



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

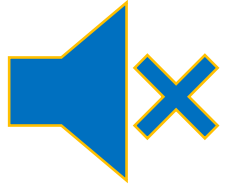
Energy Efficiency & Conservation Block Grant (EECBG) Blueprint Cohorts

Session #4: Financing 101 and Federal Funding Roundtable

January 18, 2024



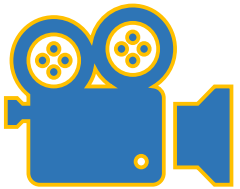
Virtual Housekeeping



Mute your audio



Use the chat to ask questions



FYI, we're recording!

Agenda

- Introduction: Why are we here?
- Announcements & Reminders
- Financing 101
- Federal Round Table + Q&A
 - Energy Savings Performance Contracting (ESPC) Campaign
 - Technical Assistance for Building Energy Codes
 - Home Energy Rebates Program
- Q&A

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Blueprints | Overview

What are Blueprints?

Blueprints are **model projects and programs** designed to help guide EECBG local and tribal governments through the grant process and achieve high impact results with limited grant dollars

Who can use Blueprints?

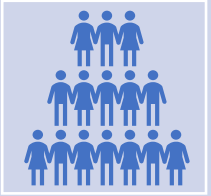
Any EECBG Formula Grantee!

- ✓ Selecting the grant option? YES
- ✓ Selection the voucher option? YES
- ✓ Working in a team? YES

Blueprint Topics

1. Comprehensive Energy Planning
2. Energy Efficiency
 - 2A - Energy Assessments and Building Upgrades,
 - 2B - Energy Savings Performance Contracts,
 - 2C - Building Electrification Campaign,
 - 2D- Building Performance Standards & Stretch Codes
3. Renewables
 - 3A - Solar PPAs and Direct Ownership,
 - 3B - Solarize Campaign,
 - 3C - Community Solar,
 - 3D - Renewable Resource Planning for (rural and tribal) communities
4. Transportation
 - 4A - Electric Vehicles for Fleets & Fleet Electrification,
 - 4B - EV Charging Infrastructure for the Community
5. Financing Solutions – Revolving Loan Funds
6. Workforce Development

Blueprint Cohort Goals



Convene EECBG Formula Grantees in an **interactive and collaborative space** to share and network with one another



Support grantees as they navigate their Blueprints and EECBG projects



Provide practical and technical trainings to build your team's capacity and make EECBG projects more effective



Implement a curriculum that is tailored AND adaptable, reflecting how needs will change over the grant period



Blueprint Cohorts | What we've done

Date (2023)	Host	Event
Sept 8 th	DOE	Blueprint Cohorts Session #1: Kickoff Event
Set 18 th	NREL	Low Income Energy Affordability (LEAD) Tool Training
Oct 3 rd	NREL	State and Local Planning for Energy (SLOPE) Tool Training
Oct 13 th	DOE	Blueprint Cohorts Session #2: EECBG Project Planning 101
Oct 19 th	NREL	Solar + Storage: ReOpt Tool Training
Nov 13 th	NREL	Solar PV: SAM & PV Watts Tool Training
Nov 17 th	DOE	Blueprint Cohort Session #3: Community Engagement
Nov 28 th	NREL	JEDI Tool Training
December	DOE	<i>BREAK</i>

Find slides and recordings of all past DOE & NREL events on the EECBG Program Blueprints Webpage:

<https://www.energy.gov/scep/energy-efficiency-and-conservation-block-grant-program-blueprints>

Blueprint Cohorts | Where we're going

Monthly Theme	Date (2024)	Host	Event
<i>Financing</i>	Thurs. Jan 18 th , 2-3:30 ET	DOE	Blueprint Cohorts Session #4: Financing 101 & Federal Funding Roundtable
	Thurs. Jan 25 th , 2-3:30 ET	NREL	Financial and Development Pathways Training. Register here.
	Thurs. Feb 8 th , 2-3:30 ET	NREL	Financing Upfront Capital and Revenue, Register here.
<i>Building Electrification & Efficiency</i>	Thurs. Feb 15 th , 2-3:30 ET	DOE	Blueprint Cohorts Session #5: Buildings
	Thurs. Feb 22 nd , 2-3:30 ET	NREL	ResStock Analysis Tool Training
<i>Tax Credits & Elective Pay</i>	March	DOE & NREL	<i>Details TBD</i>
<i>EECBG Technical Assistance Workshop at the 2024 Better Buildings Summit April 2, 2024 – Washington DC. Register now!</i>			
<i>EV Planning & Infrastructure</i>	April	DOE & NREL	<i>Details TBD</i>
<i>Community & Energy Resilience</i>	May	DOE & NREL	<i>Details TBD</i>
<i>Justice40 & Engagement</i>	June	DOE & NREL	<i>Details TBD</i>

Blueprint Cohorts | Ramping up support

Phase 1: Application Development

- Getting input on your needs and desires
- Application submission and troubleshooting
- Aligning EECBG projects with Blueprint topic areas
- Project planning support in areas that apply across-cohorts

Phase 2: Implementation

- More tailored project implementation support in smaller groups, for each individual blueprint topic
- Resource development and sharing
- Monthly peer to peer learning opportunities
- Dedicated subject matter experts assigned to your cohort

Sep 8, 2023

Cohorts Introduction



April 30, 2024

EECBG Application Deadline

Sign Up for a Blueprint Cohort | Get notified about future events!

EECBG Program - Blueprint cohort
sign-up



<https://forms.office.com/g/Phr3DWKiwJ>

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- **Announcements & Reminders**
- Financing 101
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 - Technical Assistance for Building Energy Codes
 - Home Energy Rebates Program
- Close Out

Community Energy Fellowship | Round 2 is now open!

Get more hands on deck with your EECBG Program project. Kickstart a clean energy career. Apply to host a Community Energy Fellow today!

Round 2:

Host Application due **3/5!**
Fellow starts July 2024

Complete information available on
the EECBG Website

<https://www.energy.gov/scep/community-energy-fellows>

If you have questions, email:

TechnicalAssistance@hq.doe.gov



EECBG Program Reporting Requirements & PAGE Training Webinar



On Jan 11th, 2024, the EECBG Program team hosted a webinar explaining what you need to know to fulfill your EECBG reporting requirements.

- ✓ Reporting due dates
- ✓ Reporting requirements (e.g., types of reports – Progress Reports, Federal Financial Reports (FFR), Davis Bacon Certified Payroll Reports, NEPA quarterly logs)
- ✓ EECBG Program process metrics and associated guidance, and the process for submitting reports and activities on the PAGE platform.
- ✓ Live demonstrations led by the PAGE team.

Find the slides and video recording on the EECBG Program Formula Hub Webpage soon:

<https://www.energy.gov/scep/eecbg-program-formula-grant-application-hub>

Please note: this information shared in this session only applies to those pursuing a traditional grant, NOT the voucher option.

Other DOE Trainings, Webinars, and Events

Fourth Annual National Community Solar Partnership (NCSP) Summit

Feb. 14 | 12 – 4 p.m. ET

Addressing Existing Buildings: Building Performance Standards and Implementation Support Tools

Feb. 15 | 1 – 2 p.m. ET

DOE Tribal Clean Energy Summit

Feb. 26 - 28, 2024

Energy Code Enforcement Challenges and Opportunities in Rural Communities

March 21 | 1 – 2 p.m. ET

Register for Energy Exchange 2024

March 26–28, 2024

2024 Better Buildings, Better Plants Summit

April 2–4 | Washington, D.C

- Limited travel assistance to this event is available for public sector attendees on a first come first serve basis

Public Sector Funding & Technical Assistance Programs

State and Local Solution Center

State and Local Solution Center

- ✓ See a **list of funding opportunities**
 - ✓ Sign up for **email updates** about funding opportunities
- ✓ Get notified about events and trainings across DOE

<https://www.energy.gov/scep/slsc/public-sector-funding-technical-assistance-programs>

Your EECBG Support System | If you have questions about

Your application:

1. The status of your PAIS or application
2. Voucher projects & eligibility
3. Application requirements



Grant Management Team
EECBG@hq.doe.gov

Technical Assistance:

1. Blueprints & Blueprint Cohorts
 - *"Does my project fit into a blueprint?"*
2. Community Energy Fellowship
3. Other technical assistance
 - *"How do I incorporate J40 principles into my project?"*



Technical Assistance Team
TechnicalAssistance@hq.doe.gov

The Voucher Portal:

Get voucher application portal technical help



Voucher Portal Administrator (ICF)
EECBGVouchers@icf.com

Your EECS:

Get support developing your Energy Efficiency Conservation Strategy (EECS)



National Renewable Energy Laboratory (NREL)
EECS_TA@nrel.gov

- 10-20 Hours

Attend Our Bi-weekly Office Hours! [Sign up here](#)

