COUNCIL AGENDA: 06-02-09
ITEM: 7.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: John Stufflebean

SUBJECT: **SEE BELOW**

DATE: 05-11-09

Approved

Date 5/22/09

COUNCIL DISTRICT: City-Wide

SUBJECT: CITY OF SAN JOSÉ APPLICATION FOR FEDERAL FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009— ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS

RECOMMENDATION

Adopt resolution authorizing the City Manager to submit the City of San José application to the Department of Energy for $8,840,060 in Energy Efficiency and Conservation Block Grant funds as authorized by the American Recovery and Reinvestment Act of 2009 and to execute the grant agreement and accept funds upon approval from the Department of Energy.

OUTCOME

San Jose's application for the Energy Efficiency and Conservation Block Grant funds will provide needed resources for energy efficiency installations in city facilities, advance the use of LED streetlights and other clean technologies, expedite the implementation of renewable energy technologies such as solar thermal and photovoltaic systems, and facilitate development of creative solutions for financing renewable technologies.

EXECUTIVE SUMMARY

Staff is recommending that all of the Block Grant funds be used for Municipal Energy Efficiency and Renewable Energy. Staff used the Department of Energy core principles and guidelines to develop the recommended approach which focuses on the opportunity to maximize savings to the General Fund and advance Green Vision energy goals. This approach will also stimulate the local economy with the use of local contractors, trained workers, and suppliers; and drive technological innovation in energy efficient technologies. The recommended plan includes strategies and programs that are intended to minimize start up time and costs and maximize the

leveraging of existing resources and programs. Thus, although a variety of options, as outlined in the Policy Alternatives section, were explored for the use of the Block Grant funding, considerations such as longer start up times, additional program costs, and a decreased focus in some key areas such as technological innovation and leveraging funds through reinvesting the savings, led to these alternatives not being advanced as the recommended options.

BACKGROUND

The American Recovery and Reinvestment Act (Recovery Act) of 2009 was signed by President Obama on February 17, 2009 and provided a large, one-time domestic spending package and tax relief measures to help stimulate the nation's faltering economy. The Recovery Act appropriated funding for the U. S. Department of Energy (DOE) to award to states, U.S. territories, units of local government, and Indian tribes formula-based grants under the Energy Efficiency and Conservation Block Grant (Energy Block Grant) Program. The purpose of the Energy Block Grant Program is to assist eligible entities in creating and implementing strategies that:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- Reduce their total energy use; and
- Improve energy efficiency in the building, transportation, and other appropriate sectors.

Of the total $3.2 billion in the Energy Block Grant, $2.8 billion is being distributed through formula allocation grants that are based on population and $400 million will be distributed through competitive grants. The formula allocates $8,840,060 for the City of San José. In addition, the City will be eligible to apply for funds under other Department of Energy competitive funding programs. The Department of Energy has not yet issued guidance to apply for their competitive grants. Staff is tracking the process and will report to Council as additional information becomes available.

ANALYSIS

The Recovery Act appropriated funding for the Department of Energy to administer the Block Grant Program that was originally authorized under the Energy Independence and Security Act of 2007 (Public Law 110-140). The Block Grant's stated purpose was to assist eligible entities in implementing strategies that would reduce fossil fuel emissions; reduce the total energy use of the eligible entities; and improve energy efficiency in the building sector, transportation sector, and other appropriate sectors.

The Department of Energy's guidance documents for the Energy Block Grant allocation include the following key elements to guide the application process:

1. Core principles

2. Eligible project types and activities
3. Grant requirements
4. Reporting metrics

Core Principles

The Department of Energy provided the following core principles to guide entities during the program application and project planning process:

1. Prioritize energy efficiency and conservation first as the cheapest, cleanest, and fastest ways to meet energy demand.
2. To maximize benefits over the longest possible terms, entities should look for ways to link their energy efficiency efforts to long-term priorities (especially community economic development, community stabilization, and poverty reduction efforts).
3. Invest funds in programs and projects that create and/or retain jobs and stimulate the economy while meeting long-term energy goals.
4. Target programs and projects that will provide substantial, sustainable, and measurable energy savings, job creation, and economic stimulus effects.
5. Give priority to programs and projects that leverage federal funds with other public and private resources, including coordinated efforts involving other Federal programs targeting community development funded through the Recovery Act such as the Community Development Block Grant program, HOME Investment Partnership Program, and job training programs.
6. To the extent possible, develop programs and strategies that will continue beyond the funding period.
7. Ensure oversight, transparency, and accountability for all program activities.
8. Enact policies that transform markets, increase investments, and support program goals.
9. Develop comprehensive plans that benchmark current performance and set aggressive goals.

