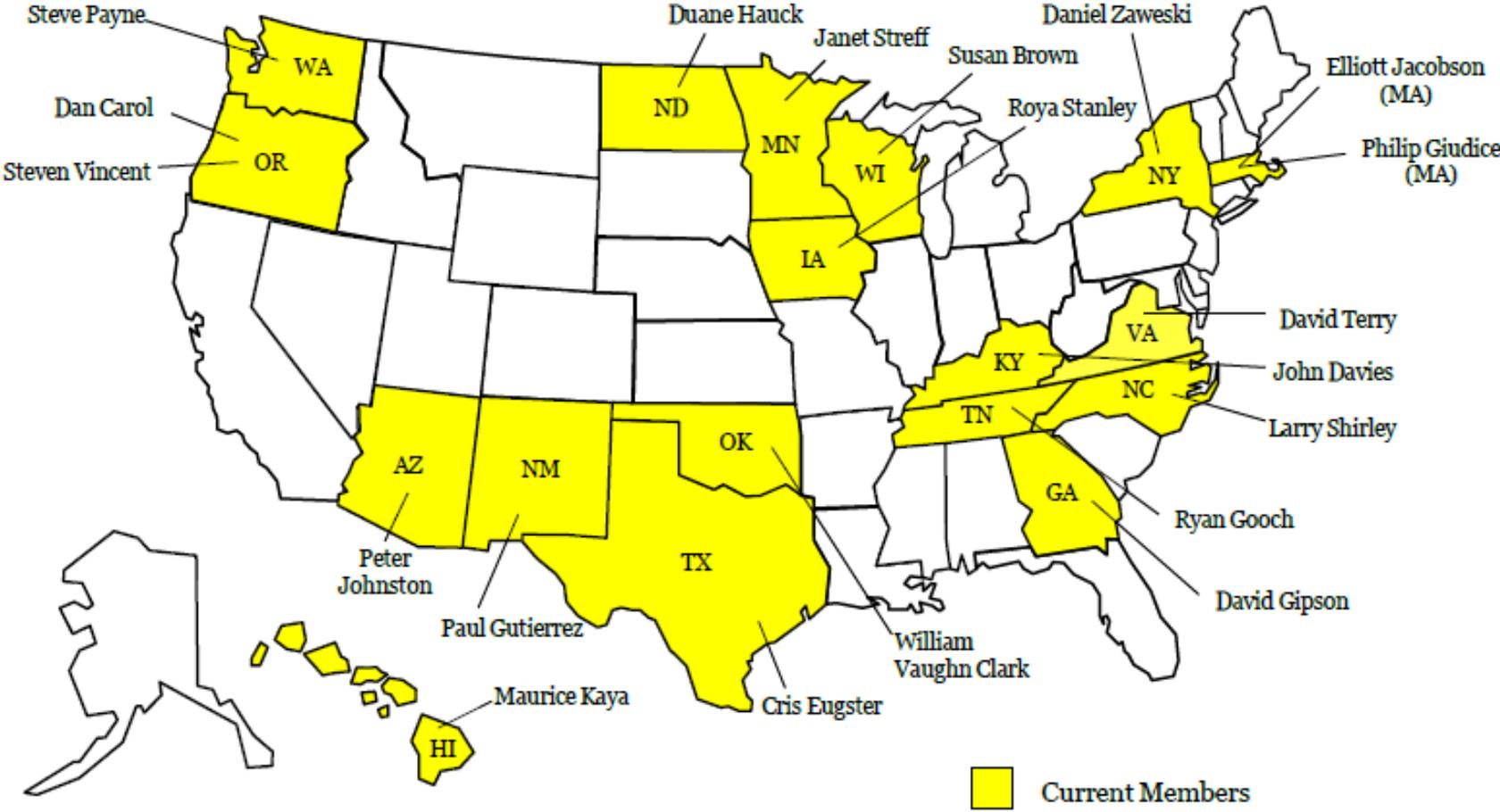
Phone: 703-284-6646

Fax: 703-284-1375

E-mail: Emily_Lindenberg@SRA.com

State Energy Advisory Board Membership

Membership as of January 2011



Appendix C: State Energy Advisory Board Charter

State Energy Advisory Board United States Department of Energy

Advisory Board Charter

1. **Board's Official Designation.** State Energy Advisory Board (STEAB)
2. **Authority.** This charter establishes the State Energy Advisory Board pursuant to Public Law 101-440, the State Energy Efficiency Programs Improvement Act of 1990. The State Energy Advisory Board is being renewed in accordance with provisions of the Federal Advisory Committee Act (FACA), as amended, 5 U.S.C., App 2. This charter establishes the STEAB under the authority of the U.S. Department of Energy.
3. **Board's Objectives and Scope of Activities.** 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:
 - (a) 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;
 - (b) Serve as a liaison between the States and the Department of Energy on energy efficiency and renewable energy resource programs;
 - (c) Encourage transfer of the results of the energy efficiency and renewable energy activities carried out by the Federal government; and
 - (d) Submit an annual report to the Secretary and Congress on the activities carried out by the Board in the previous fiscal year.
4. **Description of Duties.** The duties of the Board are solely advisory in nature.
5. **Official to Whom this Board Reports.** In accordance with Section 365 of the Act, the Board will report to the Secretary through the Assistant Secretary for Energy Efficiency and Renewable Energy.

- 6. Agency Responsible for Providing the Necessary Support for this Board.** The U.S. Department of Energy (DOE). Within DOE, primary support shall be furnished by the Office of Energy Efficiency and Renewable Energy.
- 7. Estimated Annual Operating Costs and Staff Years.** The estimated annual operating costs associated with supporting the Board are approximately \$175,000, including 1.0 work year (FTE) of staff support.
- 8. Designated Federal Officer.** A full-time or permanent part-time DOE employee, appointed in accordance with agency procedures, will serve as the DFO (or designee). The DFO or designee will approve or call all of the advisory Board's and subcommittees' meetings, prepare and approve all meeting agendas, attend all Board and subcommittee meetings, and adjourn any meeting when the DFO determines adjournment to be in the public interest. The DFO will be the Senior Management Technical Adviser for the Office of Energy Efficiency and Renewable Energy.
- 9. Estimated Number and Frequency of Meetings.** The Board shall meet approximately twice each year, once each six months, or as deemed appropriate by DOE. As required by FACA, the Board will hold open meetings unless the Secretary of Energy determines that a meeting or a portion of a meeting may be closed to the public in accordance with subsection (c) of section 552b of title 5, United States Code.
- 10. Duration.** The Board's statutory responsibilities, as set forth in Section 365 of the Act, are continuing in nature and shall continue until terminated by law.
- 11. Board's Termination Date.** The Board is subject to biennial review and will terminate two years from the date the charter is filed, unless, prior to that time, the charter is renewed in accordance with Section 14 of the Federal Advisory Committee Act.
- 12. Membership and Designation.** The Board shall consist of no fewer than 18 or more than 21 members, appointed by the Secretary. At least eight 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, and at least four members shall be directors of State or local low-income weatherization assistance programs. Other members shall be persons who have experience in energy efficiency or 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. Of the members initially appointed to the Board, one-third shall serve a term of one year, one-third shall serve a term of two years, and the remainder shall serve a term of three years, as specified by the Secretary. Thereafter, members of the Board shall serve a term of three years. The

Board shall be nonpartisan. In accordance with Public Law 101-440, a Chair and Vice Chair shall be appointed by the Secretary. Each shall serve in his or her respective office no longer than two years. The Board may elect one of its members Secretary of the Board.

The Board may adopt administrative rules and procedures.

Members of the Committee serve without compensation. However, each appointed member may be reimbursed for per diem and travel expenses incurred while attending Board meetings in accordance with Federal Travel Regulations.

13. Subcommittees. To facilitate functioning of the Board, subcommittee(s) may be formed. The objectives of the subcommittee(s) are to make recommendations to the parent Board with respect to matters which are related to the responsibilities of the parent Board. The subcommittee(s) shall be comprised of such members of the parent Board as may be determined by the Chairman of the parent Board. All actions of the subcommittee(s) shall be consistent with the Federal Advisory Committee Act (P.L. 92-463), the Department of Energy Organization Act (P.L. No. 95-91), and any germane implementing directives.

14. Recordkeeping. The records of the Board and any subcommittees shall be handled in accordance with General Records Schedule 26, Item 2, and Administrative Record, Schedule 16, Item 8b(1.1) and approved agency records disposition schedule. These records shall be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. 552.

15. Filing Date.

Date filed with Congress: 7/29/10

signed
Carol A. Matthews
Committee Management Officer

Appendix D: FY 2011 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 2011, travel expenses of \$67,245.00 were incurred and reimbursed for State Energy Advisory Board meetings.

Appendix E: STEAB “Priorities through 2012”

STEAB’s Priorities through 2012

To actively support energy efficiency and renewable energy market growth throughout the United States:

- Enhance State / Regional EE & RE capacity:
 - Financial
 - Intellectual
 - Manufacturing
 - Technology
- Facilitate the development of more active relationships between DOE and State / local programs
- Understand common issues facing other organizations and become of value to these organizations, perhaps through partnering (e.g., U.S. Conference of Mayors; NGA; NARUC; NASCUA; etc.)
- Support successful implementation and deployment of EERE Programs
- Promote consumer education efforts
- Encourage the implementation of EE and RE technologies and services
- Propose and support strategies to maintain State activities after the ARRA funding is no longer available
- Accelerate development of “green” jobs at State / local levels

Adopted by the Board on 4-15-10

Appendix F: STEAB Letter to DOE in Support of WAP and SEP



April 12, 2011

The Honorable Steven Chu
Secretary of Energy
U.S. Department of Energy
Forrestal/S-1
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretary Chu:

The State Energy Advisory Board (STEAB) has watched the 2011 budget negotiations closely, and we are pleased that the Administration and Congressional leaders have reached a budget agreement for the balance of 2011. While Congressional action has not yet been completed, we understand that the agreement includes a twenty percent reduction from FY 2010 funding levels for programs within the Office of Energy Efficiency and Renewable Energy, and that the specific cuts to be made will be left to your discretion.