Every other Friday at 2:30pm ET

<https://forms.office.com/g/yc3H3xQeEE>

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Energy Financing 101

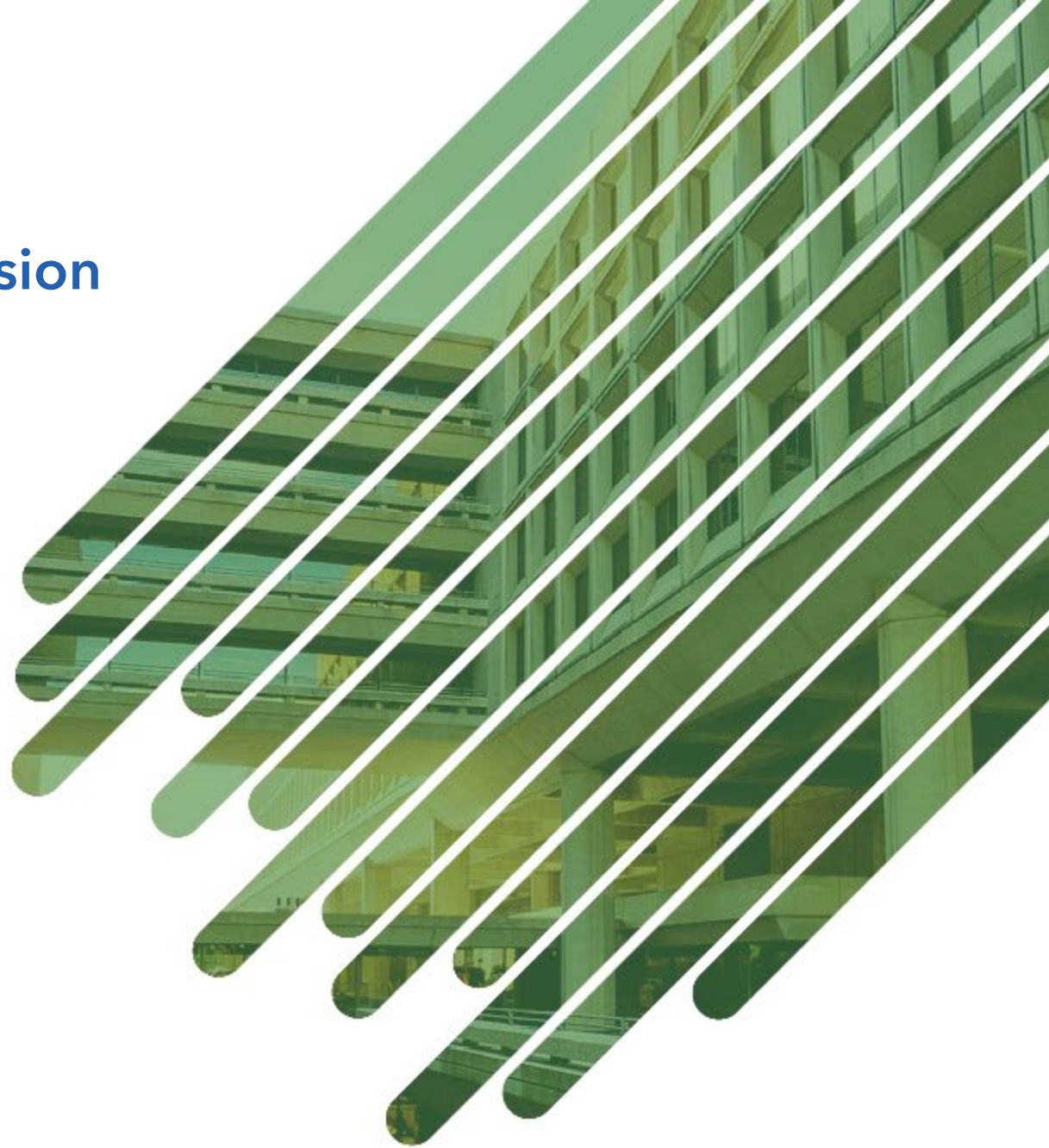
Prepared for EECBG Blueprint Cohort Session

January 18th, 2024



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Topics to Be Covered

I. Energy Financing 101: Motivation and Background

II. Overview of Financing Tools

- **Lead-by-Example in the Public Sector**
- **Financing Tools for the Private Sector**

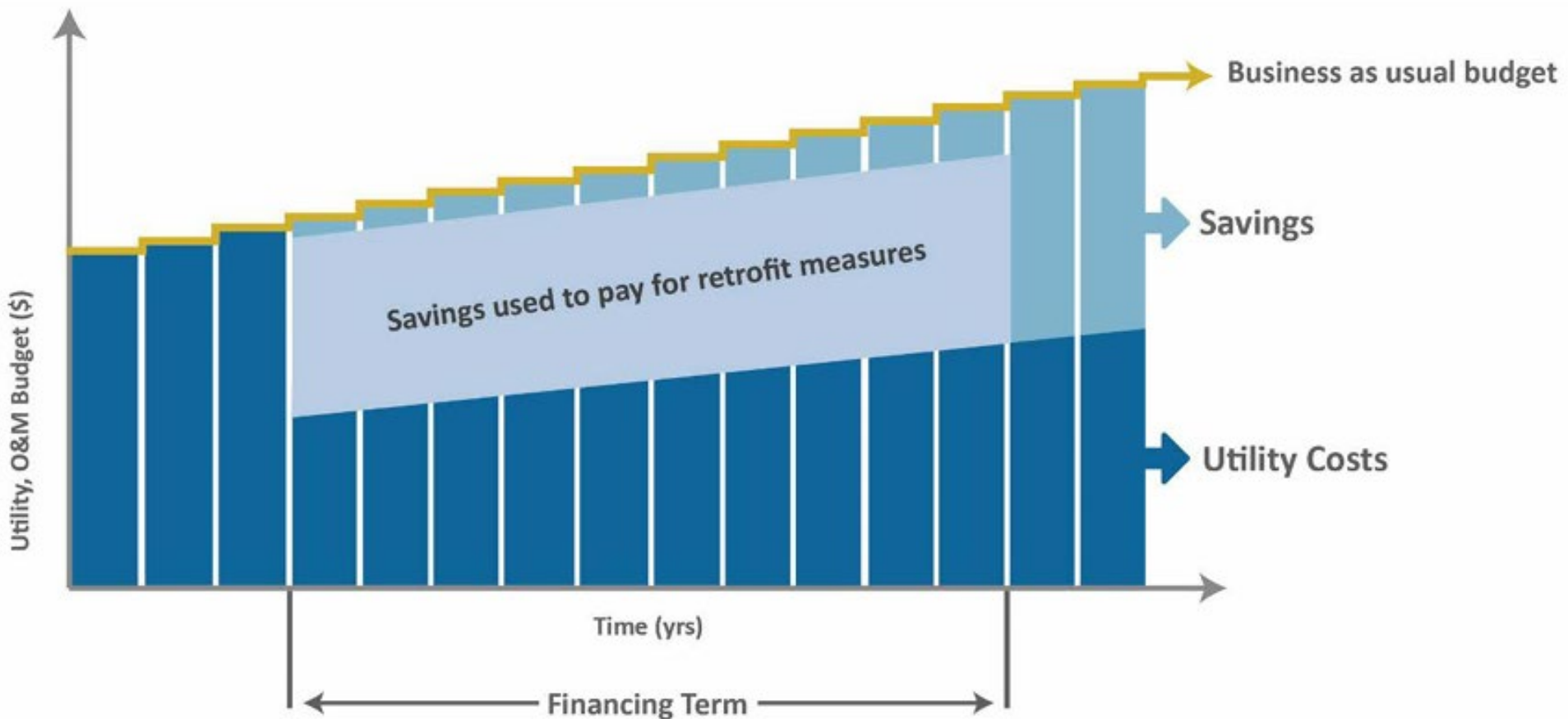
I. Motivation: Why Financing?

- Opportunity Cost
 - Unlike many other investment priorities, energy efficiency and renewable energy are compatible with financing because the cost savings and/or revenue is often immediate, measurable, and reliable.
- Scale and Speed
 - Financing expedites and extends the reach of energy projects beyond what is possible with appropriated funds or grant dollars (e.g., EECEBG).



What is different about EE vs. other capital projects?