Eligible Project Types and Activities

The Department of Energy provided the following list of eligible projects/activities:

1. Energy Efficiency Retrofits
2. Energy Efficiency and Conservation Programs for Buildings and Facilities
3. Traffic Signals and Street Lighting
4. Renewable Energy Technologies on Government Buildings

5. Financial Incentive Programs
6. Development of an Energy Efficiency and Conservation Strategy
7. Technical Consultant Services
8. Residential and Commercial Building Energy Audits
9. Development and Implementation of Transportation Programs
10. Building Codes and Inspections
11. Energy Distribution
12. Material Conservation Programs
13. Reduction and Capture of Methane and Greenhouse Gases
14. Any Other Appropriate Activity

Grant Requirements

The grant requires that the following four elements be met:

- Application date: All grant applications are due by June 25, 2009.
- Energy Efficiency and Conservation Strategy: All applicants are required to submit an Energy Efficiency and Conservation Strategy (Energy Strategy) within 120 days of applying for the grant. Staff will be bringing a Strategic Energy Plan to the Transportation and Environment Committee on June 1, 2009 and to Council on June 16, 2009 for approval and anticipates having this in place prior to applying for the grant. The approved Strategic Energy Plan will help guide the Energy Strategy.
- Funding and Implementation: Funds for all projects must be obligated within 18 months of grant award and projects must be completed within 36 months of grant award. Prior to distribution of funding to grantees, the Department of Energy may deduct funds for administrative expenses to administer the Block Grant Program. Applicants may receive 50% of the total allocation upon application approval. The balance of funding will be obligated after one or more progress reviews in which the recipient has demonstrated that it has obligated funds appropriately, complied with reporting requirements, and created jobs.
- Regional and State Coordination: The Energy Block Grant application requires coordination with the State and other regional entities. The City has been coordinating with the other cities in Santa Clara County, Bay Area regional cities, and energy programs, PG&E, Joint Venture Silicon Valley, Green Cities California, and the California Energy Commission in order to identify opportunities for leveraging, collaboration, and possible joint proposal submittals for the competitive elements.

Reporting and Metrics

In addition to the Quarterly and Annual reporting requirements on all Block Grant projects, grantees will be required to report regularly to the Department of Energy on five additional metrics:

1. Jobs created and/or retained
2. Energy savings on a per dollar invested basis
3. Renewable energy capacity installed
4. Greenhouse gas emissions reduced
5. Funds leveraged

The City is developing performance tracking mechanisms that will provide accurate reporting for these metrics. The Department of Energy is establishing criteria and accounting measurements tools for green jobs created as a result of programs. All other funds leveraged, such as PG&E rebates and program services/audits provided through state and utility program will also be tracked to ensure accurate accountability for these funds.

First year savings from this program, along with incentives and rebates received as a result of the energy efficiency projects, will go to the City's Building Energy Project Program fund, where they will be reinvested in future energy projects, further leveraging the funds for additional projects.

Quarterly reports, as required by the Department of Energy, will be provided to the Department of Energy within the stipulated timeframe and posted on the City's website.

Proposed Projects

Multiple City departments coordinated to develop a list of proposed projects for the Energy Block Grant application and funding allocations. The internal criteria used for proposing projects included:

1. Alignment with Department of Energy core principles and requirements
2. Return on Investment with a specific focus on General Fund savings to reduce the City's Structural Deficit
3. Alignment with, and advancement of, the City's Green Vision
4. Support of other City priorities such as reduction of the Deferred Maintenance and Infrastructure backlog

Staff looked at myriad options for the use of the Block Grant monies; a detailed discussion of some of the major ones is included in the Policy Alternatives section. Strategies to increase energy efficiency in the City and community and to increase renewable energy, specifically solar, in City facilities, were vetted against the criteria above. Initial start up time and costs were also taken into consideration and options that minimized these costs and maximized existing resources were considered more favorably. A preliminary risk assessment of programs was also

done to evaluate potential success rates of various programs. Although Block Grant monies can be used for several planning activities, implementation of actual energy efficiency and renewable energy projects were considered to be a better use of Block Grant monies given that the City's Green Vision and upcoming Strategic Energy Plan already provide clear strategic direction.

Based on this evaluation of options, City staff recommends submitting the following projects for Energy Block Grant funding:

Municipal Energy Efficiency and Renewable Energy Projects - $8,840,060

Understanding that the Department of Energy focus was on energy efficiency and solar on municipal facilities (solar on residential and commercial sector projects is not an eligible use), staff identified a range of opportunities for reducing energy use in city facilities, advancing technological innovations, and advancing the use of renewable energy technologies. Detail on the proposed projects is found in Attachment 1.