STEAB urges your continued support for the State Energy Program (SEP) and the Weatherization Assistance Program (WAP.) We understand that you are faced with difficult choices; however, we believe that SEP and WAP deserve your continued support.

There appears to be an unfortunate and erroneous perception that ARRA funding eliminates the need for formula SEP and WAP funding in 2011. In fact, more than three-quarters of the states will exhaust ARRA funding before January 2012. 2011 funding is also critical to maintaining the technical assistance and program deployment expertise that SEP and WAP have fostered in every state and county in the nation. If 2011 funding is severely reduced or eliminated, it decreases the likelihood for funding in 2012 and does not address the gap in resources that would occur even if FY'12 funds are robust.

As you know, part of STEAB's charter is to identify and promote innovation. We believe SEP and WAP have been and will be important contributors to meeting the Administration's goals on energy efficiency, renewable energy and jobs. For example, WAP has provided the foundation on which DOE is building retrofit standards that will change the industry forever. SEP-supported projects like the solar shingle manufacturing and advanced battery storage businesses that the President visited this past year, show how deployment-oriented projects and programs help to extend the value of the research that the Board has seen developed in DOE's labs. Additionally, the President's *"Blueprint for a Secure Energy Future"* recognizes the important contribution these programs have toward improving our nation's energy efficiency and security.

STEAB is committed to working with you and your team to meet these important goals for a clean energy economy that will last far into the future. We believe that SEP and WAP are critical to the President's goals and should not be reduced any more than absolutely necessary; the Board wants to be fully engaged with you to develop long-term strategies to meet energy efficiency and renewable energy

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goals and to serve people most in need.

Therefore, we urge you to support funding for SEP and WAP at levels consistent with the 20 percent, across-the-board cuts in your EERE portfolio: \$40 million for base SEP and \$168 million for base WAP. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Janet Streff". The signature is written in a cursive, flowing style.

Janet Streff
STEAB Chair

Appendix G: USDA/DOE White Paper

USDOE/USDA

State Energy Extension Partnership (SEEP) Concept Paper

October 1, 2010

Background – The State Energy Advisory Board (STEAB) adopted Resolution 10-01, which encourages the USDOE and USDA to initiate an active dialogue which will result in the establishment of a formal partnership between State Energy Offices (SEOs) and State Extension Services (SES) for the purposes of enhancing the education of Americans regarding energy efficiency and renewable energy. Based on the above, this “white paper” is known as the State Energy Extension Partnership (SEEP). SEEP will enhance the education of American citizens regarding energy efficiency and renewable energy through the collaborative efforts between SEOs and SES. Resolution 10-01 outlined several recommendations regarding the establishment of a formal agreement between the two agencies, and charged a Task Force to initiate a dialogue with USDOE and USDA in order to pursue the recommendations.

The STEAB Task Force held meetings and conference calls with USDA and USDOE officials in September to gauge interest in the Resolution. Leadership from both groups expressed positive interest in the concept and agreed to participate in a joint meeting to further explore the recommendations. The STEAB Task Force hopes to schedule their next meeting in early November 2010.

Program Objectives and Outcomes – The STEAB Task Force recommends the following objectives for this joint national effort:

- Educate and provide technical assistance to multiple publics (youth and adults) in energy efficiency and renewable energy for individuals, homes, communities, and businesses;
- Educate individuals about incentives for purchase and use of renewable energy and energy efficient appliances, transportation, and home remodeling expenses;
- Support community (especially smaller units of government, including counties, cities, schools, etc.) learning and actions to effectively leverage State and Federal energy programs (e.g., ENERGY STAR) that support appropriate demonstration projects at the community level;
- Design and carry out energy efficiency and renewable energy program impact evaluations; and
- Facilitate community-based exploration and decision-making processes.

The following outcomes could be derived from these activities:

- Reduce the use of energy in homes and businesses;
- Increase the number of participants in energy efficiency incentives programs;
- Increase understanding by community leaders about how to participate in energy efficiency programs;
- Increase the number of homes and businesses that utilize renewable energy technologies;
- Increase consumer awareness of energy issues when making large and small purchases;
- Increase the number of ENERGY STAR®-labeled buildings and homes; and
- Increase sales of ENERGY STAR® appliances.

Program Design – The STEAB Task Force recommends that USDOE and USDA establish a joint working group of National Program Leaders to design and manage this effort. Federal resources in the range of \$20 - \$25M per year would need to be identified, shared in some fashion between the two agencies. Funding would be allocated through the State Energy Offices, and the program would need to be conducted for a minimum of three years in order to be effective.

A “soft” grant approach would be used requiring SEOs and SES to collaborate on a single State proposal that would be submitted to the USDOE / USDA joint working group for evaluation and selection. States not submitting a joint proposal would be ineligible for the grant. It is recommended that USDOE / USDA establish minimum threshold criteria for grant awards, and a formal evaluation would be required. In response, program objectives, activities, and outcomes would need to be clearly identified in each State’s proposal.

The funding would be awarded to individual States through their State Energy Office for program implementation. Formal program evaluations would be conducted by the SEO / State Extension Service partnership, and State impacts would be reported back to the USDOE / USDA joint working group.

Initiation – STEAB recommends this joint effort between USDOE and USDA be started as early in Fiscal Year 2011 as is feasible, in order to fully support the current Administration’s commitment to help move the Nation to more practical uses of its energy resources.

Further, STEAB is committed to supporting this effort; and they plan to continue their discussions with all parties in order to help move the project forward.

Attachments:

Appendix A – State Energy Advisory Board

Appendix B – State Energy Programs

Appendix C – Cooperative Extension System

APPENDIX A: 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 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 EERE 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.

APPENDIX B: STATE ENERGY PROGRAMS

The State Energy Program (SEP) is the only Federally-funded, State-based program administered by the U.S. Department of Energy (USDOE) that provides resources directly to the States for allocation by them for energy efficiency and renewable energy uses. The SEP provides financial and technical assistance to States through both *formula* and *competitive* grants. States use their *formula* grants to develop State strategies and goals to address their individual energy priorities. *Competitive* grant solicitations for the adoption of energy efficiency / renewable energy products and technologies are issued annually, based on available funding. States provide a 20% match under SEP annual *formula* allocations. SEP emphasizes the State's role as the decision maker and administrator for the program activities within the State. The Energy Offices in each State and Territory are a vital resource for delivering energy benefits, addressing national energy goals, and coordinating energy-related emergency preparedness across the Nation.

With SEP funds and the resources leveraged by them, the State and Territory Energy Offices develop and manage a variety of programs geared to increase energy efficiency, reduce energy use and costs, develop alternative energy and renewable energy sources, promote environmentally conscious economic development, and reduce reliance on oil produced outside the U.S., all in the interest of helping to assure energy reliability and strengthening America's competitive position and national energy security.

Additionally, State Energy Offices are involved in administering public benefit funds and emergency preparedness. In this regard, States manage and invest more than \$3 billion of their own funds derived from appropriations and system benefit charges each year.

Congress created the State Energy Program in 1996 by consolidating the State Energy Conservation Program (SECP) and the Institutional Conservation Program (ICP). Both programs went into effect in 1975. SECP provided States with funding for energy efficiency and renewable energy projects. ICP provided hospitals and schools with a technical analysis of their buildings, and identified the potential savings from proposed energy conservation measures.

Under the American Recovery and Reinvestment Act of 2009 (Recovery Act), the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) received \$3.1 billion to be distributed through the SEP to stimulate the economy by creating and preserving jobs while increasing energy efficiency and the use of renewable energy. Under the authorizing legislation for the SEP, the 50 States, 5 Territories, and the District of Columbia (States) had a degree of flexibility to design and implement programs that met their specific energy needs and goals. In response to a DOE, the States prepared plans summarizing energy-related programs and projects planned for the SEP Recovery

Act funds. After reviewing those plans, EERE awarded Recovery Act funding to the States for approved projects consistent with the goals of the program. The \$3.1 billion awarded through the Recovery Act was a dramatic increase over the \$25 million appropriated for SEP *formula* grants in Fiscal Year 2009.

APPENDEX C: COOPERATIVE EXTENSION SYSTEM

All universities engage in research and teaching, but the Nation's more than 100 land-grant colleges and universities have a third critical mission – extension. "Extension" means "reaching out," and – along with teaching and research – land-grant institutions "extend" their resources, solving public needs with college or university resources through non-formal, non-credit programs.

These programs are largely administered through thousands of county and regional extension offices, which bring land-grant expertise to the most local of levels. And both the universities and their local offices are supported by the National Institute of Food and Agriculture (NIFA), the Federal partner in the Cooperative Extension System (CES). NIFA plays a key role in the land-grant extension mission by distributing annual Congressionally-appropriated formula grants to supplement State and county funds. NIFA affects how these formula grants are used through national program leadership to help identify timely national priorities and ways to address them.