Financing EE can potentially have a positive budgetary impact if savings exceed financing costs



Source: [U.S. Department of Energy, "Energy Savings Performance Contracting: A Primer for K-12 Schools"](#)

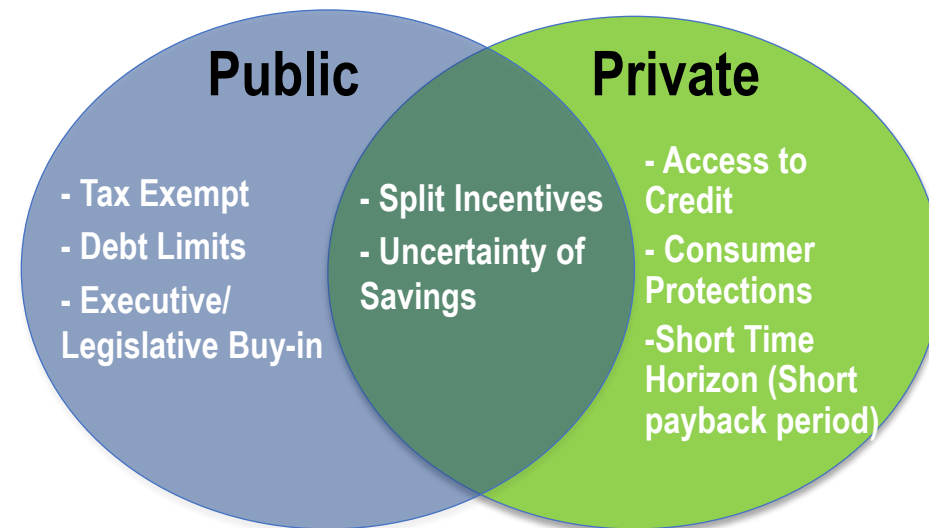
I. Background: Foundational Concepts (Part 1)

- Access to capital is a primary barrier to completing most energy projects.
- *Financing* means repayment of upfront capital (e.g. loans, leases, bonds), as opposed to grants or internal funding.
 - *Financing* often means leveraging private capital and finding private sector partners to share risks and bring projects to scale.
- There are multiple financing tools, partners, and pathways available to execute a project.
 - Savvy project managers match and adjust the project scope to fit with the best available resources including financing, grants, and internal funding.

I. Background: Foundational Concepts (Part 2)

- Financing to Support Lead-by-Example (Public Bldgs.) vs. Private Buildings
 - Financing needs to be tailored to address barriers unique to the market it will serve.
- Financing Products vs. Financing Programs
 - A financing *product* addresses a unique set of finance barriers. A financing *program* can address both finance and non-finance barriers.

Financing Considerations by Sector



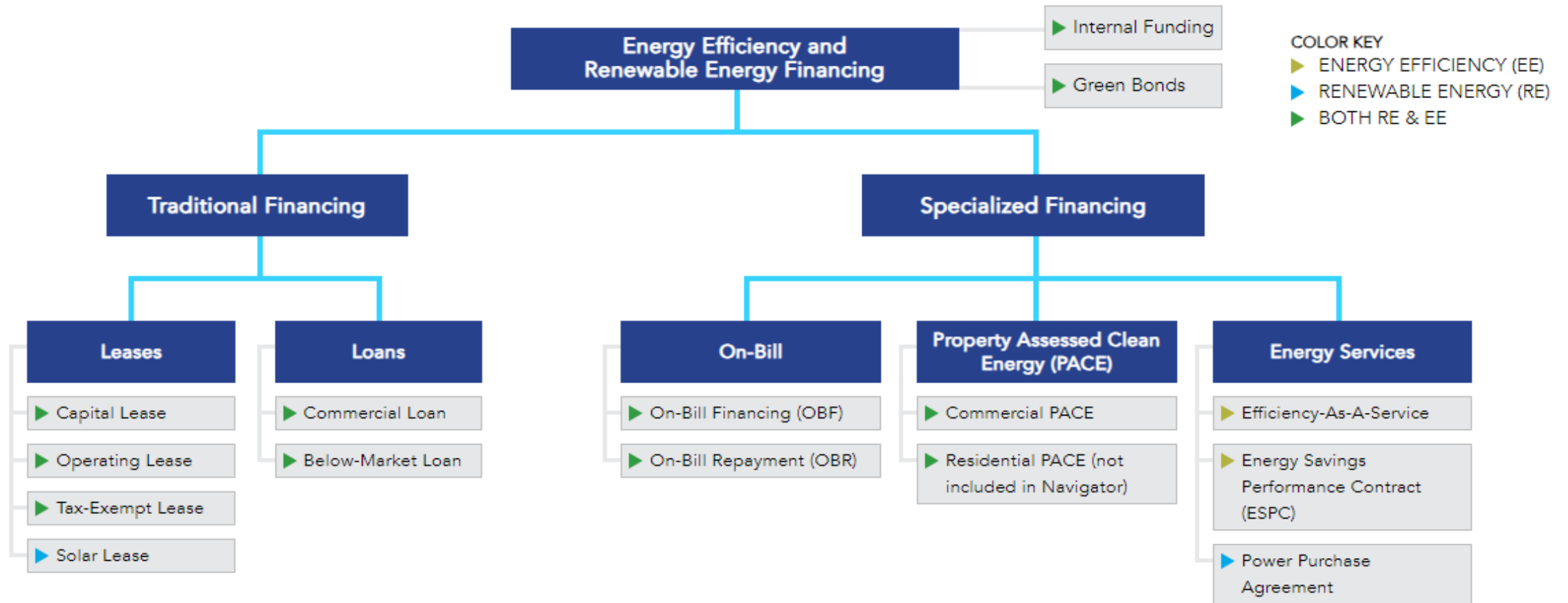
Potential Functions of a Financing Program

- ✓ Expand access to low-cost capital
- ✓ Educate users and market program
- ✓ Offer technical assistance
- ✓ Provide quality assurance and quality control
- ✓ Measure and verify outcomes

I. Background: Questions to Ask

- **Do you want to finance a particular project/building or portfolio of projects/buildings?**
 - What sector do you want to serve and why?
 - Are they publicly-owned buildings or tax-exempt community-serving buildings?
 - Who will ensure the project performs as intended?
- **Do you want to create or join a program to finance multiple energy projects and potentially achieve other public policy goals?**
 - What sector do you want to serve and why?
 - How much capital do you have to deploy including grant and internal funds?
 - What is your willingness to raise capital or take on debt (e.g., bond issuance)?
 - Does your locality have the skills and the risk tolerance to manage the program in its entirety? Is it necessary to form partnerships or hire service providers?
 - Does a similar program exist at the state level?

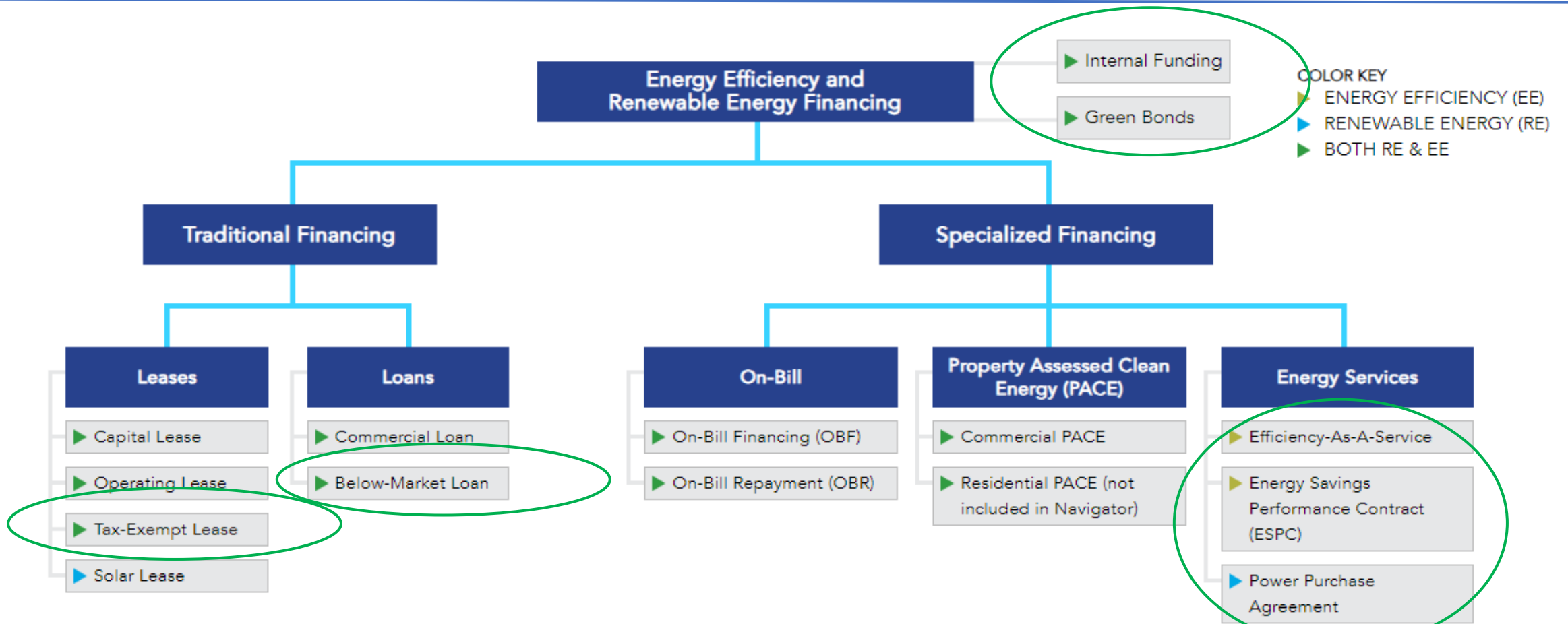
II. Overview of Financing Tools



Source: Better Buildings Financing Navigator. See: <https://betterbuildingsolutioncenter.energy.gov/financing-navigator>.

