

U.S. DEPARTMENT OF
ENERGY

Office of
**ENERGY EFFICIENCY &
RENEWABLE ENERGY**

MAXIMIZING FINANCING PROGRAMS

Sharon Gill, SEP Project Officer, Golden

State Energy Program
August 13, 2019



BACKGROUND ON ARRA PROGRAMS

37 grantees capitalized financing programs using ARRA funds. Final ARRA funding for financing programs was \$684,866,389.

➤ **35 grantees created Revolving Loan Funds.**

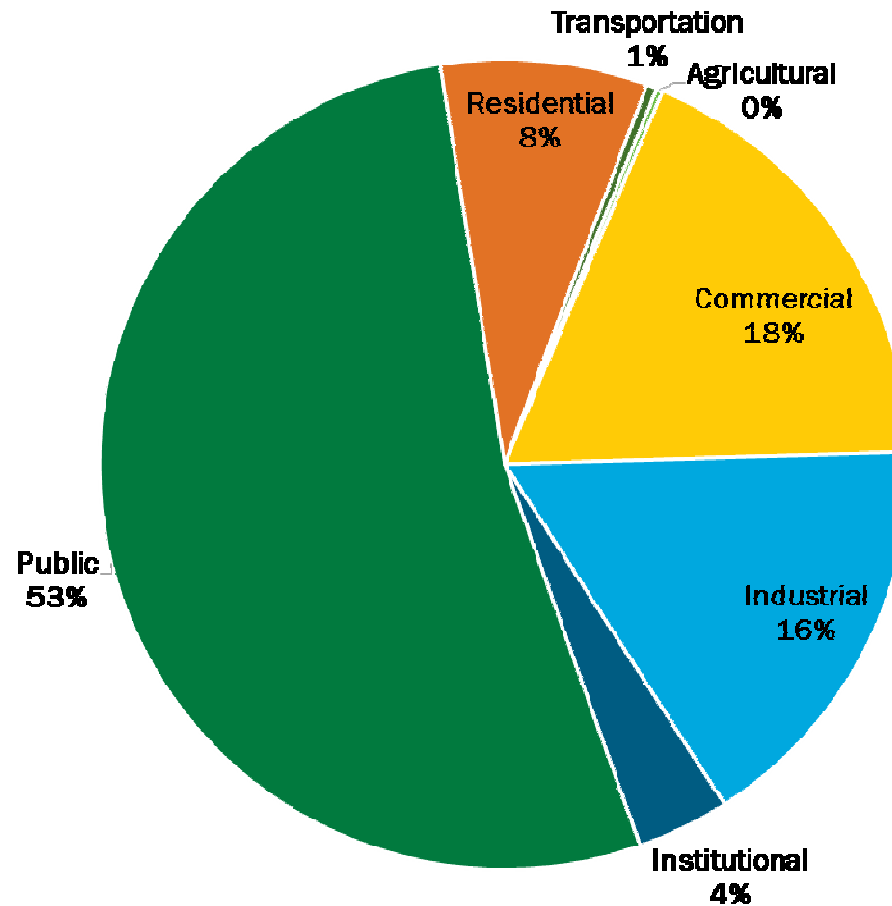
- Total capitalization was \$582,148,578.
- 5,264 loans totaling \$705,502,949 have been made.
- 2,165 loans totaling \$144,120,386 have been fully repaid.
- Only 77 defaults and 84 write offs have been reported.

➤ **9 grantees created Loan Loss Reserves.**

- 5,649 loans totaling \$101,579,178 are supported by LLRs.
- Only 37 loans totaling \$343,499 have been written off.