NIFA administers funding for Smith-Lever Act services in cooperation with State and county governments and land-grant universities. The Smith–Lever Act of 1914 is a United States Federal law that established a system of cooperative extension services, connected to the land-grant universities, in order to inform people about current developments in agriculture, home economics, and related subjects. In brief, the appropriation for cooperative extension is shared between the States based on a specific formula.

Congress created the extension system nearly a century ago to address exclusively rural, agricultural issues. At that time, more than 50 percent of the U.S. population lived in rural areas, and 30 percent of the workforce was engaged in farming. Fewer than 2 percent of Americans farm for a living today, and only 17 percent of Americans now live in rural areas. Yet, the extension service still plays an important role in American life – rural, urban, and suburban. With its unprecedented reach – with an office in or near most of the Nation's approximately 3,000 counties – extension agents help farmers grow crops, homeowners plan and maintain their homes, and children learn skills to become tomorrow's leaders.

Despite the decline in the population and economic importance of rural America, the national Cooperative Extension System remains an important player in American life. It increasingly addresses urban, suburban, and rural issues; and it has responded to information technology changes in America by developing a national Web presence.

Over the last century, extension has adapted to changing times and landscapes, and it continues to address a wide range of human, plant, and animal needs in both urban and rural areas. Today, extension works in six major areas:

- 4-H Youth
- Agriculture
- Leadership
- Natural Resources
- Family and Consumer Sciences
- Community and Economic Development

Regardless of the program, extension expertise meets public needs at the local level. Although the number of local extension offices has declined over the years, and some county offices have consolidated into regional extension centers, there remain approximately 2,900 extension offices nationwide. Increasingly, extension serves a growing, increasingly diverse constituency with fewer and fewer resources.

The extension system also supports the eXtension Web site. One of the goals of eXtension is to develop a coordinated, Internet-based information system where customers will have round-the-clock access to trustworthy, balanced views of specialized information and education on a wide range of topics. For customers, the value will be personalized, validated information addressing their specific questions, issues, and life events in an aggregated, non-duplicative approach.

Information on the eXtension Web site is organized into Resource Areas. Each Resource Area includes articles, news, events, and frequently asked questions (FAQs). The information comes from land-grant university system faculty and staff experts. It is based on unbiased research and undergoes peer review prior to publication. Current Resource Areas are organized around many topics, including – but not limited to – energy, community, family, farm, youth, and more. The Energy Resource Area includes communities that address home energy, farm energy, and wood energy.

The eXtension Web site also includes a collection of news stories from partner institutions, a Frequently Asked Questions section, a calendar of extension events, online-learning

Appendix H: USDA/DOE Task Force Correspondence

United States Senate

WASHINGTON, DC 20510

May 3, 2011

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585-1000

Gentlemen:

The attached Concept Paper from the Department of Energy's State Energy Advisory Board (STEAB) was recently brought to our attention. The STEAB's proposal is to establish a "State Energy Extension Partnership" or SEEP between the State Energy Offices and the State Extension Services in each state. The purpose of the partnership is to enhance collaboration at the state and local level to advance energy efficiency and economic development. We understand members of the STEAB recently met with representatives of DOE/EERE, USDA/NIFA and Cooperative Extension Service to discuss the SEEP proposal in detail.

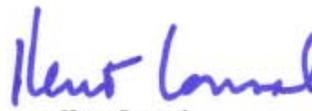
The concept behind the SEEP is to bring the expertise available through DOE/EERE and State Energy Offices to the local level through the widespread network of NIFA's Cooperative Extension Service. The Extension Service is the principal outreach agency of the land-grant universities with offices in or near most of the nation's 3000 counties, including rural, urban and suburban areas. With its history of consumer trust and strong community partnerships, the Cooperative Extension Service is well positioned to help accelerate adoption of energy efficiency and renewable energy technologies across the nation. We understand models of effective partnerships between State Energy Offices and State Extension Service currently exist in several states, including North Dakota, Kentucky, North Carolina and Minnesota.

We respectfully request that you or your staffs carefully review the attached SEEP concept paper. The paper describes STEAB's recommendation that DOE and USDA establish a formal agreement to help promote collaboration between State Energy Offices and State Extension Services to deliver energy-education programs at the local level. Thank you for your consideration of our request.

Sincerely,



Jeff Bingaman
United States Senator



Kent Conrad
United States Senator



June 17, 2011

The Honorable Tom Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20205

Dear Secretary Vilsack:

I have the honor to serve as Chair of the U.S. Department of Energy State Energy Advisory Board (STEAB). In 1990 Congress established STEAB 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. Such recommendations are designed to create jobs while improving our national security and natural environment.

For the past year the Board has been actively engaged in leveraging the talents and resources of both USDA and DOE to better serve our nation. Specifically, we have proposed the establishment of a "State Energy Extension Partnership" or SEEP between the State Energy Offices and the State Cooperative Extension Services in each state. The concept behind SEEP is to bring the expertise available through DOE/EERE and State Energy Offices to the local level through the widespread network of USDS/NIFA's Cooperative Extension Service. It is our belief that a federally coordinated SEEP could enhance information dissemination and promotion of clean energy best practices and technologies to individuals, farms, schools, businesses, communities and local governments and lead to transformational behavior change.

SEEP can help connect with rural America enabling the Administration to continue the important dialogue with rural communities regarding clean energy needs, opportunities and challenges. This initiative is well suited for review and support by President Obama's recently established White House Rural Council. Together these initiatives can complement each other working to improve coordination

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and streamline federal program efforts in rural America, and to better leverage federal, state and local investments.

I am providing you the attached draft SEEP concept paper that USDA and DOE helped to develop. I encourage you to share it with the White House Rural Council for their consideration. The paper describes the Board's recommendation that USDA and DOE establish a formal agreement to help strengthen the relationship between the State Energy Offices and State Cooperative Extension Services to deliver clean energy opportunities at the local level. Your assistance in helping to support SEEP with Secretary Chu and the White House Rural Council will be greatly appreciated.

Sincerely,

Janet Streff

Chair, The State Energy Advisory Board

Enclosure

cc: The Honorable Steven Chu, Secretary, US Department of Energy

Dr. Ralph A. Otto, Deputy Director FCR, US Department of Agriculture

Dr. Henry Kelly, Acting Assistant Secretary, Office of EERE, US Department of Energy

Dr. Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency, US Department of Energy

Nikki Buffa, Deputy Chief of Staff, White House Council on Environmental Quality

Gil Sperling, Designated Federal Officer, The State Energy Advisory Board



The Secretary of Energy
Washington, D.C. 20585

July 11, 2011

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Deb
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Dana

The Honorable Jeff Bingaman
United States Senate
Washington, DC 20510

Dear Senator Bingaman:

Thank you for your May 3, 2011, letter regarding the State Energy Advisory Board's (STEAB) proposal to establish a "State Energy Extension Partnership" (SEEP).

The Department of Energy (DOE) appreciates your interest in creating strong partnerships between Federal agencies. The Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) is working with the U.S. Department of Agriculture (USDA) to explore partnership opportunities between EERE's State program activities and USDA's Cooperative Extension Services.

On April 18, 2011, DOE jointly chaired a kickoff meeting with USDA to discuss potential areas of collaboration that meet the missions of both USDA's Cooperative Extension Service and EERE's Weatherization and State Energy Programs. My staff is working with USDA staff to review the STEAB Concept Paper and explore options for concrete actions that benefit citizens across the country. We met before the STEAB meeting on June 6, 2011, to review progress, discuss potential areas of cooperation, and define next steps.

DOE is fully invested in helping to identify ways that the Federal Government can promote energy efficiency and renewable energy in our homes, schools, and businesses. We will continue to pursue opportunities like SEEP that create synergy between Federal programs and increase economic development benefits for our communities.

We appreciate your continued support of the State Energy and Weatherization Assistance Programs and other critical EERE delivery programs. If you need additional information, please contact me or Mr. Jeff Lane, Assistant Secretary for Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

Steven Chu



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

JUL - 7 2011

The Honorable Jeff Bingaman
United States Senate
703 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Bingaman:

Thank you for your letter of May 3, 2011, cosigned by Senator Conrad, in support of the "State Energy Extension Partnership" (SEEP) between the State Energy Offices and the State Extension Services (SES) in each State. I apologize for the delay in this response.

It is my goal to lead the U.S. Department of Agriculture's (USDA) efforts to mitigate and adapt to climate change while also working to reduce American dependence on foreign oil. By distributing the annual Congressionally appropriated formula grants associated with the Smith-Lever Act of 1914, the National Institute of Food and Agriculture supports the Cooperative Extension System through a network of over 100 land-grant colleges and universities across the country to supplement State and county funds and provide funding for SES.

The SEEP working group is currently developing a partnership agreement that will enhance the dissemination of best practices and technologies in energy use and conservation by providing expertise in energy systems, renewable energy, energy conservation, and bioeconomy systems. In combination with the Department of Energy's (DOE) State Energy Program, USDA and SES will provide rural communities with the information and resources to bring these energy programs to the people in their communities.

These partners met in Washington, D.C., on April 18, 2011, for the inaugural SEEP meeting, and a Memorandum of Understanding is currently being drafted between DOE and USDA.

Again, thank you for your letter and for your support of USDA programs. A similar letter is being sent to Senator Conrad.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".