NOTES: (1) Bond financing may be used for project financing or to capitalize a fund (e.g., revolving loan fund); (2) Below-Market Loans include revolving loan funds and loan funds supported by a credit enhancement (e.g., loan loss reserve, loan guarantee).

II. Overview of Financing Tools for the Public Sector



Source: Better Buildings Financing Navigator. See: <https://betterbuildingsolutioncenter.energy.gov/financing-navigator>.

NOTES: (1) Bond financing may be used for project financing or to capitalize a fund (e.g., revolving loan fund); (2) Below-Market Loans include revolving loan funds and loan funds supported by a credit enhancement (e.g., loan loss reserve, loan guarantee).

II. Side-by-Side Comparison of Public-Sector Financing Tools

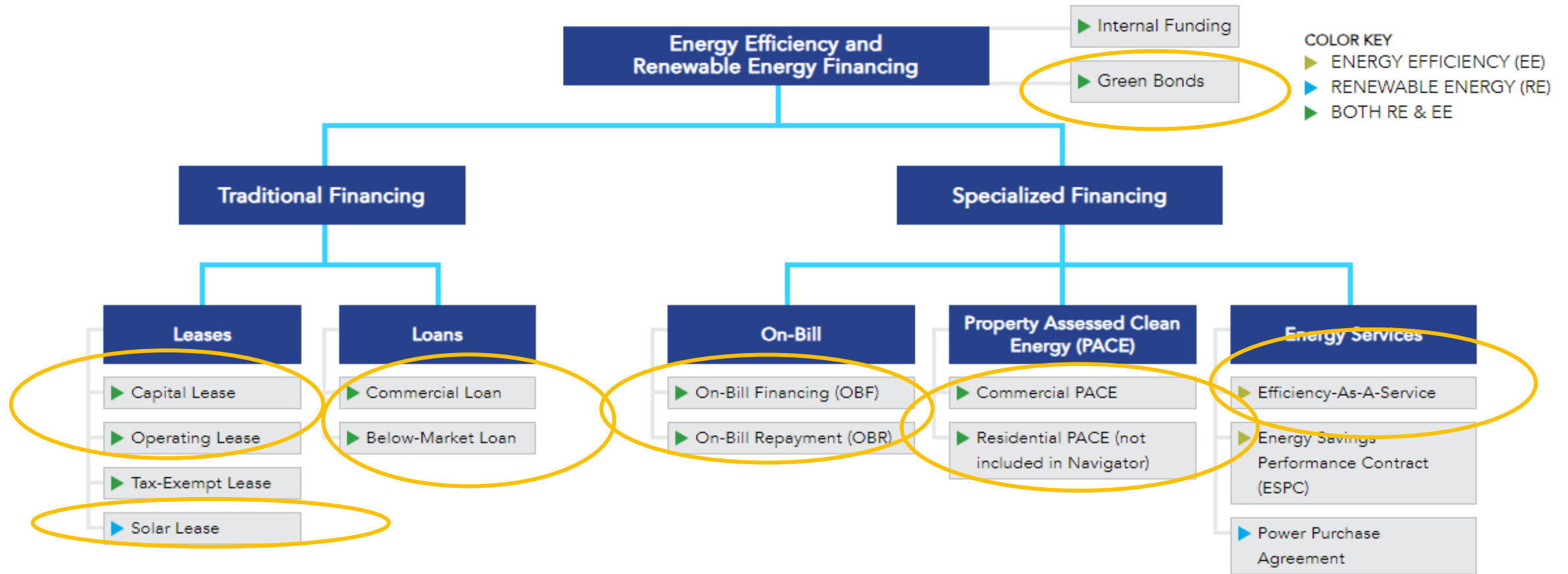
	ESPCs	Loans	Tax-Exempt Leases	Bonds	ESAs	Internal Funding
Primary Advantages	Guaranteed savings, low performance risk for the project owner	Expedient financing, well understood, often available for small projects	Expedient financing, zero down payment, flexible terms	Often yields the lowest-cost financing	Payment based on performance, always non-debt	Always non-debt
Primary Disadvantages	Not well-suited for projects <\$0.5M, long closing times, often structured as debt	Often requires down payment, higher cost of borrowing, counts as debt	Small projects may not always be attractive for vendors	Very complex, best suited for projects >\$1M	May not serve smaller projects, limited equipment control	Competes with other funding priorities, limited funds can reduce project size and potential benefits
Potential Risks to Manage	Minimized risks to public entity, risks further managed with M&V in contract	Performance, maintenance, and credit risks	Performance risk	Performance, maintenance, and credit risks	Minimized risks to public entity	Performance and maintenance risks
Notes	Not a funding or financing source, used to manage risks and gain access to lower cost financing	Revolving loan funds may offer lower borrowing costs, but introduce more complexity	No energy savings guarantee, but operations and maintenance services are available	May be structured as a non-debt revenue bond	Considered non-debt as payment only required if performance criteria met	Funding may come from operating or capital budgets

Source: [Achieving Energy Savings in Small- and Medium-Sized Public Facilities: A Strategic Approach to Prioritizing and Financing](#). May 2021.

II. Public-Sector Financing Resources

- [EECBG Blueprints: ESPC \(#2B\), PPAs \(#3A\), Unlocking Financing Solutions \(#5\)](#)
- [Achieving Energy Savings in Small- and Medium-Sized Public Facilities: A Strategic Approach to Prioritizing and Financing](#)
- [Energy Savings Performance Contracting \(ESPC\) Toolkit](#)
- [Leveraging Bond Financing to Support Energy Efficiency and Renewable Energy Goals: A Resource Summary for State and Local Governments](#)
- [Current Practices in Efficiency Financing: An Overview for State and Local Governments](#)
- [Better Buildings Financing Navigator](#)

II. Overview of Financing Tools for the Private Sector



Source: Better Buildings Financing Navigator. See: <https://betterbuildingsolutioncenter.energy.gov/financing-navigator>.

NOTES: (1) Public sector has varying roles in enabling, supporting, or educating users on these tools; (2) Residential PACE currently operating in just 3 states; (3) Below-Market Loans include revolving loan funds and loan funds supported by a credit enhancement (e.g., loan loss reserve, loan guarantee).

II. Private-Sector Financing Resources

- [Revolving Loan Fund \(RLF\) Resource Library](#)
- [Low-income Energy Efficiency Financing through On-Bill Tariff Programs](#)
- [Commercial PACE Toolkit](#)
- [Current Practices in Efficiency Financing: An Overview for State and Local Governments](#)

Coming this Summer: Energy Efficiency Finance Foundations Training

Overview: Berkeley Lab-led training for public-sector facilities managers, energy and sustainability staff, and finance officers designed to help participants navigate “finance speak,” know which questions to ask, and level the playing field when working with contractors and lenders.

- **6-part training curriculum featuring:**

- ✓ Understanding your building assets and investment needs
- ✓ Comparing financing and funding
- ✓ Traditional financing products
- ✓ Specialized financing products
- ✓ Planning for ongoing commitments
- ✓ Engaging with stakeholders and partners for success

- **Interested in the no-cost training?**

- Share your contact information to receive more information and an invitation to the training (see chat).
- More detail and invite to the training to follow later this year.

Thank You!