Project	Cost	Alignment with Green Vision
Energy efficiency improvements at City Facilities	$4,090,060	Advances goal to reduce per capita energy use by 50 percent
Municipal Solar Programs	$2,750,000	Advances goal to receive 100 percent of our electrical power from renewable sources
Programmable LED streetlights	$2 million	Advances goal to replace 100 % of our streetlights with smart, zero-emission lighting

The proposed Municipal Programs are currently estimated to save the General Fund more than $800,000 per year. These activities would provide for the retention or creation of an estimated 140 jobs. Close to $2M in partnerships and funds will be leveraged as a result of these programs. Key partners would be PG&E (Local Government Partnership Program, Direct Install and Energy Audits, Rebates) and the California Solar Initiative (solar incentives).

Return on Investment
A preliminary comparative analysis showed that for every $1 million dollars invested in each of the proposed programs, the return on investment would be as follows:

Program Element	Annual Savings
Energy Efficiency on City Facilities	$181,333
LED Programmable Streetlights	$ 55,000
Solar Hot Water on Fire Stations	$ 50,000
Solar on City Facilities	TBD

Although the return on investment for LED streetlights is low compared to energy efficiency improvements in City buildings, this estimate is based on current billing systems. With anticipated advances in the future in the area of smart controls as well as billing based on adaptive lighting, these savings will be significantly higher. In addition, this project will help drive technological advances in the industry and enable more cost effective LED fixtures as adoption becomes more widespread.

The proposed Solar Hot Water program for City fire stations also has the potential for an increased return on investment. The California Public Utilities Commission is completing a pilot program on solar water heating in order to develop appropriate incentives as per Assembly Bill (AB) 1470 (Huffman, 2007). The law gives the CPUC authority to create a $250 million program with the goal to install 200,000 solar water heating systems throughout California. Initial indications are that the industry is poised to take off, and that with the addition of incentives, the market would grow much faster than in the past, when demand was stagnant. The return on investment for solar photovoltaic on City facilities is not known at this time and will depend on the City's ability to successfully negotiate agreements for solar installations.

Staff used information developed by the Department of Energy and the Environmental Protection Agency that estimated that for each $1M invested in energy efficiency, the number of jobs created, including multiplier effects, ranged from 8-24 jobs. Staff used 23 jobs created per $1M in our analysis.

Next Steps

- Council Adoption of Strategic Energy Plan on June 16, 2009
- Submittal of Energy Block Grant application in early June
- Department of Energy approval anticipated within 120 days of application submittal
- Grant agreement and award of 50% of funds in early fall 2009

EVALUATION AND FOLLOW-UP

Once funding has been allocated, quarterly reports that provide information on the status of the project activities, expenditures, and benefits will be posted on the City's Green Vision website. Information will also be included in the Green Vision reports to Council.

City staff are also monitoring all available American Resource and Recovery Act allocations for additional grant and loan opportunities that would advance the City's Green Vision goals. A listing of current potential programs is provided in Attachment 2.

POLICY ALTERNATIVES

In reaching the recommendation stated above, the following alternatives were also considered:

Alternative# 1: Allocate a portion of the funds for community energy efficiency activities such as grants for the low-income community.
Pros: This approach would provide a balanced approach that would directly benefit the community as well as the City. The City's Green Vision energy goals specifically call out for energy reductions throughout the entire community.
Cons: The highest return on investment and the greatest ability to leverage funds is to conduct energy efficiency retrofits on municipal facilities.
Reason for not recommending: Energy efficiency improvements on City buildings would maximize General Fund cost savings as these improvements have the highest return on investment and will have a direct impact on the General Fund, thus benefiting city services throughout the community. In addition, there are significant Recovery Act funds being allocated to weatherization and energy efficiency retrofits for low-income residents.

Alternative #2: Establishment of a financing district for energy efficiency improvements within the community
Pros: Will establish a mechanism to target a much larger segment of the community for implementing energy efficiency projects and provide potential significant advances in the Green Vision goal of energy efficiency.
Cons: A longer start up time would be needed to retain an appropriate consultant for setting up a framework for this program. High resource and transactional costs (legal and financial) associated with forming the district and issuing the debt, along with program management costs, would be incurred. There is also a considerable risk factor since a market analysis has not been completed to determine how many residents are likely to access these funds. Thus, a majority of the Block Grant monies could be spent without the reassurance of success within the reporting timeframe. In addition, since the Block Grant funding restricts the use of funds for loans to energy efficiency activities only, an integrated approach with the use of renewables is not possible.
Reason for not recommending: Longer start up time, additional program staffing costs, and a higher risk factor make this a less feasible option. Staff also believes that there are more effective approaches to achieve the same objective. The California State Communities Development Authority is currently developing a statewide property tax assessment district wherein they would create the financing district, administer the district, and issue the bonds. The Authority is initiating a pilot program with one or more selected cities in 2009 (summer/fall) and San José is in discussions to be one of those pilots. This would provide the financing mechanism for the community for both solar and energy efficiency projects. The Association of Bay Area Governments is also looking to establish a regional property tax assessment district for area cities.

