

U.S. DEPARTMENT OF
ENERGY

Office of
ENERGY EFFICIENCY &
RENEWABLE ENERGY

PETROLEUM VIOLATION ESCROW (PVE) FUNDS: What Are They and What Can They Be Used For?

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PVE HISTORY

Beginning in 1983, funds became available to the States as a result of oil company violations of the Federal oil pricing controls in place from 1973 to 1981.

These funds are known as Petroleum Violation Escrow (PVE) funds or oil-overcharge funds.

PVE funds became available to the States through several mechanisms:

- Settlements (for example, Chevron, Diamond Shamrock, and Stripper Well).
- Legislation (the Warner Amendment).
- Other court actions (Exxon).

ELGIBILE USES OF PVE FUNDS

Each state determines how it wishes to allocate the funds across eligible programs.

States may use these funds and interest earned for SEP or other eligible activities, as described in Appendix B of the SEP Operations Manual.

Some PVE funds can remain outside of their SEP grants, while other PVE funds must be used within their SEP grants.

PVE FUNDS AT A GLANCE – Amounts Made Available to States and Acceptable Uses

CHEVRON	WARNER	EXXON	STRIPPER WELL	DIAMOND SHAMROCK
\$25 Million	\$200 Million	\$2.1 Billion	\$1.5 Billion	\$48.6 Million
Ride-sharing, public transportation, building energy audits, grants or loans for weatherization and energy conservation equipment installation, energy assistance programs, *and more	SECP, EES, Weatherization Assistance Program, Institutional Conservation Program, Low-Income Home Energy Assistance Program Block Grant. No administrative expenses.	Same programs as Warner Amendment. No administrative expenses.	Same programs as Warner Amendment and Chevron settlement or any program approved by DOE SEP. Up to 5% for administrative expenses. Can be used as nonfederal match for Federal grant funds.	Same as Stripper Well. Any amount, up to entire refund, for administrative expenses not to exceed 5% of states total PVE receipts. Can be used as non-federal match for Federal grant funds.

PVE FUNDS AT A GLANCE – Reporting and Regulatory Requirements; Acceptability of Non-grant Proposals

CHEVRON	WARNER	EXXON	STRIPPER WELL	DIAMOND SHAMROCK
	<p>All regulations and reporting requirements for the applicable Federal programs apply.</p> <p>Funds cannot be spent outside the grant programs.</p>	<p>Same as Warner Amendment.</p> <p>State required to submit annual report to DOE and the Court 30 days after close of State's fiscal year.</p> <p>Funds cannot be spent outside the grant programs.</p>	<p>If State puts funds into Federal program, all regulations and reporting requirements apply.</p> <p>State required to submit annual report to DOE 30 days after close of State's fiscal year.</p> <p>For funds spent outside the grant programs: States send proposals to DOE Headquarters & a committee reviews State proposals for consistency with settlement agreement.</p>	<p>Same as Stripper Well.</p> <p>For funds spent outside the grant programs; States are not required to notify DOE before spending funds.</p>

IMPORTANT ITEMS TO NOTE

- **Warner Amendment and Exxon cannot be used for administrative expenses.**
- **Stripper Well funds can be used for up to 5% of administrative expenses.**
- **Stripper Well Funds and Diamond Shamrock can be used for non-federal cost match.**
- **Stripper Well and Diamond Shamrock Funds can be used outside of the SEP Annual plans.**

PVE FUNDS USED WITHIN SEP ANNUAL GRANT

When used within the scope and budget of a state's SEP grant, PVE funds are subject to SEP grant and program requirements.

No matching funds required for PVE funds used within an SEP grant.

PVE funds are not subject to the 20% limitation on equipment purchases under the program.

PVE FUNDS USED OUTSIDE THE SEP AWARD

When a state opts to use PVE funds outside of its SEP grant (Stripper or Diamond Shamrock), the state should carefully review eligibility of funds, and send a brief proposal to the email address designated for SEP PVE use

SEP-PVE@ee.doe.gov

30 days in advance of intended use.

PVE FUNDS USED OUTSIDE THE SEP AWARD

The proposal must include a description of the proposed activity and how it meets the requirements for that type of PVE funding, along with a budget, the target audience, and time period for the program.

The proposal must clearly show the energy focus of the proposed activity.

REPORTING OF PVE FUNDS

Annual PVE reports should be sent to the designated SEP PVE email address within 30 days of the end of the state's fiscal year, regardless of whether a state's PVE funds are being expended,

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