Thomas J. Vilsack
Secretary

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Appendix I: Deployment Task Force White Paper

From Deployment Chasms to Energy Solutions

DOE's Role in Accelerating Job Creation and Clean Energy Deployment

US State Energy Advisory Board (www.steab.org)
Market Transformation and Deployment Task Force Report
Approved Final Report: 2/23/11

The U.S. State Energy Advisory Board (STEAB) has taken on as a top priority to identify any and all ways for the US DOE to accelerate clean energy deployment and job creation in America. To carry out this priority, the STEAB created the Market Transformation and Deployment Task Force to develop recommendations for adoption by the STEAB and for inclusion of these recommendations in its annual report to the Secretary of Energy and to the US Congress, in accordance with section 365 of the Energy Policy and Conservation Act (42 U.S.C. 6325).

Success at addressing this deployment challenge could mean millions of more Americans employed in high-wage jobs in clean energy technology infrastructure in all areas of the country. Effective deployment will also help achieve the President's goals on jobs and competitiveness, and do more for less with scarce Federal resources.

We observe that we have extensive and cost-effective clean energy technology that we have not deployed at scale because we have not sufficiently aligned all of the necessary public policy and private sector levers. DOE has the distinguished opportunity to relieve these bottlenecks and align public and private forces to solve this competitive challenge.

DOE's Role in Deployment and Market Creation

While within the Department of Energy there are some divergent views as to whether the agency is responsible for *job creation* or *technology development*, outside of the agency it is clear that the DOE is accountable for *clean energy deployment* and a central actor in a national drive towards economic competitiveness.

In parallel, a number of concerns and recommendations have been offered in the last several years to enhance the Federal government's and the DOE's effort in strategic deployment, innovation and collaboration. In 2005 and 2010, for example, the National Academies (Science, Engineering, and Institute of Medicine) were tasked by the Congress to offer insights on the increasing concern over America's competitive posture.

The Academies issued two reports, “Rising Above the Gathering Storm” (RAGS, 2005) and RAGS Revisited (2010). These reports address the national need to create an innovation ecosystem that adequately addresses basic research, and foster an environment that facilitates the transition of that research into markets, calling for deliberate speed.

A number of other studies and reports have made even more pointed recommendations regarding how the DOE could organize itself more effectively around deployment. For example, the Association of State Energy Research and Technology Transfer Institutions (ASERTTI) recommended in November 2008 that the DOE create a new high-level position at DOE on State and Local Innovation and Collaboration. ASERTTI’s reasoning was that such a position “would help strategically focus and align human and financial state, local and federal resources to accelerate the adoption, commercialization and implementation of clean energy and energy efficiency technologies.”¹

More recently, the President’s Council of Advisors on Science and Technology (PCAST), in its report, *Accelerating the Pace of Change in Energy Technologies Through an Integrated Federal Energy Policy*, called for significant changes in the way the Federal government coordinates the complex job of fulfilling the Nation’s energy needs across individual agencies and programs.²

A wave of additional studies and task forces have also recommended changes in Federal energy deployment and economic development.³

More recently, the President in his January 25, 2011, State of the Union, and Secretary Chu, in recent speeches, have declared that the competitive challenges this nation faces, especially with regards to clean energy, to be this generation’s “Sputnik moment”. In addition, DOE’s new Federal advisory committee has called for transformative goals, such as a \$1/watt Sunshot solar initiative, to drive deeper deployment and wholesale market penetration by 2016.⁴

¹ ASSERTTI letter to President-Elect Obama, November 16, 2008, <http://www.asertti.org/about/index.html>.

² <http://www.whitehouse.gov/sites/default/files/microsites/ostp/pcast-energy-tech-report.pdf>

³ See, for example, The Kaufmann Foundation (2010) (<http://www.kauffman.org/newsroom/acceleration-of-u-s-energy-sector-requires-reform-at-every-stage-of-the-innovation-pipeline.aspx.aspx>), the Clean Economy Network Roadmap, 2011 (expected) and various recommendations emerging from the Federal inter-agency workgroup, the Task Force on Regional Innovation Clusters, 2010-2011. <http://www.eda.gov/AboutEDA/RIC/>

⁴ See <http://www.eere.energy.gov/sunshot/>

In addition, a significant set of changes potentially affecting Federal energy deployment are expected to occur as a result of the January 21, 2011, executive order creating a new White House Council for Jobs and Competitiveness, to be chaired by GE's Jeffrey Immelt. The President's new budget proposals also call for the creation of innovative mechanisms to do more with less, and emphasize the role of public-private partnerships and place-based innovation as critical catalysts in US job creation and competitiveness.⁵

In short, the wake-up call on deployment has been sounded both for the DOE, and by the DOE's Secretary Chu. The question is what exactly to do next.

Fundamentally, DOE will need to think through every aspect of its role in terms of how the entire ecosystem of Federal, state, local and private sector participants will work together to get the desired results. This is clearly not just about better technology solutions or Federal funding, but it is about thinking through for each solution how best to work together to get results. Many detailed questions will need to be addressed as DOE wisely considers revising its role in deployment, including:

1. Should DOE re-engage a regional structure to enable communities from locations beyond the Federal labs?
2. Should its role be limited to largely technical review and assistance on behalf of other agencies whose job it is to engage and build public-private-community partnerships?
3. Should the DOE engage deeply in creating collaborative public/private-partnerships among businesses, communities and government agencies across the US?
4. Should DOE limit its role to lab- and hub-focused research and re-program economic development funding for clean energy deployment and market transformation to other actors?

The Deployment Gap: Defining The Problems We Need To Solve

STEAB believes that the clean energy job creation and deployment gap results from a combination of the wrong policies with a lack of the right *implementation mechanisms* on-scene to engage state, city, business and community leaders in problem-solving beyond the Beltway. Understanding this context and what's missing is critical to defining the appropriate role of the DOE in deployment.

⁵ See, for example, the President's closing remarks at the Winning The Future forum held February 22, 2011 in Cleveland, Ohio. (<http://www.whitehouse.gov/the-press-office/2011/02/22/remarks-president-closing-session-winning-future-forum-small-business-cl>)

Many, many important economic challenges lie ahead for the US economy and for the DOE; suffice it to say here that there are four *systemic and persistent challenges* that demand urgent attention and new mechanisms if we are to effectively accelerate deployment and the transition to a stronger, 21st century foundation. We need to:

- Lift up young, job-creating companies, seed entrepreneurship, grow worker skills and dynamically re-think the Federal economic development pipeline to meet the challenges of the 21st century – to create not just small businesses but *new* businesses and *new* industries.
- Understand that start-ups alone won't define success; we must also build what Intel's Andy Grove calls job-centric, effective business eco-systems to drive the scaling of new businesses, new industries and US manufacturing opportunities that make economic sense.⁶
- Deeply engage the private sector as a critical solutions partner in addressing these systemic changes, or risk a continuing and negative narrative that these efforts are simply wasteful public sector programs -- rather than the next catalytic success in a long line stretching from the Erie Canal to the Internet.
- Recognize that public funds are limited and must be committed in ways that leverage private capital.

These challenges exist not only for the deployment of existing proven technologies that have not scaled, but also to the path from idea inception to new product development. In fact, we believe there are an important set of issues and implementation tensions that need to be resolved at DOE around how best to accelerate *innovation*, a key priority of Secretary Chu⁷. A competitive economy depends on infusion and embedding of technology, and successful technology implementation to *achieve* innovation means that not only must you invent in the laboratory, you must deploy that technology to gain benefits in economic productivity and thus, compete effectively.

⁶ Grove further notes: "Without scaling, we don't just lose jobs—we lose our hold on new technologies. Losing the ability to scale will ultimately damage our capacity to innovate." See Grove piece here: <http://www.bloomberg.com/news/2010-07-01/how-to-make-an-american-job-before-it-s-too-late-andy-grove.html> and discussion of regional economic ecosystems here: <http://www.eda.gov/NewsEvents/Speeches/NADOSpeech.xml>

⁷ Secretary Chu has spoken more to the innovation rather than the deployment issue recently here: http://www.energy.gov/news/documents/Chu_NationalPressClub112910.pdf

Resolving this tension with clarity is an important challenge for the DOE, and for its Federal and non-Federal partners in achieving the President's goals on jobs and competitiveness.

The Need for Bottom-Up Acceleration Mechanisms

Creating and scaling transformational clean energy jobs, industries and success stories is hard to do – it's even harder using stove-piped Federal and state programs and institutions. Too often individual entities – both public sector (eg, Federal, state and local governments) and private sector (non-profits, startups and established businesses) are acting alone or with only ad hoc coordination. Acting alone, they are unable to remove hurdles necessary for success. The deployment challenge is therefore much more than just creating better technology solutions, which has been a central focus of US DOE's efforts; it is taking responsibility for the end goal – deployed clean energy solutions at massive scale and the jobs necessary to create the solutions.

That's why it is critical that the DOE adopt a transformative goal of understanding and changing the entire deployment value chain to enable massive scale deployment of clean energy solutions. This work will require intentionally mapping out with all stakeholders -- state and local governments, business leaders, community leaders, community foundations and national foundations to clearly define value added roles and responsibilities, performance metrics and measurable expected outcomes around clean energy deployment and regional market transformation.

(1) The Narrative We Need

This work begins we believe with building a common lexicon. Right now, inside government and outside, all strategic partners are essentially operating as less than the sum of our parts. Large and separate economic policy silos – eg, “small business finance”, “clean energy”, “infrastructure and economic development”, “energy hubs and regional consortia” and “university R&D and commercialization” need to be better linked together into one integrated *jobs & innovation* effort for championing 21st century American competitiveness, with one narrative and shared lexicon.

Within DOE, an opportunity to do this exists within the new leadership in the “technology transfer” program and technical assistance programs now being ramped up, as well as through ARPA-E. These programs could move swiftly to develop clearer lexicon and cross-agency cohesion to enhance service and clarity from the perspective of the DOE's many “customers” – which include states, cities, counties, private grantees and universities, to name a few.