Alternative #3: Establishment of a Community Energy Revolving Loan Program for low-to-moderate income households.

Pros: Will allow a larger number of households to access funding for energy efficiency improvements through a longer term program.
Cons: Additional administrative and financial costs would be incurred in order to establish a new program. A loan program would require substantially more staff resources to monitor funding over a long term. A market analysis has not been done to determine how many residents will access these funds. Given that the term of the loans will be several years, it is unclear as to how much additional money would actually be available in the near term to increase number of households Credit ratings may also pose a challenge in the ability of low income residents to be able to qualify for loans.
Reason for not recommending: Longer start up time, additional program staffing costs, and a higher risk factor make this a less feasible option. The Recovery Bill offers Qualified Energy Conservation Bonds that may be used to issue loans and grants for capital expenditures to implement green community projects. The City is reviewing this program and identifying community projects that could be established in San José.

PUBLIC OUTREACH/INTEREST

- ☐ **Criteria 1**: Requires Council Action on the use of public funds equal to $1 million or greater.
  (Required: Website Posting)
- ☐ **Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

This memorandum has been coordinated with the Departments of Transportation, General Services, Public Works, Planning, Building and Code Enforcement, City Manager's Office, Office of Economic Development, Redevelopment Agency, and the City Attorney's Office.

COST IMPLICATIONS

No matching funds are required as part of the application submittal. Once contract agreements have been received by the City, staff will be submitting the grant application approval to the City Council for appropriations.

BUDGET REFERENCE

Half of the total grant award allocation will be received in advance of project activities. The remaining 50% of the grant funding will be allocated on a reimbursable basis upon completion of projects and will continue funding projects that fall under this grant. The appropriation of funds will be brought forward to the City Council with the grant agreement in August 2009.

CEQA

Not a project. All appropriate environmental reviews, including any applicable NEPA reviews, would be completed prior to the submittal to the Council of the DOE grant agreement documents, currently expected in early fall of 2009.

JOHN STUFFLEBEAN
Director, Environmental Services

Attachment 1: City of San José Proposed Activities for Block Grant Application
Attachment 2: American Resource and Recovery Act—Energy Funding Opportunities

For questions, please contact Mary Tucker, Energy Program Manager, at 408-975-2581

Attachment 1

CITY OF SAN JOSE

ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT ACTIVITIES

Municipal Energy Efficiency and Renewable Energy Activities $8,840,060

Energy Efficiency Installation at City Facilities ($4,090,060)

Project	Project Cost	Estimated Annual Savings	Job Creation/ Retention[1]	Funds Leveraged
Energy efficiency installations at city facilities	$4,090,060	$725,332	94	$1,700,000 (PG&E programs and rebates)

These funds will be used for the installation of cost-effective energy efficiency measures (heating, ventilation and air conditioning (HVAC), lighting, variable frequency drives, and retro-commissioning) at city facilities which have high energy costs and have been identified as good candidates for priority retrofits.

Energy audits on city facilities are being conducted through the City's Silicon Valley Energy Watch Program funded through PG&E's Local Government Partnership Program and ratepayer allocations. Rebates and incentives from PG&E will be used to offset the costs of these installations, with the rebates and first year savings to be returned to the City's Energy Fund for investment in additional projects. Initial estimates are that the measures will result in a 15-20% reduction in energy usage. Existing General Services Department staff and outside contractors will be used for the implementation of these projects. The City will work with contractors to ensure the use of trainees who have completed local green job training programs.