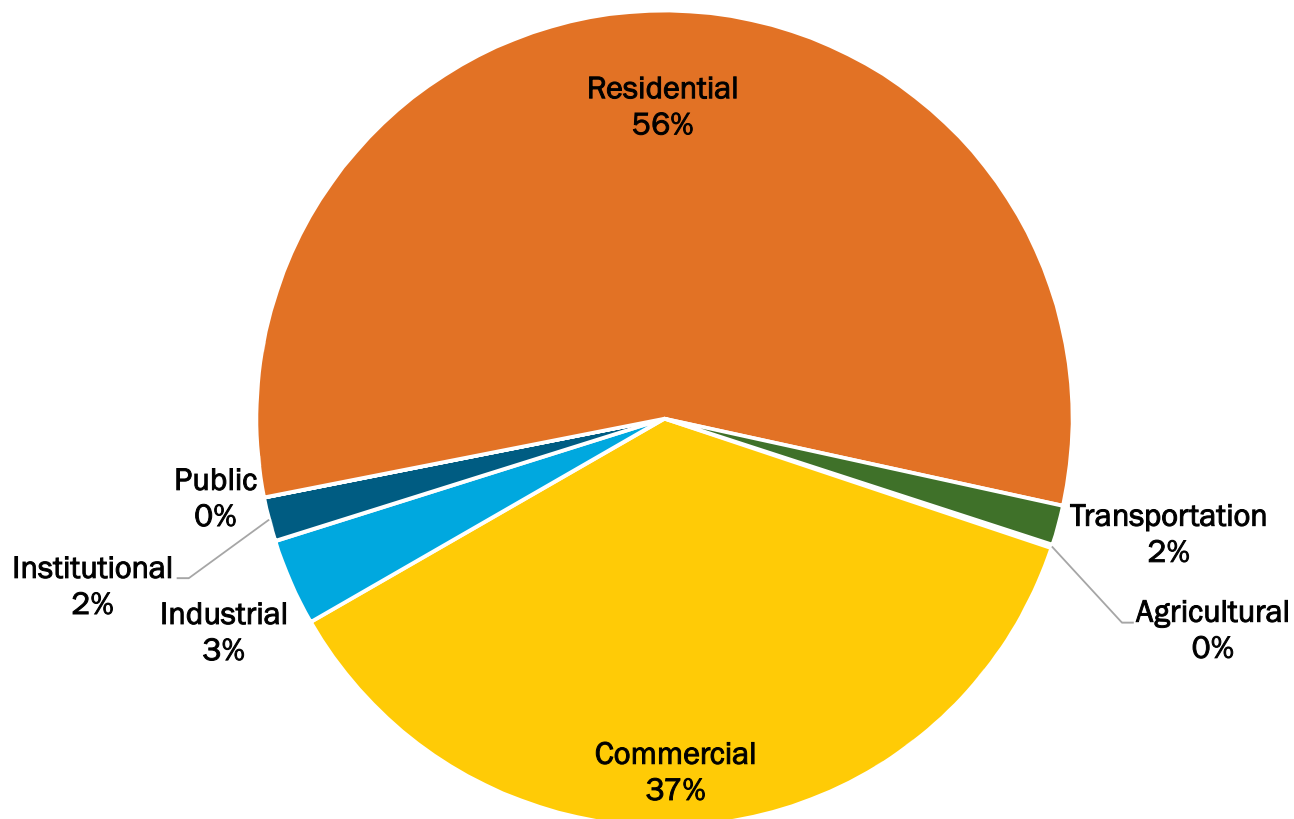
OVERVIEW – ARRA REVOLVING LOAN FUNDS

Loan Recipient Sector, by Loan value



OVERVIEW – ARRA LOAN LOSS RESERVES

LLR Recipient Sector, by Loan value



FLOWDOWN REQUIREMENTS FOR ARRA REVOLVING LOAN FUNDS (RLF)

- Individual NEPA project reviews are not required if an SEO established a DOE approved NEPA bounded categorical exclusion (CX).
- NEPA is required for all projects if no CX was established and approved.
- All projects are to consider the effects on historic properties and need to be coordinated the State Historic Preservation Agencies, or in accordance with the SEO's established Programmatic Agreement (PA).
- Buy-American continues to be a requirement for public buildings or public works projects. No new waivers will be issued by DOE.
- Davis-Bacon applies if the project is for construction, alteration, maintenance or repair.

CONTINUING OVERSIGHT OF ARRA FUNDS

ARRA Federal funds used to capitalize a RLF, LLR, and IRB will all maintain their federal character in perpetuity. This applies to repurposed funds as well.

- **This includes :**
 - after the end of the period of performance of the ARRA award,
 - funds that have revolved and available to loan out again,
 - flow down requirements include NEPA, Historical Preservation, Davis Bacon and Buy American provisions.
 - PAGE quarterly reporting in the Financial Program Reporting (FPR) section.

ANNUAL SEP FORMULA FUNDED FINANCING PROGRAM FLOWDOWN REQUIREMENTS

Annual Formula Funds -

- NEPA review is only required if the project funds activities that exceed the NEPA categorical exclusion (CX) listed in the Annual Formula Grant Guidance.
- All projects are to be coordinated the State Historic Preservation agencies.
- Buy-American and Davis-Bacon are not applicable to the formula funds.