(2) Critical Policy, Implementation and Finance Gaps Also Need To Be Addressed

Just as a new, integrative narrative is needed to define collaborative efforts around clean energy deployment, we also need flexibility and new implementation and finance mechanisms to drive our economic transition.

The DOE may fail to meet its Sputnik moment on deployment if it doesn't actively engage with other Federal, state and private sector partners around efforts to fix a broken Federal economic development pipeline that directs billions in formula funding to well-intentioned programs that are often 40 years old -- and miss the target by failing to reach key companies ripe for job creation and commercialization.⁸

Can DOE achieve its goals simply using its labs and Washington DC headquarters as the sole deployment network? There are other assets. The government supports a long catalogue of efforts by the SBA, EDA, HUD, and other Federal agencies to promote community and clean economy planning, development and deployment. In time, many of these efforts must be pooled through new community centers for jobs and innovation, chartered to promote innovative, public-private job creation clusters and economic development.

These "acceleration networks" would connect entrepreneurs with those who have the resources to create companies, and connect these startups to the opportunities presented by other administration initiatives, such as the newly-announced Jobs and Competiveness Council chaired by Jeffrey Immelt, the National Export Initiative, Startup America, EDA's Jobs and Innovation Partnership, The President's proposal to create 20 Growth Zones⁹, and the Skills for America's Future announced in 2010 for community colleges. These centers also would connect job seekers with employment opportunities and training, and offer information and new incentives for companies to locally in-source the key components of their supply chains and workforce development. Restrictions under law that limit this approach need to be remedied. Policy must be aligned with the integrative strategies necessary to success.

⁸ One recent study calling for re-tooling the clean energy and economic development pipeline found that stimulus funds were not effectively reaching young companies, which multiple studies show create the most net new jobs. See The New Policy Institute, 2010 (The Acceleration Agenda, <http://www.newpolicyinstitute.org/wp-content/uploads/2010/09/AccelerationAgenda.pdf>)

⁹ The President's new budget proposal, released February 14, 2011, called for a new Growth Zones initiative to invest \$40 million to lever private/public partnerships that drive high-growth industries and markets. Building on its innovative 2010 call for creative jobs and innovation partnerships, EDA will lead a collaborative initiative with HUD, USDA and Treasury to accelerate 20 pilot sites split between urban and rural America. The Growth Zones will include \$2 million per site, plus targeted tax incentives replacing the old enterprise zone program.

The need for this initiative is imminent. In the near term, private sector and community foundations should be recruited to create “Go-Fast Centers” on their own in partnership with

Federal, state and local government sectors. A current working example is the Innovation Lab created by McKinstry in Seattle.¹⁰

Critical in any role will be the development of new performance metrics for DOE/EERE (see Task Force Table 2)

An immediate step for DOE to take would be to re-engage with the Federal Agency Task Force on Regional Innovation Clusters.¹¹

The President's new Growth Zone initiative (see footnote 9) also offers DOE another opportunity to accelerate job creation and eliminate deployment and bureaucratic barriers in 20 pilot locations.

Another specific first step that the DOE can take now is to connect more closely with USDA's Agricultural Extension Service, as recommended by STEAB Resolution 10-01.

(3) Recommendations of Additional Steps DOE Could Take to Strengthen Deployment

At our most recent STEAB meeting, a number of specific ideas were raised to accelerate deployment effectiveness. These include:

- In light of the President's call for 80% clean energy by 2030 and laudable, new efforts by DOE to develop a strategic plan to achieve this goal, ensure that stakeholder involvement in implementing the plan is continuous over time. Experience to date with integrated deployment systems suggests that multiple models will be needed to drive scale and market transformation.
- Create a centralized DOE Deployment Services Hub integrated with program offices and infrastructure at the state and local level. This could ideally include ASSERTI's idea of a new DAS for market transformation and deployment or re-visiting new regional office structure or deeper deployment partnerships with other Federal agencies who already have such on-the-ground reach.

¹⁰ <http://www.xconomy.com/seattle/2010/08/11/mckinstry-innovation-center-cozies-into-position-as-cleantech-%E2%80%98accelerator%E2%80%99-director-elsa-croonquist-on-what%E2%80%99s-next/>

¹¹ <http://www.whitehouse.gov/blog/2010/08/20/urban-update-regional-innovation-clusters>

- Develop more “market centric” performance measures within the DOE, e.g., number of companies created, jobs created, sales, market capitalization, investment leverage. The need for clear and specific performance metrics is especially acute for DOE’s labs in clarifying their mission in the 21st century to achieve desired outcomes from Federal lab investments.
- Work with DOE’s expanding Technology Transfer Office and ARPA-E to more closely connect technical assistance and technology transfer to the needs of state and local partners and to the work of the inter-agency Task Force on Regional Innovation Clusters.
- Encourage DOE to create a technology commercialization acceleration cookbook to help clean energy entrepreneurs and state/local officials accelerate their efforts and share their most successful recipes. Align DOE technical assistance and lab capabilities to support these efforts.
- USDOE should create a “SEE-like” action network for Renewable Energy to get more local /state/business input.
- Consider and implement STEAB resolutions adopted 6/20/07 and 9-01 and 10-01 and 10-02 with a renewed focus to include deployment.
- Identify and actively engage regional, state and local partner organizations.

Additional recommendations focused on longer-term agency improvements included:

- Make it easier to engage with the DOE and its programs. Remove unnecessary bureaucratic layers as much as possible. Get front-line feedback on what works and what doesn’t, i.e., improve the interface where the market engages.
- Conduct working sessions with state and local leaders and the private sector on ideas around the DOE’s role in market creation and expansion.
- Engage leading edge projects at the state and local level to conduct joint research and development around important issues, e.g., circuit-level reliability for large solar farm, better forecasting for renewables.
- Host state/local conferences or seminars to engage the community on DOE capabilities, technologies, and engagement rules.
- Prioritize technology within DOE that has the greatest potential for market creation and expansion for additional funding.

- Develop a client-focused service culture focused on intake and the needs of “clients” – eg, clean energy startups, Governors, utilities, cities, counties, etc
- Review/address deployment issues caused by separation of EERE v Office of Electricity.
- Identify the challenges and opportunities around regulatory innovation and alignment, a critical deployment issue that depends on aligning complex Federal-state regulations involving FERC, state PUCs and many other actors.
- In addition to creating research hubs and engaging with the President’s place-based Growth Zone initiative, consider the creation of special “Acceleration Zones” based on quantifiable performance standards¹² and key factors such as:
 - Completion of EDA regional job creation/cluster blueprints
 - Presence of public-private partnerships and Innovative Finance Mechanisms
 - Use of 21st century technology to document job creation and other metrics¹³

**Task Force Table 1
DOE and Deployment Partners: A Look at Roles**

Entity	Activity/Role	DOE’s Primary Engagement
DOE	Deployment Partner	
State Energy Offices	Market transformation, coalition building	Implementation
Local Government Organizations (Applied Solutions, ICLEI, etc.)	Market transformation, coalition building, location based investment	Implementation
Governors	Executive leadership, alignment of state and local support organizations	Development of regional deployment roadmap
Mayors and County officials	Facilitate partnership building within	Development of regional deployment roadmap

¹² Various performance standards are currently used in Head Start, substance abuse and mental health services administration and other programs (Examples at: NGA Center for Best Practices, The Government Performance of Results Act of 1993, and GAO Reports B-284548, 2/4/2000 and B-277438, June/1998, HUD CPD-03-09, 9/3/2003).

¹³ See <http://www.whitehouse.gov/open/documents/open-government-directive> for emerging national efforts and FreshwaterTrust.org and www.willamettepartnership.org for innovative new ecosystem credit accounting and streambank restoration tools.

	communities	
Regulators	Market rules and transformation	Regulatory Innovation
Universities	R and D alignment with deployment strategy	Tech transfer
ASERTTI and consortia	R and D alignment with deployment strategy	Tech transfer
EDA, SBA	Seed funding, development of regional clusters, training	Technical review
Private sector, utilities and energy efficiency officials	Project development and finance	Development of regional deployment roadmap and financing, etc.

**Task Force Table 2
Possible Metrics for EERE-Focused Energy Deployment**

Activity	Current Metrics (R & D focus)	Supplemental Metrics (Deployment focus)
Tech development	\$/watt	Incr. in % tech jobs created Percentage of program budget devoted to deployment
Tech development	Conversion efficiency	BTU/\$ output GDP improvement
Program delivery	% \$ contracted	# of satisfied state and local entities
Program delivery	Treat states as grantees	Treat states as co-equal partners
Economic Performance	# lab technologies commercialized	# clean tech companies created
Economic Performance	# of contracts issued	# of public-private partnerships created
Innovation	# of patents issued	# commercial products in market
Transparency	# web sites created and info posted	New culture of openness created
Market transformation	# TAP assistance grants provided	# of clean energy businesses delivering new products and services
Collaboration	Meetings and conferences, R and D awards	# of strategic partnerships created

This Task Force Report was approved and adopted by the US State Energy Advisory Board Meeting on February 23, 2011.

