

**State Energy Program Notice 23-03**  
**Effective Date: October 2, 2023**

**SUBJECT: MODIFICATIONS TO STATE ENERGY PROGRAM NOTICE 22-05**

**PURPOSE**

To provide updated allocation amounts regarding the finalization of awards for the Infrastructure Investment and Jobs Act (IIJA) of 2021 Energy Efficiency Revolving Loan Fund Capitalization Grant Program (EE RLF).

**SCOPE**

The provisions of this Notice apply to all States (the 50 states, five U.S. territories and the District of Columbia) applying for formula grant financial assistance under the Department of Energy (DOE) State Energy Program (SEP).

**LEGAL AUTHORITY**

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. 6321 et seq.). All grant awards made under this program shall comply with applicable laws including, but not limited to, the SEP statutory authority (42 U.S.C. § 6321 et seq.), and 10 CFR 420, and 2 CFR 200 as amended by 2 CFR 910.

**MODIFICATIONS TO STATE ENERGY PROGRAM NOTICE 22-05**

- Revised state funding allocations in accordance with Section 40502 of the IIJA, which requires DOE to redistribute funds any state(s) have opted not to claim, indicated by a zero allocation in the table below.

**UPDATED 40502 FUNDING ALLOCATION BY STATE (Alphabetical Order)**

*Highlighted states indicate priority state*

Alabama	\$0
Alaska	\$4,782,480
Arkansas	\$6,682,790
American Samoa	\$558,930
Arizona	\$1,690,280
California	\$6,688,650
Colorado	\$1,631,220
Connecticut	\$1,269,190
District of Columbia	\$4,642,490
Delaware	\$746,400
Florida	\$3,862,140
Georgia	\$2,453,810
Guam	\$576,890
Hawaii	\$774,310
Iowa	\$7,068,920

Idaho	\$904,550
Illinois	\$15,963,220
Indiana	\$9,985,410
Kansas	\$6,706,230
Kentucky	\$8,065,420
Louisiana	\$9,222,630
Massachusetts	\$1,894,760
Maryland	\$1,685,240
Maine	\$863,110
Michigan	\$13,327,440
Minnesota	\$1,884,300
Missouri	\$9,558,270
Northern Marianas	\$556,460
Mississippi	\$1,201,070
Montana	\$5,114,180

North Carolina	\$2,397,420
North Dakota	\$4,858,890
Nebraska	\$5,857,790
New Hampshire	\$831,100
New Jersey	\$2,383,510
New Mexico	\$5,692,530
Nevada	\$1,043,290
New York	\$4,399,100
Ohio	\$3,247,170
Oklahoma	\$7,592,300
Oregon	\$1,324,830
Pennsylvania	\$3,353,030
Puerto Rico	\$1,070,490

Rhode Island	\$762,790
South Carolina	\$1,546,410
South Dakota	\$4,869,690
Tennessee	\$10,052,220
Texas	\$22,365,890
Utah	\$1,132,240
Virginia	\$11,417,950
U.S. Virgin Islands	\$576,170
Vermont	\$690,050
Washington	\$1,894,690
Wisconsin	\$1,911,700
West Virginia	\$5,682,050
Wyoming	\$4,685,910

## IDENTIFICATION OF PRIORITY STATES

Section 40501 of the IIJA defines a priority state as:

*“Among the 15 States with the highest per-capita combined residential and commercial sector energy consumption, as most recently reported by the Energy Information Administration; **OR** among the 15 States with highest annual per-capita energy-related carbon emissions by State, as most recently reported by the Energy Information Administration.”*

A state that meets either definition is a priority state. Per capita residential and commercial sector energy consumption data are sourced from the [Energy Information Administration’s State Energy Data System](#), *Total Energy Consumption Estimates per Capita by End-Use Sector, Ranked by State, 2019* (Table C14).<sup>1</sup> Per capita energy-related carbon emissions data are sourced from the [Energy Information Administration’s Environment Data](#), *Per Capita Energy-Related Carbon Dioxide Emissions by State, 2019* (Table 4). Based on the above data sources, there are seven states that appear on both lists for a total of 22 priority states and the District of Columbia.

## FUNDING ALLOCATION FORMULA

Section 40502 of the IIJA specifies that 40 percent of the funding go to states that are eligible for funding under the State Energy Program, in accordance with the allocation formula in 10 CFR 420.11. All states, territories, and the District of Columbia receive funding under the 40 percent “base” funding.

Additionally, section 40502 of the IIJA specifies that 60 percent supplemental shall go to priority states in accordance with a formula determined by the Secretary. The supplemental funding allocation formula is as follows:

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<sup>1</sup> Only per capita residential and commercial sector energy consumption are considered in determining Priority States (industrial and transportation energy consumption are excluded).

### **Step 1**

- 50% allocated based on equal distribution for each priority state
- 25% allocated based on number of households above each state's average energy burden<sup>2</sup>
- 25% allocated based on each state's number of small businesses<sup>3</sup>

### **Step 2**

- Any state with an excess of \$15 million in supplemental funding under the step 1 calculation receives a maximum of \$15 million in supplemental funding as required in statute, and all funds exceeding the \$15 million maximum are reallocated to the remaining states and District of Columbia according to the formula outlined in step 1.

## **REDISTRIBUTION OF UNCLAIMED FUNDS**

Section 40502, subsection (b) Distribution of Funds, of the IIJA states:

*(1) ALL STATES. —*

*(B) REMAINING FUNDING. —After applying the allocation formula described in subparagraph (A), the Secretary shall redistribute any unclaimed funds to the remaining States seeking capitalization grants under that subparagraph.*

*(2) PRIORITY STATES. —*

*(B) REMAINING FUNDING. —After applying the allocation formula described in subparagraph (A), the Secretary shall redistribute any unclaimed funds to the remaining priority States seeking supplemental capitalization grants under that subparagraph.*

One (1) state declined their RLF funding allocation under section 40502 including one (1) priority state.

### **Redistribution to All States**

- The unclaimed funding available to all states (40% of funding for all states) totals \$1,630,560. This funding is redistributed to the remaining 55 states, territories, and Washington, D.C. according to the funding allocation formula outlined above.

### **Redistribution to Priority States**

- The unclaimed supplemental funding (60% of funding reserved for priority states) totals \$6,386,740. This funding is redistributed to the remaining 22 priority states and Washington, D.C. according to the funding allocation formula outlined above.

AnnaMaria Garcia, Associate Director  
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U.S. Department of Energy

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<sup>2</sup> Data is sourced from DOE's *Low-Income Energy Affordability Tool* available online at: [Low-Income Energy Affordability Data \(LEAD\) Tool | Department of Energy](#).

<sup>3</sup> Data is sourced from the Small Business Administration's *Small Business Profiles for the States, District of Columbia, and the U.S.* (2021) available online at: [2021 Small Business Profiles For The States, The District of Columbia, and The U.S. — SBA's Office of Advocacy](#).