REPORTING OF ANNUAL FORMULA FUND RLFs

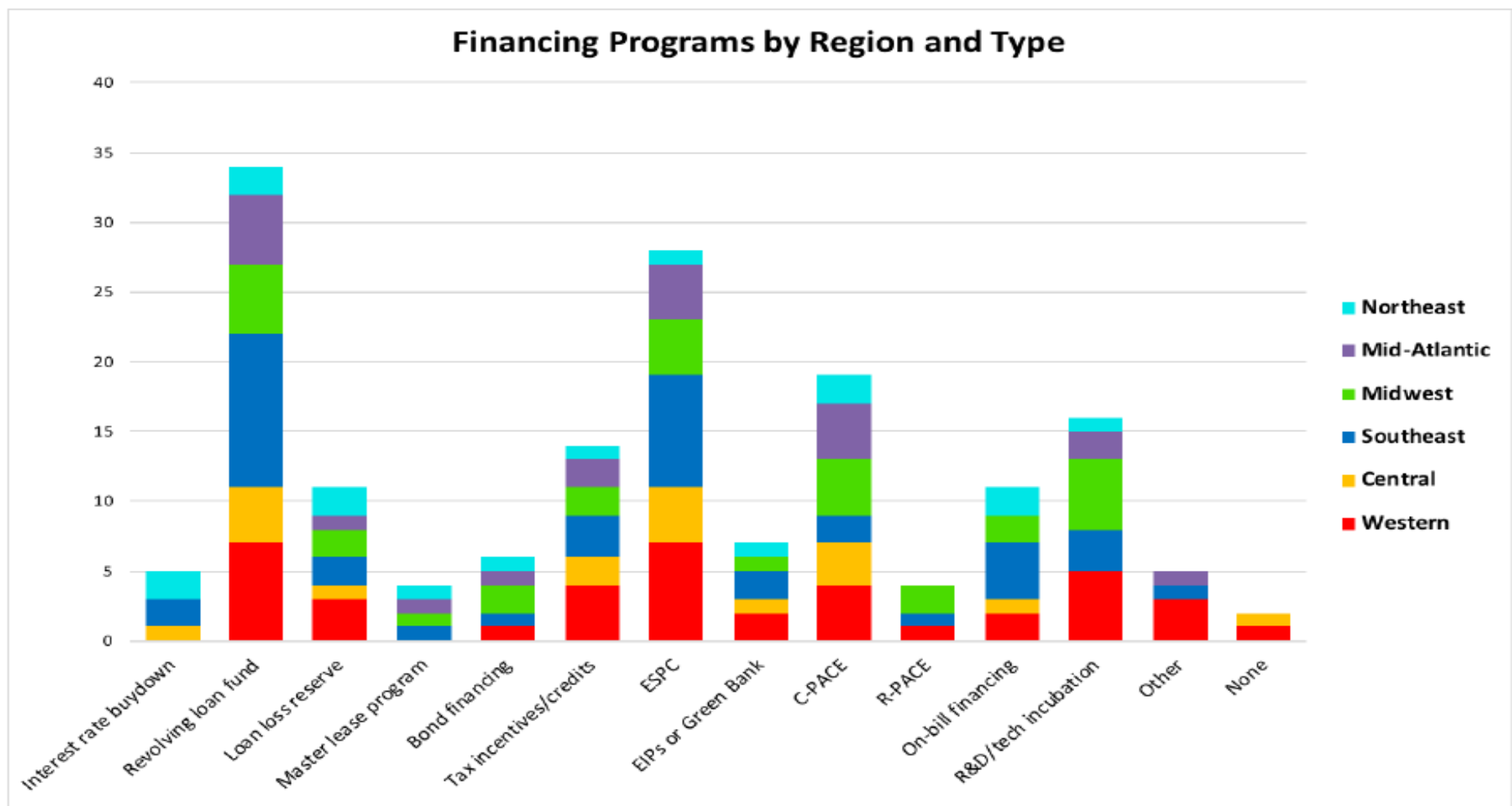
- Current RLFs and financing programs are reported in PAGE quarterly in the Quarterly Performance Report (QPR) and will include the funding amount and the applicable metrics.
- If an RLF was established in a prior year grant award, a zero market title should be entered into the current Annual File and reporting will be limited to metrics and narrative descriptions of your RLF activities. No funding can be entered due to the fact that prior year Federal funds cannot be co-mingled with current year Federal funds.
- Currently 12 states are reporting loan programs valued at \$82.9M but we may not be capturing all prior award loans that are continuing to revolve.

SEO FINANCING PROGRAMS (NASEO)

NASEO's 2018 Member Survey, October 2018

SEO's noted 162 discrete financing programs across 40 states. Ranked by “popularity” from the survey:

1. Revolving Loan Funds (RLF's) – most popular
2. Energy Savings Performance Contracting (ESPC's)
3. Commercial Property Assessed Clean Energy (C-PACE) programs –coming on very strong
4. R & D/ Tech Incubator programs – coming on strong



The regional chart echoes the national profile, showing that RLFs and ESPCs -- the only financing program types implemented in a majority of the states -- are most popular in the Southeast, West, Midwest, Mid-Atlantic regions, in that order.

FLOWDOWN REQUIREMENTS FOR ARRA & FORMULA

Funding Type	NEPA	SHPO	Buy-American	Davis-Bacon
ARRA RLF	Applicable (Blanket CX can be established for an entire program)	Applicable	Applicable to Public Buildings and Public Works projects	Applicable (Individual homeowners are not required to comply with DBA)
Formula RLF, ESPC's, C-PACE	Formula Annual Categorical Exclusions (CX) apply	Applicable	N/A	N/A

APPLICABLE GUIDANCE OVERSIGHT DOCUMENTS

- **SEP Program Notice 10-008E Guidance for SEP Grantees on Financing Programs**
 - provides guidance on ARRA and Formula funding including eligible activities, the implementing regulations, administrative expenses, continuing federal character, flow down requirements and the repurposing process.
- **SEP Program Notice 10-006E DOE Reporting Requirements for the SEP.**
 - PAGE reporting for ARRA and Formula funds, and includes updated metrics.

REPURPOSING OR TERMINATION OF ARRA FUNDS

- Grantees may end a Revolving Loan Fund, Loan Loss Reserve, or Interest Rate Buy-Down program.
- If a program is changing in scope, or from loans to grants, they must be repurposed for an eligible SEP activity, or returned to the federal government.
- See SEP Program Notice 10-008E page 10 & 11 for repurposing instructions.
- Initially the SEP repurposing committee will review the requested change.
- Contracting Officer approval is required for these actions.