Sean Williamson

U.S. Department of Energy

T: 202-815-4841

Sean.Williamson@hq.doe.gov

State and Local Solution Center

[State and Local Solution Center | Department of Energy](#)

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Energy Savings Performance Contracting (ESPC) Campaign

Introduction for EECBG Blueprint Cohorts

January 18, 2024

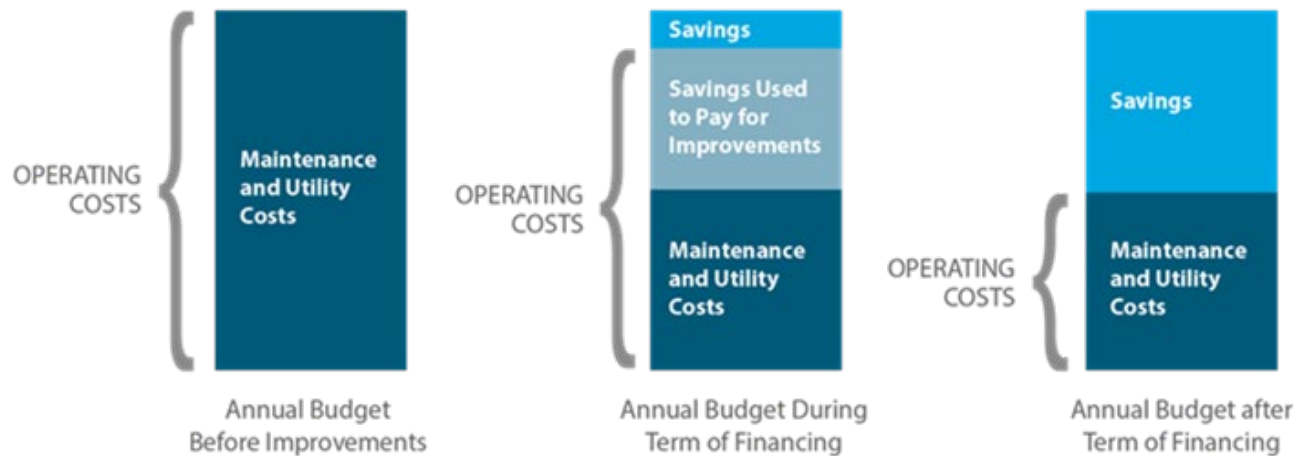


Agenda

- ESPC Overview and Benefits
- ESPC and EECBG – A Track Record of Success
- ESPC Campaign Overview
- Partner Categories
- Technical Assistance Resources
- Achieving \$1 Billion in M&V Savings
- Looking Ahead
- Call to Action
- ESPC Resources

Energy Savings Performance Contracting | What is it?

- Proven, budget-neutral **contracting and financing method** for public sector building owners
- Supports energy and water efficiency, renewable energy projects, and other upgrades in public facilities
- Projects are contracted to an energy service company (ESCO)
- ESCO guarantees the energy savings, making up any shortfall
- Projects funded and/or financed by customer and repaid with cost savings



Organizations can pay for *today's* building upgrades with *tomorrow's* guaranteed energy savings with ESPC

Energy Savings Performance Contracting | Benefits



Extend the capabilities of existing budgets: no need for operating budget allocation or capital budget appropriation; leveraging effect on contributed funds



Tackle deferred maintenance and avoid disruption from equipment failure



Improve indoor environment: air quality, lighting, temperature control, and productivity



Stop the waste of energy dollars and achieve budget savings



Reduce emissions of carbon dioxide, sulfur, and other pollutants



Increase resilience for reliable use of community facilities



Create jobs and support local economic development

ESPC and EECBG – A Track Record of Success

Pairing dates to the American Reinvestment and Recovery Act (ARRA) of 2009

Case Studies

City of Reno, NV

City-wide ESPC project, including 48 buildings totaling one million square feet

Measures: Renewables (Solar PV, Solar Hot Water, Wind), Lighting, HVAC, Boiler & Chiller Replacement, Direct Digital Controls, Pumping Variable Frequency Drives, and more

Funding Sources: EECBG Grant, Utility Rebates, Clean and Renewable Energy Bonds, Qualified Energy Conservation Bonds, Recovery Zone Economic Development Bonds

Project Cost: \$19 Million
Annual Savings: \$982,684



Hamilton County, OH

Group procurement led by the County in partnership with 3 small towns, leveraging County EECBG grant

- Utilized an Owner's Representative

Measures: Lighting, HVAC, Boiler & Chiller Replacements, Building Controls, Water Conservation, Roof Insulation, and more

Funding Sources: EECBG Grant, Utility Incentives, County Incentives (stemming from EECBG funds)

Project Cost: \$2.9 Million
Annual Savings: \$129,000

PROJECT COST	
\$274,000	(Lockland)
\$630,000	(Cheviot)
\$2,000,000	(Bl (Blue Ash))
GUARANTEED ANNUAL SAVINGS	
\$9,000	(Lockland)
\$27,000	(Cheviot)
\$93,000	(Blue Ash)

ESPC Campaign Overview



The **Energy Savings Performance Contracting (ESPC) Campaign** engages states, local governments, school districts, universities and colleges, hospitals, and other market stakeholders to support, expand, and enhance the use of ESPC to achieve significant energy, environmental, and cost savings benefits

Goals:

- 1) Increase awareness of the benefits of performance contracting
- 2) Share practical resources and best practice approaches to strengthen ESPC and measurement and verification (M&V) knowledge across the public sector
- 3) Help partners maximize the impact of funding and financing resources to modernize buildings, save energy, lower utility and operational expenses, reduce greenhouse gas emissions, increase resilience, and support local jobs
- 4) Demonstrate impact and smooth future investments using a national database of ESPC project and M&V data

Savings Goal: Partners will collectively achieve **\$1 billion** in measured and verified savings



ESPC Campaign Partners:

- Access DOE resources and technical assistance
- Share and implement best practice approaches for ESPC programs and projects
- Demonstrate impact with measurement and verification (M&V) data
- Showcase achievements and receive recognition for exemplary projects and programs
- Form a growing network of experienced practitioners using ESPC to make transformative investments in communities nationwide

Partner Categories

Campaign Leaders

- State Energy Offices or other organizations ready to establish, strengthen, and/or expand technical assistance programs to support others in using ESPC, and recruit ESPC Champions

ESPC Champions

- State and local agencies, K-12 school districts, institutions of higher education, hospitals, and other public sector entities seeking to connect with peers and ESPC resources

Supporters

- Market stakeholders that support the goals of the ESPC Campaign and promote this program as a resource to the public sector

Access all
ESPC
Campaign
technical
assistance

Access
webinars,
resource library,
and option to
join Supporter
Directory

Technical Assistance (TA) Resources



TRAINING SERIES

Live training on ESPC and M&V for public sector partners



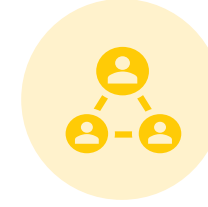
WEBINARS

Focused on partner topics of interest, and featuring partner case studies



OFFICE HOURS

“Ask-an-Expert” opportunity for public sector partners



PEER EXCHANGE SESSIONS

Connect with peer public sector organizations, of similar institution type or geographic location



TARGETED DIRECT TECHNICAL ASSISTANCE

Tailored technical assistance for State ESPC Programs



RESOURCE LIBRARY

Locate DOE and other relevant resources from the ESPC Campaign website



SUPPORTER DIRECTORY

Leverage Supporter Directory to connect with industry contacts

Achieving \$1 Billion in M&V Savings

- Public sector partners share with DOE at **least** 4 years of measurement & verification data for projects implemented during the ESPC Campaign
 - Completed projects with ongoing M&V activities can count towards the savings goal too!
- DOE to rollup and track progress from Guaranteed Savings → Measured & Verified Savings
- Streamlined reporting achieved through DOE's eProject eXpress web-based platform, designed specifically for state and local ESPC project data management



eProject eXpress M&V Fields

- Electricity Savings (kWh, \$)
- Electric Demand Savings (\$)
- Fuel Savings (Units, \$)
- Water Savings (kGal, \$)
- Operational and Maintenance Savings (\$)
- Total Project Cost Savings (\$)
- CO² Savings (tons)
- CH⁴ Savings (tons)
- SOX Savings (tons)
- NOX Savings (tons)
- Jobs (# FTE)
- Custom Savings (type, unit, \$)
- Custom Savings (type, unit, \$)

ESPC Campaign | Looking Ahead

January

Partner Resource:
ESPC Campaign
Amplification Toolkit

February

Webinar:
ESPC Practitioner
Perspectives and eProject
eXpress (ePX) Introduction

Campaign Leader
Direct TA One-On-Ones

March

Webinar:
IRA, BIL, and
Utility/Government
Incentives as Drivers for
ESPC Projects

April

Training:
Foundations of ESPC

Peer Exchange and
Networking Opportunity:
Better Buildings, Better
Plants Summit

ESPC Campaign Newsletter: Subscribe for monthly program updates and schedule information



Call to Action

Campaign Timeline: January 2024 – December 2028
Training Series delivered annually

Enrollment: Rolling through January 2028

Sign Up: Email a signed Partner Agreement to the ESPC Campaign inbox:
ESPCcampaign@hq.doe.gov

Learn More: Fill out the Expression of Interest Form on the ESPC Campaign website, or email the ESPC Campaign team

www.energy.gov/scep/espc-campaign

ESPCcampaign@hq.doe.gov



**Join
Today!**

More ESPC Resources

- [Blueprint 2B: Energy Savings Performance Contracts–Energy Efficiency and Electrification in Government Buildings](#)
- [eProjectBuilder \(lbl.gov\)](#): Learn more about eProject eXpress (ePX) and access webinar schedule
 - On-demand Webinar: [Municipalities Leveraging Grants for Energy Retrofit Projects](#)
- [Performance Contracting National Resource Center](#)
 - Access on-demand, accredited ESPC training series (through the lens of an Owner’s Representative)
- [ESPC Financing Options](#)
- [ESPC Toolkit](#)
 - [ESPC for Small Projects Guide](#)
 - Explore group procurement strategies and other strategies for successful small ESPC projects
 - [Energy Savings Performance Contracting: Improving Infrastructure & Turning Waste into Wins](#)
 - [Understanding Your ESPC Savings Guarantee](#)
 - [Model Documents for an Energy Savings Performance Contract Project](#)
 - **Update coming soon!**

Thank You!