Members of **STEAB's Market Transformation and Deployment Task Force:**

Phil Giudice, Commissioner, State of Massachusetts, Chair

Dan Carol, NDN/New Policy Institute

Cris Eugster, CPS Energy

Maurice Kaya, Hawaii Renewable Energy Development Venture

Steve Vincent, Avista Utilities

Dan Zaweski, Long Island Power Authority

Appendix J: Lab Task Force Letter to Lab Directors



May 4, 2011

Dr. Thom Mason
Director
Oak Ridge National Laboratory
P.O. Box 2008
Oak Ridge, TN 37831

Dr. Mason:

The State Energy Advisory Board (STEAB) is a Federal Advisory Committee within the Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE). The Board is mandated by Congress to advise on research, energy efficiency, and renewable energy programs, as well as encourage the deployment and technology transfer of different EE and RE activities. Over the past several years the Board has met at various National Laboratories to review and understand ongoing research and encouraged collaboration with the State and other private entities to facilitate the transfer of technology out of the Lab system and into the marketplace.

At the last meeting of the STEAB, the Board formed a National Lab Task Force to review the deployment, technology transfer, and market transformation activities occurring at each National Lab. While the STEAB works closely with DOE's Commercialization Team, the Board does not have a strong understanding of the different types of deployment activities occurring within the Lab structure. The STEAB is aware of the breakthroughs and strides occurring at the Labs, but is seeking information about what types programs or initiatives National Labs are undertaking to get newly developed technology out of the research stage and into the hands of consumers and private business.

With that in mind, the National Lab Task Force is reaching out for a report or listing of current deployment and commercialization activities occurring within ORNL. These types of activities could include anything such as informational webinars, exhibitions, CRADA's, grant programs, or other initiatives. This information will greatly aid the Task Force as it determines best-practices for deployment activities, as well as will provide a better understanding of the barriers in the marketplace which limit the widespread acceptance of newly developed EE and RE technologies.

The STEAB is aware that many Labs have developed robust websites to provide information and opportunities for direct deployment assistance; however, the Board is looking to gain a more robust understanding of deployment assistance activities occurring across the Labs. While the information on websites such as the Technology Portal provide access to market-ready technologies and marketing summaries, we are specifically looking for information regarding outreach and partnerships with organizations or individuals outside of the Lab. With regard to technology transfer, the Board is specifically looking for information about how State Energy Offices and other economic development organizations can work with the Labs to be effective partners in technology transfer efforts.

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As Chair of the STEAB, I thank you for your assistance in the gathering of this information. Should you have additional questions or concerns please feel free to contact me at janet.streff@state.mn.us or reach out to our contractor support at Emily_Lindenberg@sra.com.

Sincerely,

A handwritten signature in black ink that reads "Janet Streff". The signature is written in a cursive, flowing style.

Janet Streff, Chair
State Energy Advisory Board

Appendix K: STEAB Strategic Direction Comments to DOE



March 25, 2011

The Honorable Steven Chu
Secretary of Energy
Office of the Secretary
S1/Forrestal Building
U.S. Department of Energy
1000 Independence Ave., S.W.
Washington, DC 20585

Secretary Chu:

On behalf of the State Energy Advisory Board (STEAB), we would like to thank the U.S. Department of Energy (DOE) for creating this draft Strategic Plan to help answer the energy, security and environmental issues facing the United States. The draft of the plan highlights areas of focus which have been the topic of discussion at many of the STEAB meetings, as well as the objectives of several of our Task Forces. Our thanks go to you and the Department for the hard work it took creating a plan of this scope.

In response to the request for feedback, STEAB reviewed the draft Strategic Plan and identified a few areas where we would like to offer suggestions. 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. It is with these goals in mind that the Board took a thorough and critical look at the draft Strategic Plan.

The Board was pleased to see the focus on moving the United States toward a clean energy economy; however, while the use of "clean energy" was prevalent, the Board felt there was a distinct lack of definition for this term. Since it is used so often in this document, the STEAB suggests that DOE develop a clear definition of what "clean energy" means both to and for this country.

Additionally, in the section labeled "Leverage Partnerships to Expand Our Impact," members of the Board are concerned that this section is noticeably absent of the "targeted outcomes" specified for most of the plan's strategies. Without clear deliverables, there is a possibility that insufficient effort would be devoted to this vital opportunity for engagement with a broad range of stakeholders. STEAB encourages DOE to develop specific "targeted outcomes" for this section and is willing to assist. All "targeted outcomes" should ensure that economic equity and energy affordability concerns are incorporated.

Also, within the "Interagency Engagement" subsection on page 24, the Board noticed a long list of agencies with which DOE currently coordinates efforts; STEAB believes this list should include the U.S. Department of Agriculture (USDA). USDA, through the National Institute of Food and Agriculture (NIFA), is affiliated with the Cooperative Extension Service (CES), which is the major educational outreach agency of land-grant universities. CES's history of consumer trust and strong community partnerships could help provide cost effective and rapid adoption of energy efficiency and renewable energy practices across the United States. This is the subject of the STEAB's Resolution 10-01, which was submitted to then Assistant Secretary Cathy Zoi in January of 2010. In addition, USDA's Renewable Energy for Rural Development is another important state-federal energy initiative that could benefit

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from greater cross-agency collaboration. STEAB suggests that one of the “targeted outcomes” of this section should be the development of a DOE/USDA Memorandum of Understanding (MOU) that formalizes a partnership between the State Energy Program (SEP) and CES by 2012 in order to facilitate energy efficiency and renewable energy education.

While much emphasis in the Strategic Plan is placed on accelerating DOE’s research and development (R&D), STEAB believes the plan falls short in linking to market needs or market deployment. Overcoming the span from applied R&D, demonstration, market transformation, and commercial success, is not mentioned. Ensuring the research that DOE conducts is relevant requires public-private partnerships beyond the “contract-oriented” collaboration that occurs among private and public sector researchers. The STEAB, with its legislative mission focused on technology transfer, created a Deployment Task Force which spent considerable effort in FY 2010 and thus far in FY 2011 researching, analyzing and creating a white paper which speaks specifically to DOE’s role in accelerating job creation and clean energy deployment. This paper is available for review on our website at <http://www.steab.org/publications.htm>.

An excellent means to tap into the marketplace and leverage existing resources is through state policy and program investments – particularly given the proximity of state energy officials to the marketplace. States are an extraordinary resource in achieving the DOE’s stated mission of “Catalyzing the timely, material, and efficient transformation of the national energy system . . .” For example, the many state-level renewable energy portfolio standards are the primary means by which the wind industry, with federal and industry R&D support, evolved from an expensive, low-value resource to the efficient, competitive industry that now exists in the United States. Without supportive state policies and programs that open and encourage market development, this would not have occurred even with the federal production tax credit. It is the combination of federal, state, and industry R&D investments, as well as state level policy and programmatic support (e.g., the nation’s first wind resource study was done by a state), that catalyzed advances in the renewable energy sector.

The technologies developed by federal, private, and state researchers require a feedback loop and connection to the marketplace, just as the market requires innovation. Resources are far too thin and the challenges of transforming our energy markets are far too great for the federal government, a single agency, or a single company to achieve this goal without the aid of the states. STEAB encourages DOE to address the issue of market deployment and transformation in collaboration with the nation’s businesses, industries and the states.

STEAB thanks you again for allowing the Board to offer its suggestions to DOE’s Strategic Plan. Please do not hesitate to reach out to me should you have additional questions or comments about any of the above. I can be reached at janet.streff@state.mn.us.

Sincerely,

Janet Streff
Chair, State Energy Advisory Board

Appendix L: EECBG Sub-Committee Information

EECBG Sub-Committee

Operating Notes EECBG Sub-Committee

“Energy Efficiency and Conservation Block Grant (EECBG) Sub-committee”, to operate under the oversight of STEAB. This will enable the EECBG Program to fulfill its regulatory requirement of 42 USC 17153(f), which directs the Department of Energy to establish a State and local advisory committee to advise the Secretary regarding administration, implementation, and evaluation of the EECBG Program for the duration of the EECBG Program.

Objectives: The EECBG Sub-committee objectives will be to:

1. Make recommendations to the Assistant Secretary for Energy Efficiency and Renewable Energy on the goals and objectives of the EECBG Program;
2. Make administrative and policy recommendations to improve the EECBG Program;
3. Serve as a liaison between the EECBG recipient Cities, Counties, Tribes and States and the Department of Energy on the EECBG Program;
4. Encourage transfer of the results of the EECBG activities carried out by the Federal Government; and
5. Report on the activities carried out by the EECBG Sub-committee in the previous fiscal year.

Membership: The EECBG Sub-committee will consist of a minimum of six (6) members, plus the EECBG HQ Federal employee, currently Mark Johnson, as the Chairperson. Members will be geographically diverse with not more than one person from the same State, along with gender and ethnic diversity. Should the Sub-committee continue to function for more than three years, STEAB will evaluate individual members before terms are further extended.

Meetings: The EECBG Sub-committee proposes to meet in-person twice per fiscal year, with conference calls as necessary. Given that the group is a sub-committee to STEAB, they are able to meet without any public notice.

Actions and Reimbursement: All actions of the EECBG Sub-committee will be presented to STEAB for their concurrence prior to being acted upon, and all costs associated with the sub-committee are to be borne by the Office of Weatherization and Intergovernmental Programs.

Adopted by the STEAB on June 10, 2010

EECBG SUB-COMMITTEE

June 2010

Objective:

The Energy Efficiency and Conservation Block Grant (EECBG) Sub-committee will operate under the oversight of the State Energy Advisory Board (STEAB). This will enable the EECBG Program to fulfill its regulatory requirement of 42 USC 17153(f), which directs the Department of Energy to establish a State and local advisory committee to advise the Secretary regarding administration, implementation, and evaluation of the EECBG Program for the duration of the EECBG Program.