REPURPOSING OF FINANCING PROGRAMS TO EXISTING PROGRAMS WITHIN THE FPR

- ARRA financing program funds can be moved from one existing financing program to another existing financing program within the Financial Programs Report (FPR).
- Grantees should enter an Inter-Program Transfer in the FPR, provide an explanation in the FPR Remarks section, and notify their Project Officer of the transfer.
- Reporting metrics should be updated.
- No Contracting Officer approval is required.

ADMINISTRATIVE COSTS

- It is allowable for ARRA funds or SEP Annual Formula funds to pay for administrative costs associated with the continued operation of ARRA financing programs.

QUESTIONS

Questions?

Please contact Sharon Gill, or your Project Officer,
if you have questions.

sharon.gill@ee.doe.gov

720-356-1593

Thank You!

SEP National Training Forum

August 13-14, 2019

Maximizing Financing Programs - ARRA Federal Grant Program



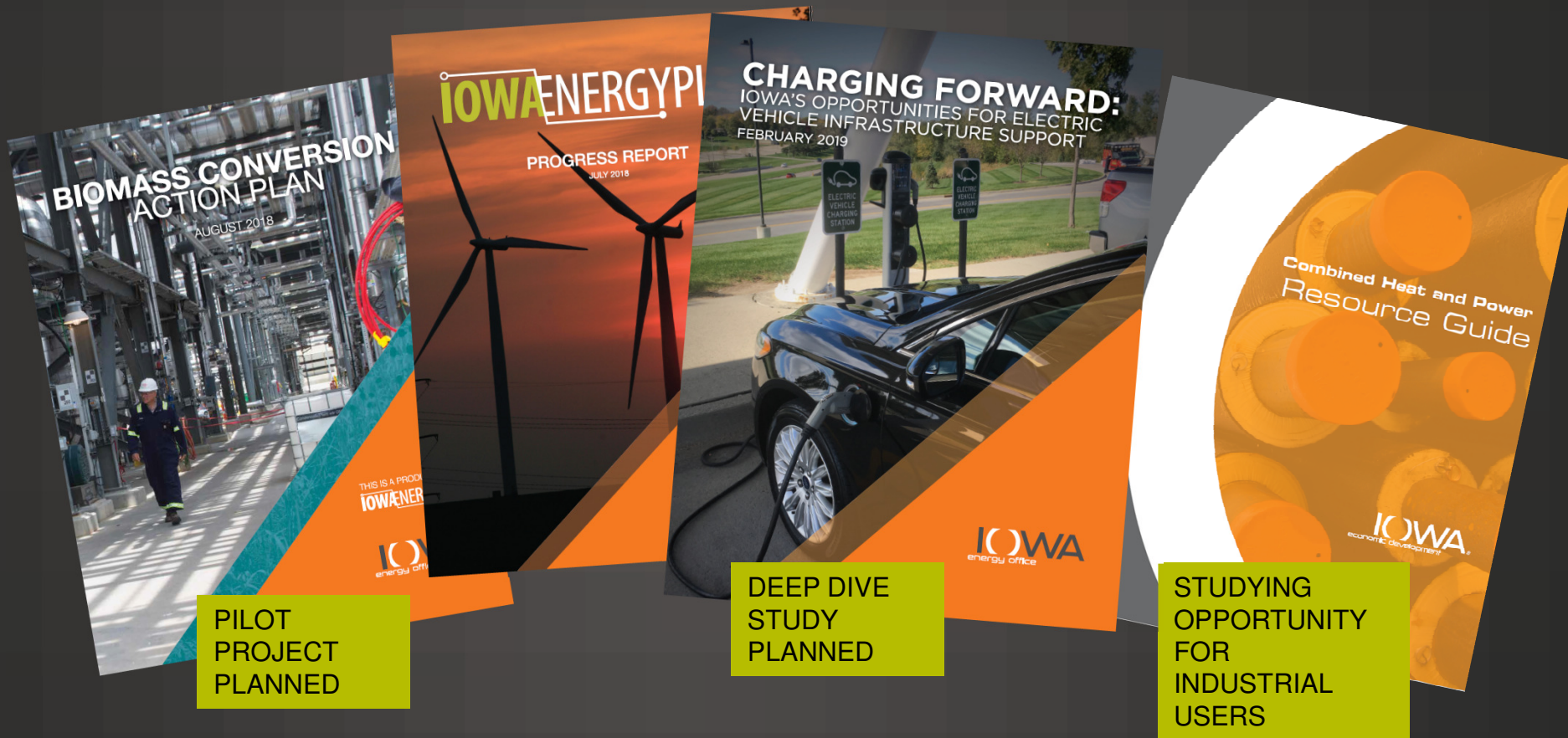
Ryan Young | Iowa Energy Office
Iowa Economic Development Authority



Iowa Energy Office

- » Division of the Iowa Economic Development Authority (IEDA)
- » Manage a diverse mix of state, federal & utility-funded programs and initiatives
 - Programs & initiatives that provide energy-economic benefits for Iowa's citizens, businesses & organizations
- » Led the development of policy reports / action plans:
 - December 2016 - ***Iowa Energy Plan*** (Iowa's most comprehensive energy-economic development roadmap)
 - August 2018 – ***Biomass Conversion Action Plan***
 - February 2019 – ***EV Infrastructure Report***
 - ETA May 2019 – ***Iowa Energy Storage Action Plan***