ESPCcampaign@hq.doe.gov

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DE-FOA-0003056: Inflation Reduction Act of 2022 (IRA) Assistance For The Adoption Of The Latest And Zero Building Energy Codes

January 17, 2024

IRA Section 50131

Adoption of the Latest and Zero Building Energy Codes



Agenda

1. Program Goals
2. Code Overview
3. Overview of Program Funding and Timing
4. FOA Overview
5. FOA Deadlines
6. Q&A



Program Goals of \$1B in IRA Code Funding



Improve residential and commercial buildings (new and existing)



Increase code effectiveness (greater benefits)



Build state and local capacity



Educate jurisdictions, critical stakeholders, and diverse communities



Improve the resilience of buildings



Provide meaningful benefits to communities nationwide

Building Energy Code Overview

Building energy codes set minimum efficiency requirements for new and renovated buildings by governing energy-relevant design and construction, and energy-using components. Model codes are updated on three-year cycles.

- ✓ **Adoption authority** varies significantly by state
- ✓ **Adoption process** varies significantly by jurisdiction
- ✓ **Enforcement** almost always happens in localities

These are part of a suite of codes that govern construction practices, including structural, plumbing, electrical, fire safety, and others

Building Energy Codes – Thinking Bigger

Comprehensive code interpretation for IRA funding to lift all eligible jurisdictions:

- ✓ Allow **flexibility for agencies** to determine the right building energy policy for their state or jurisdiction depending on their authorities and priorities
- ✓ Encompass traditional energy codes, building performance standards (BPS), and other innovative codes that **meet the statutory criteria** for "equivalent" energy savings
- ✓ Codes must be **implementable, verifiable, and enforceable**
- ✓ Codes can be applicable to **new or existing buildings** (residential and commercial)



Overall Program Funding and Timing

Section 50131 Provisions

Grants to **States, and units of local government with code making authority** to:

- adopt the latest model building energy codes or equivalent codes
- adopt zero energy codes or equivalent

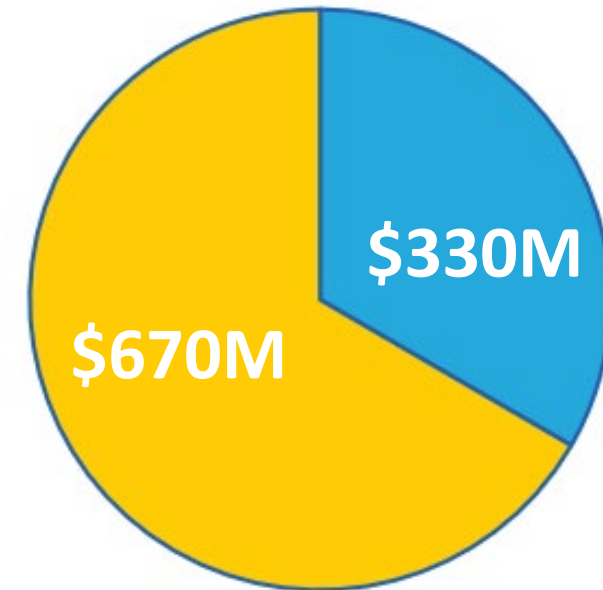
Grant recipient must **submit a plan** that shows how compliance with the latest, zero, or equivalent energy code or standards is going to be handled:

- implementation plan to achieve full compliance with any building energy code adopted with grants funds for new and renovated residential or commercial buildings;
- active training and enforcement programs; and
- measurement of the rate of compliance each year

Cost share is not required for grantees

Funding Details

- Latest Model Energy Codes or Equivalent
- Zero Energy Codes or Equivalent



Statute allows for up to 5% of the total funding to be used for DOE administrative costs

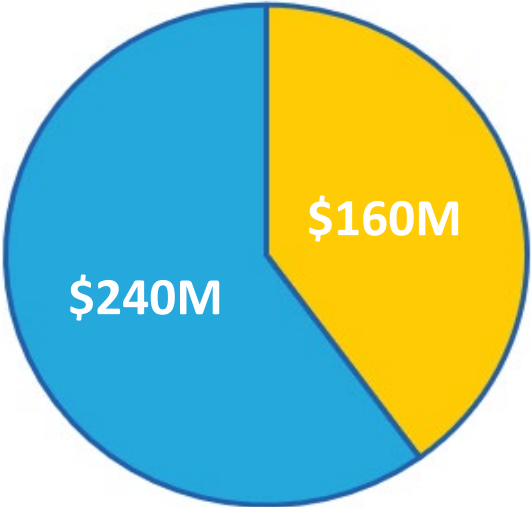
Timeframe: Funds to be available through September 30, 2029

Overview of Funding Breakdown by Mechanism / Timing

Reminder: Applicant must have code/standard adoption authority

Formula – \$400M Total

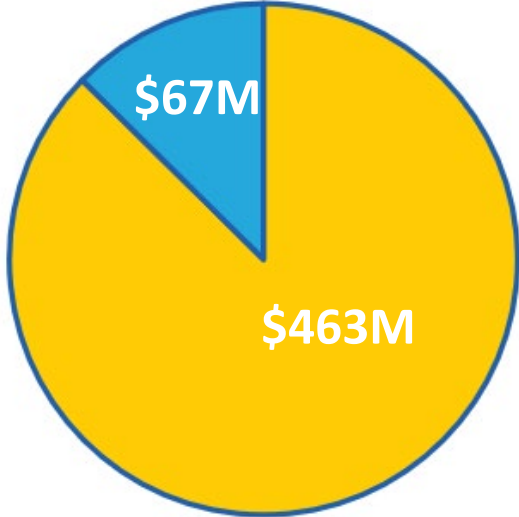
Eligible Entities: States
(and partnerships with States)
Released: September 19, 2023



Streamlined process for motivated States

Competitive FOA – \$530M Total

Eligible Entities: States, and localities with
code adoption authority
Released: December 2023



- Latest Model Energy Codes or Equivalent
- Zero Energy Codes or Equivalent

FOA Overview: Eligible Applicants

- FOA Section III(A): Grantees are defined as **States and units of local government that have the authority to adopt building codes.**
- FOA Section III(A)(i): The agency with the authority to adopt building codes may not be the same entity with the capacity or ability to implement or enforce those codes, or otherwise enter into a grant agreement with DOE. In these scenarios, the agency with the authority to adopt building codes may provide formal documentation of delegation of authority to another agency to proceed as the prime applicant on the jurisdiction's submission.