Members:

The Sub-Committee is comprised of the following members:

Donat, Ted (Washington, DC) - Ted Donat has been with the Block Grant program for nearly a year. Prior to serving as Acting Program Lead, Ted served as Lead for Field Operations and Monitoring Compliance. Before coming to DOE, Ted worked in high-tech for 13 years, most recently at Internet Security company Symantec, where he spent 9 years. Ted has an MBA from Columbia Business School.

Estell, Roy (Atlanta, GA) - Roy J. Estell is the Asst Director of Program Services - General Services Department Fulton County, Georgia. Currently has leadership responsibility for the county's DOE EECBG grant, consulting role to the county's "Green Team", lead responsibility for benchmarking energy efficiency and conservation performance outcomes and conducting analysis and interpretation of energy related trend data. He works closely with the facility engineering group to identify energy saving opportunities and to seek funding, including grant writing, to implement strategies consistent with energy conservation. He participates as the jurisdictional representative to the Atlanta Regional Commission which examines regional energy related issues, needs and potential areas of collaboration. He has a BA from Talladega College, an MSSA from Case Western Reserve University and an MPA from Georgia State University.

Fyfe, Angie (Denver, CO) - Angie Fyfe is the Colorado Governor's Energy Office (GEO) Local Program Manager. In this role, Angie ensures that energy efficiency and conservation strategies and renewable energy technologies are implemented at the community level across the state. Angie has also served as the GEO Greening Government Program Manager, where she lead activities to reduce the environmental impact of state government operations. Under her management, the state reduced its petroleum consumption by more than 11% over two years, developed an environmentally preferable purchasing policy, and implemented energy and water conservation and efficiency projects. Angie is a LEED Accredited Professional and graduated from the University of Colorado with a degree in Finance. She is a recipient of the 2006 State's Top Achievement Recognition (STAR) creativity award and a graduate of the National Renewable Energy Laboratories 2008 Energy Executives Program.

Angie is a member of the Women in Sustainable Energy (WISE) Advisory Board. Prior to her state government experience, Angie worked in a large corporate environment and as an entrepreneur.

Johnston, Peter (Phoenix, AZ) – Peter Johnston was born and educated in England. He received his Bachelors of Science degree in Electronic Engineering at Leeds University and his Master’s and Doctorate degrees in Plasma Physics at Sheffield University. His job as a vacuum tube engineer with the English Electric Valve Company brought Peter and his family to the USA in 1982, where he joined Richardson Electronics. An opportunity in 1993 took Peter and his family to Phoenix, AZ, where he took over the management of the Research and Development department of Arizona Public Service Company (APS), the largest electric utility in Arizona. At APS, Peter’s department was responsible for the development and deployment of renewable energy technologies – including biomass, wind, geothermal, and the installation of over 6 MW of solar PV and solar thermal generating systems. Peter also managed the internationally recognized Solar Test and Research (STAR) facility, and Peter was a joint creator of the award winning “Road to Renewable Energy” education program aimed at fourth to seventh grade school students. Additionally, Peter’s department installed the country’s third hydrogen vehicle refueling station in downtown Phoenix and took a leadership position in the development of “future fuels”, such as bio-diesel derived from algae grown from power plant emissions. In 2008, Peter joined Burns and McDonnell Engineering Company as a Project Manager focused on the development of clean and renewable energy projects.

Klemm, Aaron (Huntington Beach, CA) – Aaron Klemm has 15 years’ experience in energy management and sustainability. He is a graduate of Prescott College with a Bachelors degree in Sustainable Community Development and an MBA (2011) at CSU Long Beach. He currently serves as the Energy Project Manager for the City of Huntington Beach responsible for developing Huntington Beach's energy and sustainability management programs. Prior to joining Huntington Beach, he was CSU's Energy Program Manager responsible for CSU's portion of a \$38M UC/CSU/Investor Owned Utility (IOU) energy efficiency partnership. During this time he was responsible for reviewing and commenting on over \$100M of investment grade assessments in support of CSU's Energy Services Agreement performance contracting program. The balance of his experience is in the private sector.

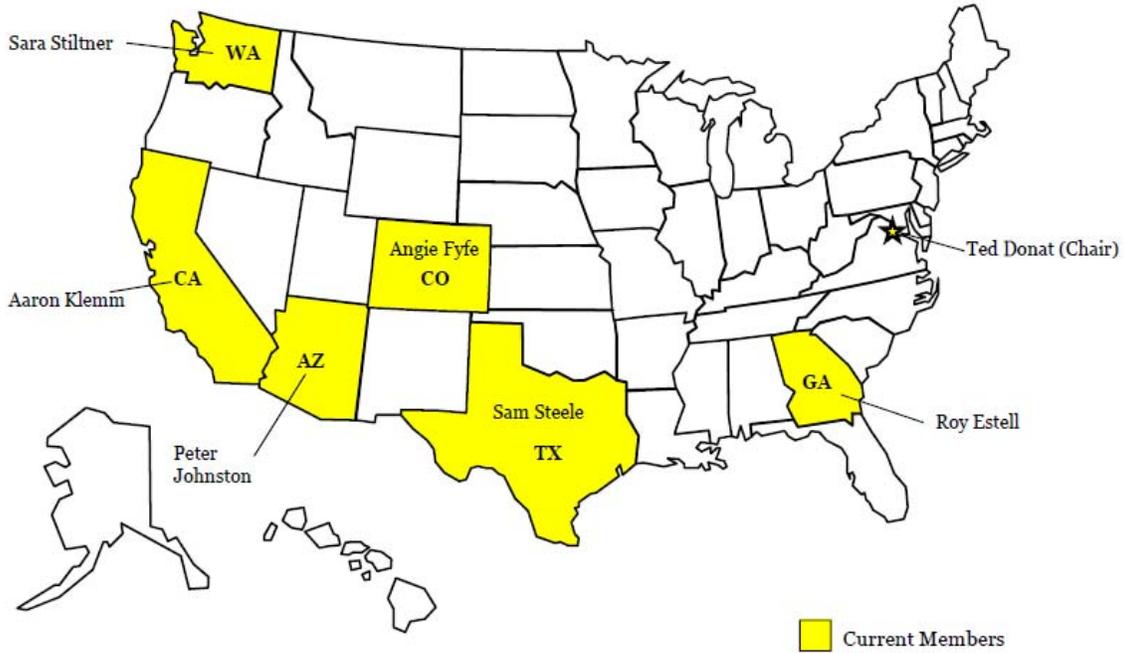
Steele, Sam (Ft. Worth, TX) – Sam Steele has worked over 25-years in service of energy & water conservation efforts both domestically and internationally. He currently serves as the Sustainability Administrator for the City of Fort Worth. In this role he manages the City’s Conservation Program through development, implementation, and performance phases for City resource conservation projects to improve City facility operations & maintenance and better manage resource demands, usage and costs. As part of this program, he also manages a Senior Contract Compliance Specialist and a Conservation Specialist, both dedicated to, and funded by, the City’s EECBG award. Mr. Steele’s

previous employment experience includes serving as Project Developer for Energy Services Companies, Plant Engineer for a New York State “Big Five” City School District, Energy Engineer for a international utility consultant, Mechanical Engineer for consulting engineering firms, and Field Mechanic for mechanical contractors. His educational degrees include a Bachelor of Science in Energy Engineering from the Rochester Institute of Technology and an Associate of Applied Science in Air Conditioning Engineering Technology from the State University of New York (SUNY) Agricultural & Technical College at Alfred.

Stiltner, Sara (Seattle, WA) – Sara Stiltner has eight years of conservation experience manifested in a variety of settings. Sara has four years of direct experience with emerging energy efficiency and renewable programs. While supporting organizations such as Puget Sound Energy and Seattle City Light, she has worked hand in hand with residential and commercial customers, specifically educating them about how to optimize their building envelope, partner with trade allies to facilitate energy reduction retrofit projects, and participate in rebate programs. In her four years in the Environmental Health and Safety department at Gilead Sciences, she worked with facilities, researchers, and outside agencies to maximize environmental compliance in Gilead’s hazardous waste management, industrial hygiene, energy management, radiation and biosafety programs. As a consultant to biotechnology firms and non-profits, Sara designed policies, information systems, and engagement strategies to advance environmental responsibility and operational efficiency. Sara attended the sustainable MBA program at Bainbridge Graduate Institute, with a focus on community economic development and clean energy solutions. Her undergraduate degree is in Physics from Mount Holyoke College.

EECBG Sub-Committee Membership Map

Current Membership As of September 2011



***ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT
SUB-COMMITTEE RECOMMENDATIONS***

*Recommendations from the most recent EECBG Sub-Committee meeting held on
September 14th, 2011 in Atlanta, GA are noted below.*

<i>RECOMMENDATIONS</i>
<ul style="list-style-type: none"> • Year One – Seed Money based on expected potential - Out-years are performance based • Create a national/regional EE loan facility. Potential vehicles include: Infrastructure bank model , Community banks or credit unions , Regional QECBs • Connect local governments with academia: City/University Partnerships, DOE should cite examples on the EERE website of how state, local, academia and industry interacted to make an impact, What are the best practices, case studies? • Better branding for energy efficiency and public relations. Create an iconic brand for energy efficiency: Combat bad press surrounding the stimulus, Highlight indirect jobs, Expand the success story beyond speed of deployment, jobs and dollar value spent, Highlight community impact and ancillary societal benefits.