Iowa Energy: What's New and Next

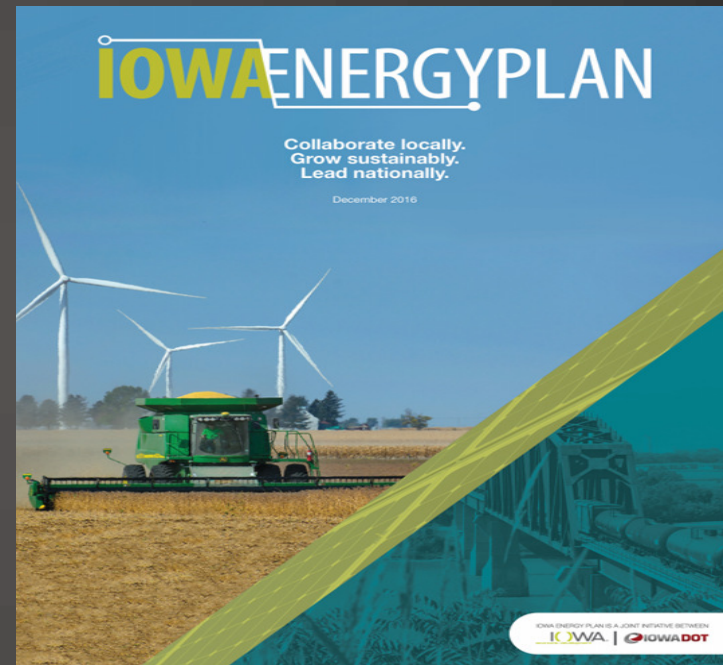




IOWA'S ENERGY FUTURE

Iowa Energy Plan

- » Released **December 21, 2016** by Governor Reynolds, IEDA & Iowa DOT
- » **Vision for Iowa's Energy Future** through setting priorities, creating strategic but implementable action items
- » **Robust stakeholder participation** through agency outreach, working groups, & public forums



IOWA ENERGY PLAN

www.IowaEnergyPlan.org

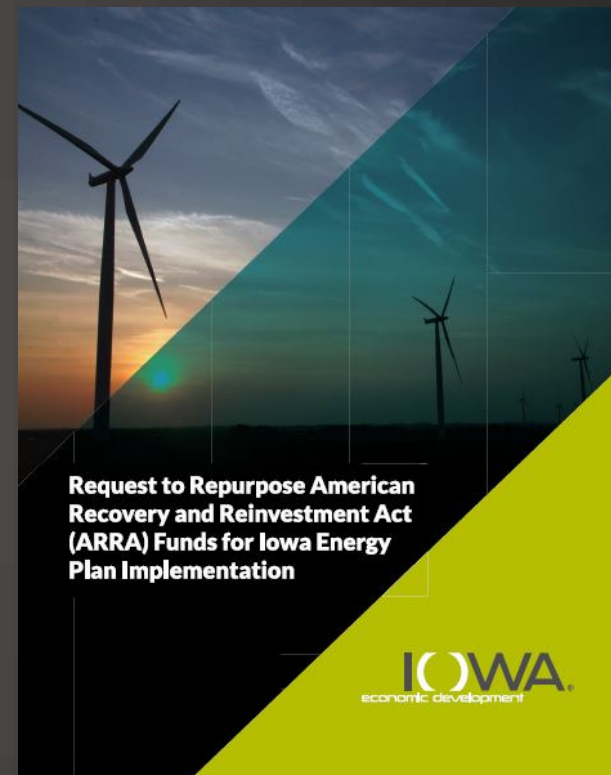
In total; 45 strategies make up the Energy Plan.

Further, 7 key focus areas were identified:

Economic Development and Energy Careers	Iowa's Energy Resources	Transportation and Infrastructure	Energy Efficiency and Conservation
<ul style="list-style-type: none">• Energy workforce development• Technology-based R&D (e.g. energy storage pilot projects)	<ul style="list-style-type: none">• Biomass conversion potential	<ul style="list-style-type: none">• Natural gas expansion• Grid modernization vision• Alternative fuel vehicles	<ul style="list-style-type: none">• Access to energy efficiency in underserved areas

ARRA Federal Grant Program

- » Iowa Energy Plan Released December 21, 2016
- » Legislation in early 2017 transferred the Iowa Energy Center to the Iowa Energy Office
 - Iowa Energy Grant Program
 - Alternate Energy Revolving Loan Program (AERLP)
- » Submitted \$4.2M repurposing request July 19, 2017
- » DOE approval September 15, 2017



Repurposing Approved! What's next?