Funding Eligibility Overview

		ALRD #1	FOA #1	
Eligible Applicants	States	✓	✓	
	Territories	✓	✓	
	Localities		✓	
Eligible Codes	Latest Model Codes	IRA-Specified Latest Codes	✓	✓ (Locals Only)
		Pre-approved Amendments	✓	✓ (Locals Only)
		Custom Codes		✓
	Zero Codes	Innovative Approaches (BPS)		✓
		IRA-Specified Zero Codes	✓	✓ (Locals Only)
		Pre-approved Amendments	✓	✓ (Locals Only)
		Custom Codes		✓
		Innovative Approaches (BPS)		✓

FOA Overview: Eligible Activities

Section 50131 of the Inflation Reduction Act provides funding:

- **To adopt:**

LMC { ○ a building energy code (or codes) for residential buildings that meets or exceeds the **2021 International Energy Conservation Code**, or achieves equivalent or greater energy savings

○ a building energy code (or codes) for commercial buildings that meets or exceeds the **ANSI/ASHRAE/IES Standard 90.1-2019**, or achieves equivalent or greater energy savings

ZEC { ○ a building energy code (or codes) for residential and commercial buildings that meets or exceeds the **zero energy provisions in the 2021 International Energy Conservation Code** or an equivalent stretch code

- **To implement** a plan for the jurisdiction to achieve full compliance with any building energy code adopted [...] which shall include active training and enforcement programs and measurement of the rate of compliance each year

FOA Topic and Subtopic Areas

	Topic Area Name	Subtopic	Eligible Applicants	Eligible Codes
1	Adoption of Qualifying Building Energy Codes for Localities	A	Localities	Codes identified as qualifying in the ALRD
		B	Localities	Codes identified as qualifying in the ALRD
2	Adoption of the Latest Model Energy Codes with Combinations of Strengthening and Weakening Amendments for States, Territories, or Localities	A	Localities	Custom versions of the LMC
		B	States and Territories	Custom versions of the LMC
		C	Localities	Custom versions of the ZEC
		D	States and Territories	Custom versions of the ZEC
3	Adoption of Innovative Building Energy Code Approaches for States, Territories, or Localities	A	States, Territories, and Localities	Innovative code approaches such as building performance standards (LMC equivalent)
		B	States, Territories, and Localities	Innovative code approaches such as building performance standards (ZEC equivalent)

FOA Overview: Equivalence

- Applicants must propose to adopt the specified codes or **modified traditional or innovative codes with equivalent or greater energy savings.**
- Codes are often amended and adapted to meet specific and unique needs in various states and localities – these **changes need to be net neutral or deliver additional energy savings.**
- DOE provided a methodology, and accompanying calculators, to determine whether a proposed code meets the “equivalence” requirement, along with the FOA. **This methodology must be followed.**

FOA Overview: Equivalence

- Proposed codes must achieve equivalent or greater energy savings when compared with adopting the statute-specified code for the application's Subtopic Area

Example Policy	Equivalence Category	Statutory Code
Commercial Custom Code	LMC Commercial	ASHRAE 90.1-2019
Residential Custom Code	LMC Residential	2021 IECC
BPS with ZE Equivalence	ZEC Commercial	2021 IECC Appendix CC
ZE Single Family Homes	ZEC Residential	2021 IECC Appendix RC

- Equivalence requirements for full applications:
 - Topic Area 1: Submit the provided Checklist
 - Topic Area 2: Submit the proposed code language with the provided calculator *or* submit the proposed code language with the requisite inputs for DOE assistance in evaluating equivalence
 - Topic Area 3:
 - Proposals for commercial and multifamily existing buildings: submit the provided calculator
 - Other proposals follow guidance provided for Topic Area 2

FOA Overview: Compliance

- Qualifying building energy codes or innovative approaches to building energy codes must be **measurable, verifiable, and enforceable**
- Proposals must include the applicant's plan to achieve full compliance with any building energy code adopted, including **active training and enforcement programs** and **measurement of the rate of compliance each year**
- Merit review criteria in Section V(A)(ii) of the FOA include criteria for project evaluation, including that proposed projects:
 - Include a compliance plan
 - Describe the applicant's ability to implement the compliance plan
 - Include documented buy-in from needed stakeholders to ensure success of adoption, implementation, compliance, and enforcement

FOA Overview: Deadlines

Concept Papers

February 9, 2024 (5pm ET)

Full Applications

April 30, 2024 (5pm ET)

**Second Round
(pending funding availability):**

Fall 2024

**Third Round
(pending funding availability):**

Spring 2025

Funding Milestones – ALRD and FOA

ALRD

RFI and NOI released, public comment collected

Program design, stakeholder outreach and engagement

ALRD release: September 2023

ALRD Letters of Intent Due: January 2024

ALRD Applications Rolling

ALRD applications accepted for two years after LOI submission

Funding Available through September 2029



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FOA

RFI and NOI released, public comment collected

Program design, stakeholder outreach and engagement

Program design, stakeholder outreach and engagement

FOA Release: December 2023

FOA Applications Rolling

Funding Available through September 2029



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

Agenda

- Introduction: Why are we here?
- Announcements & Reminders
- Financing 101
- **Federal Round Table + Q&A**
 - Energy Savings Performance Contracting (ESPC) Campaign
 - Technical Assistance for Building Energy Codes
 - Home Energy Rebates Program
- Q&A

Home Energy Rebates, or I Hear The Train A Comin'...

EECBG Blueprint Session #4 January 18, 2024

Adam Hasz
Implementation Advisor
Home Energy Rebates Program



SCEP

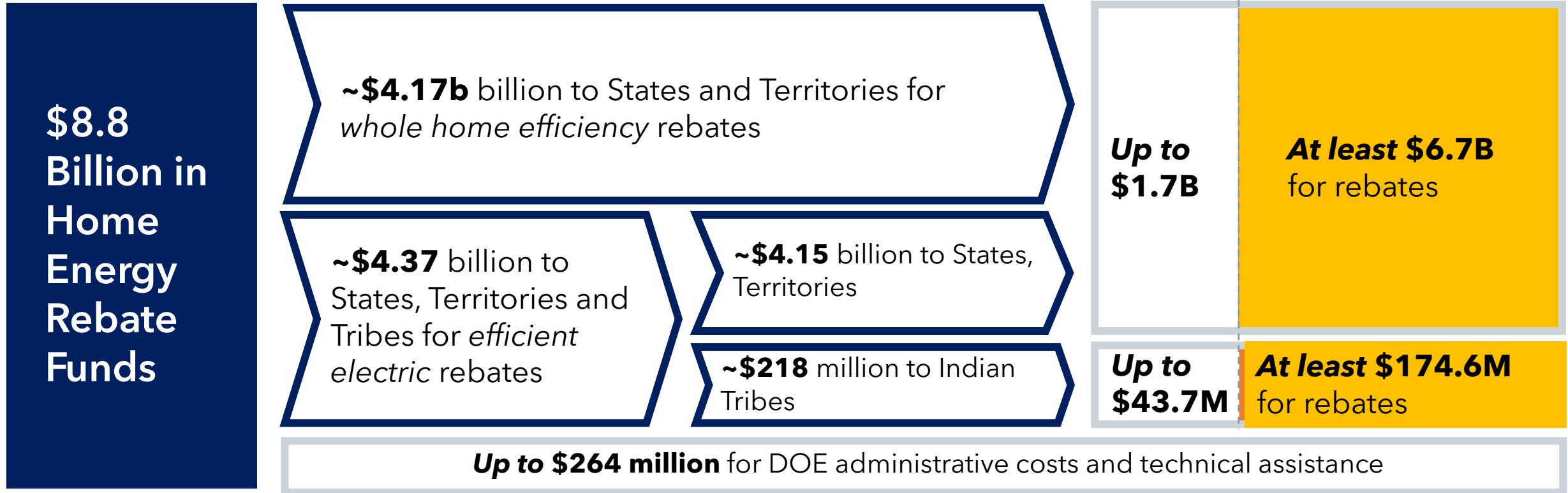
STATE & COMMUNITY ENERGY PROGRAMS

\$8.8b IRA Home Energy Rebate Program Objectives

- ✓ **Help households** across the US enjoy lower energy bills and more comfortable homes
- ✓ **Make it easier** to access and implement residential energy improvements
- ✓ **Attract and retain qualified workforce** to serve both single and multifamily markets
- ✓ **Spur durable market demand** for residential efficiency and electrification by demonstrating value of energy upgrades and efficient homes to homeowners, tenants, and investors



Where Will the Home Energy Rebate Funds Go?



The law authorizes up to 3% of total funds for DOE program administration & technical assistance as well as up to 20% of State & Indian Tribe funds for program administration.

\$4.17b for Residential Efficiency Rebates (HOMES)

- Rebates vary with the energy savings from the household improvements.
- A wide range of energy-saving upgrades can be included.
- Low-income* households can access up to \$8,000, while other households can access up to \$4,000.

LOW-INCOME HOUSING*

- Projects with energy savings between 20% and 35%:
 - ✓ **80%** of costs up to **\$4,000** per home or housing unit
- Projects with energy savings greater than 35%:
 - ✓ **80%** of costs up to **\$8,000** per home or housing unit

MARKET RATE HOUSING

- Projects with energy savings between 20% and 35%:
 - ✓ **50%** of costs up to **\$2,000** per home or housing unit
 - ✓ **\$200,000** cap for multifamily building
- Projects with energy savings greater than 35%:
 - ✓ **50%** of costs up to **\$4,000** per home or housing unit
 - ✓ **\$400,000** cap for multifamily building

* Low income is defined as single family households with incomes less than 80% area median income, as well as multifamily housing with more than 50% of households having incomes less than 80% area median income. States may request increased rebate amounts for low-income households of up to 100% of project costs.

\$4.37b for Residential Electrification Rebates (HEERHA)

Rebates provide low- and moderate-income families ONLY up to \$14,000 total for products like electric heat pumps, electric stoves, and more.