*Recommendations from the EECBG Sub-Committee meeting held on June 15, 2011 in
Denver, CO are noted below.*

<i>RECOMMENDATIONS</i>
<ul style="list-style-type: none"> • It is important to have a measurement and verification structure in place immediately so that information can be gathered from grant recipients prior to the closure of their programs and their administrative offices. • Create a searchable database collection of EECBG closeout profiles that can be used as a future resource for project planning. Resource information should include items listed on grantee EECBG Activity Worksheets, as well as second-tier information, as available, such as Building Project Type (e.g. roofs, windows/doors, lighting, HVAC, water); Funding Source/Amount (e.g. grant, leverage, financing); Incentive Source/Amount. • There is an administrative burden for grant recipients related to responding to government agency audits. The EECBG Subcommittee would like to encourage information sharing among GAO, IG and DOE in order to reduce duplication of effort for grant recipients. • Have DOE reconsider the value of capturing indirect jobs in addition to direct jobs and provide guidance in establishing a framework process across EECBG grant recipients. • Request that DOE create a resource that would be easily accessible to grantees, listing subject matter experts and their contact information for assistance and relationship building. This resource would be beneficial beyond its ARRA application and would help to maintain technical assistance capabilities.

*Recommendations from the EECBG Sub-Committee meeting held on **March 16, 2011** in Phoenix, AZ are noted below.*

RECOMMENDATIONS

- Create broad templates addressing how things are working in terms of EECBG Projects in different regions, and what community concerns are, in order to develop a comprehensive algorithm which can assist grantees in determining which types of projects may be more successful for a given community. Additionally, this information should be compiled as an online resource and made available publicly in an effort, encouraging the marketplace to embrace this information and to apply it in the private sector and in other grant projects.
- Finalize the promise to unify the OMB & the DOE reports on EECBG.
- Decrease EECBG reporting frequency.
- Ensure communities are not reinventing the wheel by capturing documentation when there is turn-over at the local level in terms of EECBG managers or other city officials. Over the long-haul, the ability to retain personnel with energy efficiency expertise is a key to EECBG success and its broader intent.
- Focus on regional cooperation to maintain sustainability of programs and institutional knowledge.
- Short-term money is needed immediately to help some of these projects to completion, as long-term openness, shared knowledge, and opportunities are keys to sustainability.
- Ramp-up staffing if a program like EECBG occurs again; money was available quickly, but many grantees had to wait for a long as a year before taking action because the staff wasn't there to get to them.
- Encourage grantees to single-out organizations with strong ties to a community of people (e.g. churches, neighborhood & community action organizations), allowing them to be grantee, and leading by example in community with regard to EE/RE activities.
- Create a mechanism for DOE/Federal Government/Congress to have an endangerment finding showing utility data confidentiality is endangering the future of the nation and/or humanity; this group should support ANSI/ASTM developing a protocol to require disclosure.
- Start training and educating elementary school children to think about the future in terms of energy choices including, fossil fuel alternatives, and other non-sustainable types of energy.
- Focus future initiatives on technology development to "build a better mouse-trap."

*Recommendations from the previous EECBG Sub-Committee meeting held on **November 17, 2011** in Huntington Beach, CA are highlighted below.*

RECOMMENDATIONS
<ul style="list-style-type: none"> • Ask the DOE Technical Assistance Team to conduct quantitative and qualitative analysis of completed EECBG projects and use the results to investigate why certain programs are working and others are failing (is it due to local conditions, economic conditions, etc.). The Technical Assistance Team would then report their findings to the EECBG Sub-Committee. The Sub-Committee will use that information to make EECBG programmatic recommendations to STEAB, and thus ultimately EERE Senior Staff. • Due to the fact that so many States will have new Governors, Congressional and Senatorial representatives in 2011, the Sub-Committee recommends an EECBG briefing for newly elected officials. • Investment in Solar Purchase Power Agreement (PPA) with EECBG funds can be used to leverage other funding and stimulate the local economy. Communities can use EECBG funding up front, and then encourage the leveraging of other funding to give the best value to taxpayers.

*Recommendations from the EECBG Sub-Committee meeting held on **August 11, 2010** in Seattle, WA are highlighted below.*

Issue	Recommendations	Technical Assistance	Business Intelligence	Communications
EECBG Management	Overall management of this grant program should be improved.	Agreed. Regional Coordinators in the Technical Assistance Program have become a tremendous asset to project officers, providing programmatic and technical support to grantees.	The focus of management is on ensuring projects make progress towards completion and grantees are on track to meet the costing target of 50% by 6/30/11. Additional objectives are monitoring and minimizing waste, fraud and abuse. Finally, grantee programmatic metrics including jobs, financials and performance metrics are critical.	n/a
	Communities need more consistency in the assignment of project officers. One Colorado community indicated it has now been assigned to the fifth P.O.	n/a	While there were early assignment changes of project officers, all roles are filled and there will be minimal changes to assignments.	n/a

Issue	Recommendations	Technical Assistance	Business Intelligence	Communications
	<i>Must reporting occur in both PAGE and Federal Reporting? Could one system handle a grant?</i>	<i>n/a</i>	<i>Yes, there are DOE requirements (in PAGE) and OMB requirements (in FR.gov). It is possible to report into PAGE and export values into FR.gov to minimize duplications. Go here for details: http://www.page.energy.gov/Help/PAGE_Help.htm</i>	<i>n/a</i>
<i>Stories are run as “feel-good” to the public rather than discussing the “money.” No emphases on the money being allocated and at what amounts.</i>	<i>The stories themselves are a result of the funding, and the funding from ARRA is what should be highlighted, not the “feel-good” story for the public.</i>	<i>n/a</i>	<i>n/a</i>	<i>To date, EECBG grantees and project officers have submitted over 160 EECBG story leads, which have resulted in 100 stories that are now online, 20 percent of the total content of the EE website. In many cases, submitted leads and estimates of job creations and energy savings have not held up to additional scrutiny. As larger projects are started, we will have a better mix.</i>
<i>DOE not appropriately “selling” successes and accomplishments of the EECBG program.</i>	<i>Work with another agency or group to create a website which properly showcases the EECBG program and its successes. Create compelling multi-media (videos) to tell the story in relatable terms to the population about the great work EECBG’s enables.</i>	<i>The Technical Assistance Program has staff dedicated to creation of media kits and feeding success stories to Energy Empowers, which has just posted the first EECBG video, see http://blog.energy.gov/blog/2010/09/27/recovery-act-lighting-streets-philadelphia.</i>	<i>Visit www.energyempowers.gov</i>	<i>DOE is producing an initial run of five short videos to showcase the various ways that communities are using their EECBG funds. We are also providing content suggestions and promoting video projects that have been completed by grantees on Energy empowers and YouTube. The Allen, TX YouTube video is a good example of this.</i>

Issue	Recommendations	Technical Assistance	Business Intelligence	Communications
	<p>Going forward, it sure would be nice if the EECBG program continued to be funded so we had a revenue stream we could count on and plan for, similar to CDBG. We've been reluctant to spend the money on any programs that would be on-going, since we do not have local dollars to contribute.</p>	<p>The Technical Assistance Program has staff dedicated to sustainable actions that recipients can take for programs that endure beyond ARRA.</p>	<p>We're focused on demonstrating the success of the program to showcase the work of the EECBG program. Any assistance in doing so is appreciated.</p>	<p>n/a</p>
<p>Lack of local expertise and assistance available to communities.</p>	<p>State Energy Offices or Regional Energy Management Offices - Create case studies, best practices and recommend that recipients w/o energy management expertise form or join Regional Energy Management Offices, or that EECBG recipients of a certain size (perhaps less than \$500,000 award) be managed by the State Energy Office. These offices provide public sector energy management expertise at a scale that is responsive to local practices and budgets but at a large enough.</p>	<p>The Technical Assistance Program created the Regional Coordinator Team specifically to provide a regional framework that works with local recipients. In September, the first of a monthly regional call series kicked off, encouraging peer to peer exchange among recipients. TA is building off these calls with regional events.</p>	<p>n/a</p>	<p>n/a</p>
<p>Grantees spend a lot of time on clearing issues which are later refined or mitigated by a SOW. No guidance regarding which T&C should be part of our contracts other than we should include Davis-Bacon and Buy American, as applicable.</p>	<p>More guidance and assistance needed from DOE on the front end in order to mitigate these issues which take up time and money for the grantees and cause them to then seemingly fall behind with the "spent" vs. "contracted" funds.</p>	<p>The regional coordinators have provided calls with over 1,000 grantees specifically to address these issues. Project officers have handled the other recipients. We also have codified EECBG guidance on the Guidance webpage, so everyone has access to official positions on various topics.</p>	<p>Guidance is regularly updated on the OWIP webpage. In the past few months, significant guidance has been released on reporting requirements, draw down and procurement procedures, Davis-Bacon and Buy American. These are supplemented with webinars, FAQ's and a help desk.</p>	<p>n/a</p>

<i>Issue</i>	<i>Recommendations</i>	<i>Technical Assistance</i>	<i>Business Intelligence</i>	<i>Communications</i>
<p><i>The ongoing conversations about “obligated funds to grantees which are not yet noted as “Spent” or “Contracted” by DOE”. Updating Project Officer weekly, yet still the same questions are asked. Duplication of effort to report via computerized program and still have to complete/keep revising a “spend plan.”</i></p>	<p><i>Would be much more productive to do “spend plans” as we finalize contracts. Until contracts are finalized, it is difficult to report numbers to DOE which are so preliminary in nature. DOE needs to understand that until contracts are finalized, reporting is difficult and cumbersome for States.</i></p>	<p><i>n/a</i></p>	<p><i>We plan to focus on spend plans in the next quarter in order to minimize the number of times information is requested.</i></p>	<p><i>n/a</i></p>

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