Barriers & Challenges

- » All new people
- » New Energy Office
- » Minimal ARRA experience
- » Dated regulations



End Result? A process to follow

- » Iowa Energy Management Guide
- » Pre-App & Final Application
- » Updates to the Iowa Energy Office website
- » Notification/Approval Process
- » Scope
- » Contract



Results

- » Grants awarded: 9
- » Funds obligated: \$1.426M
 - Energy storage pilots, building energy benchmarking, energy resiliency study, certified energy manager training, biomass/biodigester feasibility & site selection, etc.
- » Projects Pending: 10 totaling \$1.583M
 - Energy efficiency resources, wastewater energy studies, EV readiness plan, prison energy manager, etc.
- » Funds remaining: \$1.2M

QUESTIONS

Contact Information

» Ryan Young
Iowa Energy Office
515-348-6219
ryan.young@iowaeda.com



www.iowaeconomicdevelopment.com

 IowaEconomicDevelopment

 BusinessIowa

ENERGY



OFFICE

South Carolina Energy Office Funding Programs

**State Energy Program Training Forum
August 2019**

Catherine Reed

Deputy Director

Energy Office

SC Office of Regulatory Staff

Ann Harmon

Senior Fiscal Manager

Energy Office

SC Office of Regulatory Staff

 @SCEnergyOffice

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SC Energy Office Mission

Helping citizens, businesses and public entities
save energy and money through greater
efficiency and cleaner energy sources

Energy Office: What We Do

- Implement the State Energy Plan
- Provide Technical Assistance
- Provide Outreach/Education to Promote Energy Efficiency and Renewable Energy
- Provide Financial Assistance
- Promote Clean Transportation
- Maintain Energy Data Clearinghouse



Energy Office Funding Programs

Programs

- ConserFund
- ConserFund Plus
- Energy Efficiency Revolving Loan
- Mini-Grants



Energy Office Funding Sources & Programs*

LOAN HISTORY

ConserFund (PVE Funded)

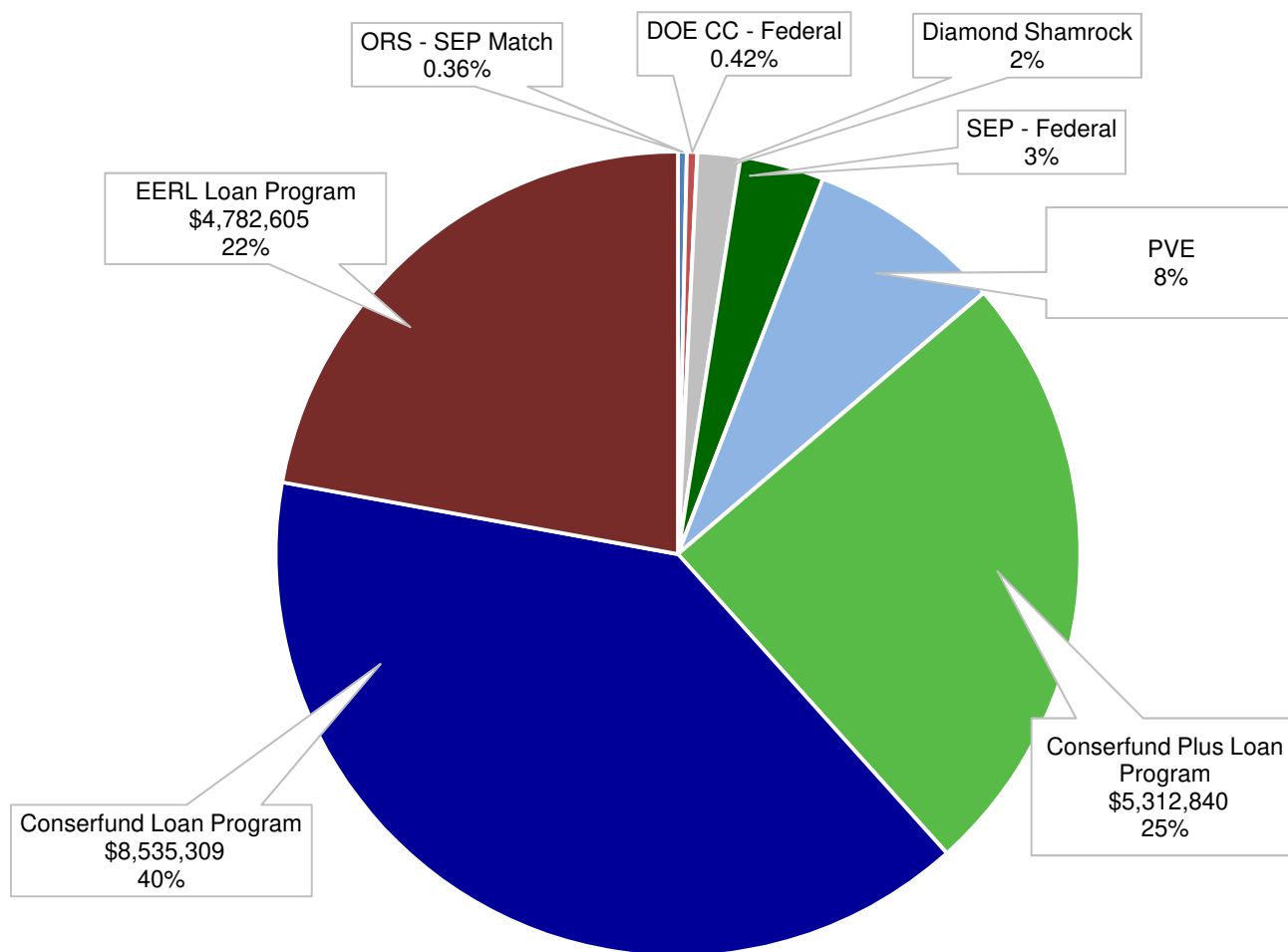
- Since 2000
- 70 loans
- Loans issued: \$24,000,000