- ✓ More than 70 percent of U.S. households are eligible for these rebates.
- ✓ Rebates cover up to 100% of costs for low-income households*
- ✓ Rebates cover up to 50% of costs for moderate-income households*
- ✓ Rebates cannot exceed the caps listed in the table.
- ✓ All appliances must meet ENERGY STAR certifications

Rebate Type	Equipment/Service	Maximum Rebate \$ Amount
Appliance Upgrades	Heat Pump Water Heater	\$1,750
	Heat Pump for Space Heating or Cooling	\$8,000
	Electric Stove, Cooktop, Range, Oven, or	\$840
	Electric Heat Pump Clothes Dryer	\$840
Non-appliance Upgrades	Electric Load Service Center Upgrade	\$4,000
	Insulation, Air Sealing, and Ventilation	\$1,600
	Electric Wiring	\$2,500
Maximum total across all upgrades per home or unit		\$14,000

* Low-income household defined as below 80% of area median income (AMI); moderate-income defined as between 80% and 150% of AMI.

Rebates Funding Allocations to States and Territories

Alabama	\$146 M	Iowa	\$121 M	New Mexico	\$88 M	Virginia	\$189 M
Alaska	\$75 M	Kansas	\$106 M	New York	\$318 M	Washington	\$166 M
Arizona	\$153 M	Kentucky	\$134 M	North Carolina	\$209 M	West Virginia	\$88 M
Arkansas	\$105 M	Louisiana	\$213 M	North Dakota	\$74 M	Wisconsin	\$149 M
American Samoa	\$50 M	Maine	\$72 M	Ohio	\$249 M	Wyoming	\$69 M
California	\$582 M	Maryland	\$137 M	Oklahoma	\$129 M		
Colorado	\$140 M	Massachusetts	\$146 M	Oregon	\$114 M		
Connecticut	\$99 M	Michigan	\$211 M	Pennsylvania	\$259 M		
District of Columbia	\$59 M	Minnesota	\$148 M	Puerto Rico	\$85 M		
Delaware	\$66 M	Mississippi	\$105 M	Rhode Island	\$64 M		
Florida	\$346 M	Missouri	\$151 M	South Carolina	\$137 M		
Georgia	\$219 M	Montana	\$71 M	South Dakota	\$69 M		
Guam	\$51 M	Northern Marianas	\$50 M	Tennessee	\$167 M		
Hawaii	\$68 M	Nebraska	\$91 M	Texas	\$690 M		
Idaho	\$81 M	Nevada	\$96 M	Utah	\$101 M		
Illinois	\$264 M	New Hampshire	\$70 M	Vermont	\$59 M		
Indiana	\$182 M	New Jersey	\$183 M	U.S. Virgin Islands	\$51 M		


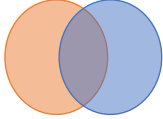
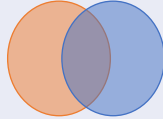
Allocation of \$225M designated for Indian Tribes has not yet been determined.

Up to 20% of these funds may be used for program administration.

Allocations split roughly 50/50 between home energy and electrification rebates

NOTE: These figures are rounded. Exact amounts can be found here: <https://www.energy.gov/articles/biden-harris-administration-announces-state-and-tribe-allocations-home-energy-rebate>

Guidelines for Leveraging Other Funding Sources with Home Energy Rebates

Sources of Funding	Allowance	Requirements to Leverage Funding Within Same Household	Examples
Other Federal Grants E.g., funding from WAP, LIHEAP, EECBG	Can Braid 	Must “braid” and use other federal grants to fund <u>distinct and separable measures</u> from the “single upgrades” or “qualified electrification projects” (QEPs) funded by a home energy rebate.	EE measures from WAP (insulation and air sealing), appliance measures from rebate (heat pump, HP water heater, and associated wiring)
Federal Loans or Loan Guarantees: E.g., Loan from DOE Revolving Loan Fund	Can Co-Fund 	Can co-fund any remaining costs for the <u>same “single upgrade” or “QEP”</u> above the value of the Home Energy Rebate.	Loan from a State’s DOE Revolving Loan Fund covers remaining upgrade costs after rebate has been applied
Non-Federal Funding: E.g., EE Utility \$, State/Local \$	Can Co-Fund 	Can co-fund any remaining costs for the <u>same “single upgrade” or “QEP”</u> above the value of the Home Energy Rebate.	Utility incentive provides additional funding toward remaining upgrade costs after rebate has been applied
Tax Credits: E.g., federal/state/local tax credits (may vary based on state/local law)*	See IRS or Tax Authority guidance	Refer to IRS guidance on the energy efficiency home improvement tax credit, available at https://www.irs.gov/credits-deductions/home-energy-tax-credits	

**DOE does not provide tax advice; please refer to IRS guidance or relevant state guidance for relevant tax laws and requirements for tax credits.*

Potential Opportunities for Local Governments and Rebates

- Help States target deployment for low-income and low-income multifamily households
 - Requirement to reserve at least ~40% of rebates for low-income, 10% for low-income MF
- Provide local funding or innovative financing to close cost gaps
 - \$8k for a heat pump will not likely cover the full cost
- Support equitable workforce development
 - As home upgrades scale up, more skilled HVAC technicians and electricians needed!
- Help transform the residential EE market through home energy labeling
 - Adopting Home Energy Score or other certifications can showcase the value of EE

To best engage with rebates in your state, **connect with staff from your State Energy Office** to discuss how you can support their Home Energy Rebates programs.

How Do I Hear About Home Energy Rebates Updates?

Sign up for program updates on the SCEP Home Energy Rebates Program Website!

<https://www.energy.gov/scep/home-energy-rebate-program>

For General Questions:

IRAHomeRebates@hq.doe.gov

To Contact Me Directly:

Adam.Hasz@hq.doe.gov

The screenshot displays the SCEP Home Energy Rebates Program Website. At the top right, there is a video player with the title "SCEP Announces \$8.5 Bill..." and a play button. Below the video, a caption reads: "The U.S. Department of Energy's Karen Zelmar explains the Inflation Reduction Act's Home Energy Rebate Programs, and their top energy savings goals. Video courtesy of the U.S. Department of Energy".

The main content area features a section titled "Program Updates" with the following text: "The Office of State and Community Energy Programs (SCEP) has released the applications for states and territories to apply for full program funds for both the Home Efficiency Rebates and Home Electrification and Appliance Rebates. Only state and territory energy offices are eligible to apply at this time. SCEP will later release more details regarding applications for Tribal Home Electrification and Appliance Rebates. More information about the rebates programs requirements, application processes, and recommendations is available on the [Guidance for Program Administrators page](#)."

Below the program updates is a dark blue "Email Updates" section. It contains the text: "Sign up to receive the latest news and updates about home energy rebate programs." followed by a white input field labeled "Enter Email Address" and a "GO" button. This section is circled in green.

At the bottom of the page, there is a "Latest News" section with the text: "Home Energy Rebates funds are not yet available. Households looking for home energy retrofit assistance today cannot yet access these rebates, but may be eligible for other federal programs, including [tax credits](#) or the [weatherization Assistance Program](#). For questions or comments about program roll out, contact us at IRAHomeRebates@hq.doe.gov."

Stay Connected!

General Questions:
Contact us at
IRAHomeRebates@hq.doe.gov

To Contact Me Directly:
Adam.Hasz@hq.doe.gov



**Shape the Future of
Residential Efficiency
and Electrification**

DOE seeks your input on the
development of the **\$8.8 billion**
Home Energy Rebate programs



SCEP
STATE & COMMUNITY ENERGY PROGRAMS

Thank You! Questions?



SCEP

STATE & COMMUNITY ENERGY PROGRAMS

Q&A

Your EECBG Support System | If you have questions about

Your application:

1. The status of your PAIS or application
2. Voucher projects & eligibility
3. Application requirements



Grant Management Team
EECBG@hq.doe.gov

Technical Assistance:

1. Blueprints & Blueprint Cohorts
 - *"Does my project fit into a blueprint?"*
2. Community Energy Fellowship
3. Other technical assistance
 - *"How do I incorporate J40 principles into my project?"*



Technical Assistance Team
TechnicalAssistance@hq.doe.gov

The Voucher Portal:

Get voucher application portal technical help



Voucher Portal Administrator (ICF)
EECBGVouchers@icf.com

Your EECS:

Get support developing your Energy Efficiency Conservation Strategy (EECS)



National Renewable Energy Laboratory (NREL)
EECS_TA@nrel.gov

- 10-20 Hours

Attend Our Bi-weekly Office Hours! [Sign up here](#)

Every other Friday at 2:30pm ET

<https://forms.office.com/g/yc3H3xQeEE>

Thank You !!