ConserFund Plus (repurposed ARRA funds)

- Since 2015
- 70% loan | 30% grant
- 11 loans/grants
- Loans issued: \$6,000,000

EERL (repurposed ARRA funds)

- Since 2012
- 10 loans
- Loans issued: \$3,000,000



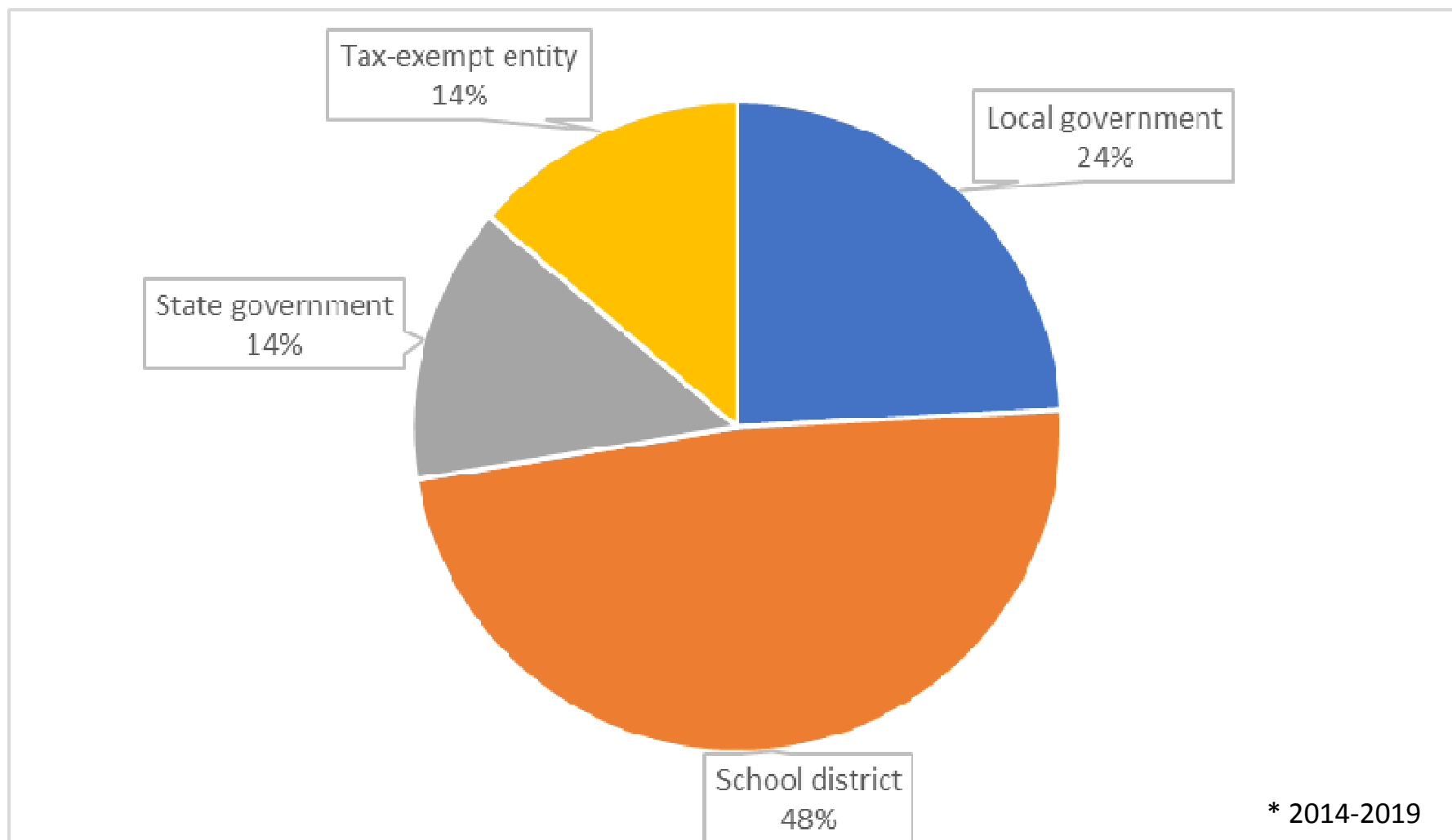
*As of January 2019

Energy Office Funding Programs

- ConserFund
- ConserFund Plus
- Energy Efficiency Revolving Loan
- Mini-Grants



ConserFund & ConserFund Plus Loan Recipients*



SUCCESS STORIES

ConserFund

Town of Saluda



Years		0	1	2	3	4	5	6	7	8	9	10
Costs	PV Purchase Install	-\$66,290.87										
	Maintenance		-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00	-\$260.00
	Lighting Upgrade	-\$19,344.00										
Revenues	Energy Production ¹		\$8,002.94	\$7,962.93	\$7,922.91	\$7,882.90	\$7,842.88	\$7,802.87	\$7,762.85	\$7,722.84	\$7,682.82	\$7,642.81
	State Tax Credit							\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00
	Energy Savings		\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15	\$5,949.15
Annual Cash Flow		-\$85,634.87	\$13,692.09	\$13,652.08	\$13,612.06	\$13,572.05	\$13,532.03	\$16,992.02	\$16,952.00	\$16,911.99	\$16,871.97	\$16,831.96
Running Total		-\$85,634.87	-\$71,942.78	-\$58,290.70	-\$44,678.64	-\$31,106.60	-\$17,574.57	-\$582.55	\$16,369.45	\$33,281.44	\$50,153.41	\$66,985.37

¹Solar production based on PVWatts tool and subject to 0.5% annual degradation rate.

ConserFund Plus

Richland County School District One

Upgrading lighting in middle & high school gymnasias

Estimated project costs: \$372,533

- Grant portion: \$111,760
- Loan portion: \$260,773

Simple payback: 7 years

Payback on loan portion: 4.9 years

Estimated savings per year: \$53,221

Lifetime MMBTU savings: 5,675

Lifetime cost savings: \$532,210

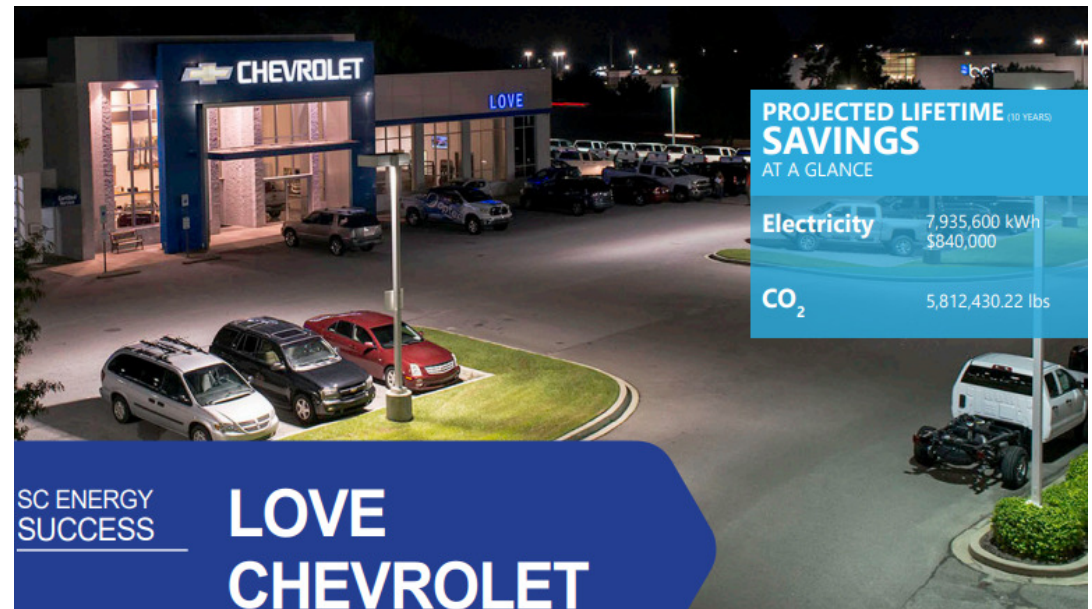
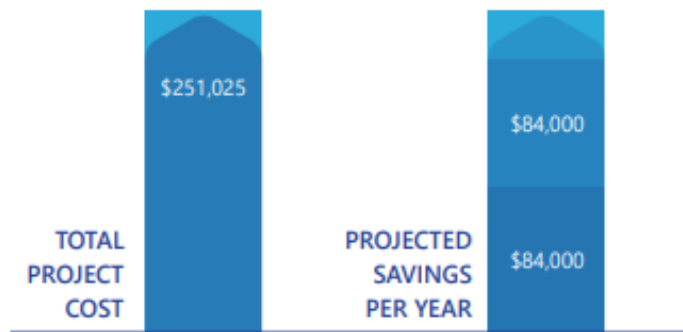
Lifetime GHG emissions abated: 208 tCO₂e



Energy Savings

ConserFund & ConserFund Plus Programs		
Savings Since 2014		
Lifetime Energy Savings	13,651,558	(source MMBTU)
Lifetime Cost Savings	\$27,880,737	
Lifetime GHG Emissions Abated	550,154	(tCO2e)

Energy Efficiency Revolving Loan



Mini-Grant

Project Spotlight



Landrum High School

Landrum High School was able to replace metal halide fixtures with LED fixtures on the exterior of the school with a mini-grant from the Energy Office. This resulted in \$1,569.03 in savings each year for the school. In addition to energy cost savings, the increased visibility allows students and faculty to feel safe during extracurricular events. The school also featured the project on the Cardinal News Network, a weekly news program produced by students, as well as on flyers placed in prominent areas throughout the town.

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Catherine Reed

Deputy Director

SC Office of Regulatory Staff- Energy Office

803-737-0411 CReed@ors.sc.gov

Ann Harmon

Senior Fiscal Manager

SC Office of Regulatory Staff- Energy Office

803-737-9124 AHarmon@ors.sc.gov