LED Streetlights ($2,000,000)

Project	Project Cost	Estimated Annual Savings	Job Creation/ Retention	Funds Leveraged
Programmable LED Streetlights (1,500)	$2,000,000	$110,000	46	$150,000 (PG&E programs and rebates)

[1] Rapid Deployment Energy Efficiency Program Guide, EPA and DOE Publication. April 3, 2009. *Appendix A: Estimating the Employment Effects of Energy Efficiency Programs.*

These funds will be used to replace Low Pressure Sodium (LPS) streetlights with programmable LED lights. Over a ten year period (a conservative estimate of the longevity of an LED lamp), the City would save approximately $80 per year per lamp on O&M costs on the lights identified. This assumes the lights are lit at 80% power on average over the entire evening and the City receives full credit for its energy savings. Staff is working with PG&E to achieve that goal. By converting to LEDs, the City will also eliminate the need to have hazardous waste disposal for the sodium lamps. Rebates and incentives from PG&E will be used to offset the costs of these installations, with the rebates and first year savings to be returned to the City's Energy Fund for additional projects.

The City intends to equip the LED streetlights with advanced controls and communication to maximize the energy efficiency of its streetlights. This will enable the City to vary the amount of light cast by its streetlights depending upon the time of day, location of the streetlights, and time of year. The directionality of the lights combined with its dimming capability will also allow the City to reduce the amount of wasted light shining into the sky, undermining astronomical viewing.

Ultimately, the City intends to use this system to meter its lights so that Pacific Gas & Electric can bill the City for its actual energy consumption. Currently San Jose, like most cities in the nation, pays a non-metered rate. Moving to a metered rate will reward, consequently encouraging, greater energy efficiency. The longevity of LED streetlights (3-4 times longer than the lights presently in use) will reduce vehicle maintenance trips. The lowered energy requirements of the lights creates the potential for the City to power its lights entirely with renewable energy per the Green Vision Goal to replace 100% of our streetlights with smart, zero emission lighting. . Deploying these "smart" streetlights in Silicon Valley will demonstrate the value of this technology, enhance economic activity in the region given the number of cities around the country that are following San Jose's lead, and the numerous international firms located here that lead the world in the technologies that will be employed in this project.

Solar Hot Water Systems for Fire Stations ($550,000)

Project	Project Cost	Estimated Annual Savings	Job Creation/ Retention	Funds Leveraged
Solar Hot Water on Fire Stations	$550,000	$25,000	13	$150,000 (California Rebates—in development)

Because they are always fully staffed, fire stations have a constant hot water load, much like apartment buildings. They are equipped with showers, kitchens, laundry facilities, and facilities for washing the trucks and other equipment. Thus they are excellent candidates for solar hot water systems. Benefits related to displacing a natural gas-fired

water heater include natural gas savings, avoided emissions (and related health benefits), and job creation potential, among others, and are expected to increase over time with increasing natural gas prices and solar hot water penetration levels.

After identifying the most appropriate fire stations—those with good solar access, structural integrity and loads—these funds would provide for the installation of solar hot water systems on an estimated 20-25 of the City's thirty-five (35) fire stations. Based on case studies of fire station solar hot water installations across the country, energy use (natural gas) reductions are projected in the 25-40% level.

The California Air Resources Board has recognized the natural gas savings and emissions-reduction value of solar water heating in its recently approved AB 32 Proposed Scoping Plan. The California Public Utilities Commission (CPUC) plans to offer $100 million in incentives over the next ten years for solar thermal technologies under the California Solar Initiative. Currently, California Solar Initiative program administrators are working with the CPUC to develop the underlying methodologies and future program design. The goal of the statewide incentive program is to install at least 200,000 SWH systems on homes, businesses, and government buildings by 2017.

Energy Efficiency and Solar Audits ($350,000)

Project	Project Cost	Estimated Annual Savings	Job Creation/ Retention	Funds Leveraged
Comprehensive Solar and Energy Efficiency Audits	$350,000	TBD from audits and project implementation	8	TBD, anticipated PG&E rebates from implemented projects

These funds would assist the City in further identifying opportunities to reduce energy use and costs in its facilities through a wide range of energy projects, along with renewable energy assessments at selected city facilities. Detailed energy audits will also identify utility incentives for the recommended projects. Detailed scope of services documentation or other design documents will also be developed to ensure comprehensive installations eligible for the utility rebates and incentives.

Solar Program Technical Assistance ($1,850,000)

Project	Project Cost	Estimated Annual Savings	Job Creation/ Retention	Funds Leveraged
Solar Program Technical Assistance,	$1,850,000	TBD from solar project	43	TBD, anticipated

administration, and consultant support for solar PV installations (RFP/RFQ development, structural assessments, Power Purchase Agreement development, etc.)		implementation		PG&E and state rebates from implemented projects

The City's Public Works, Finance, and other city departmental staff provide valuable technical assistance for the City's Solar Program in project identification, design/build processes, project engineering, financing options analysis and development, and proposal and contract development services for the installation of solar electric, solar hot water and energy efficiency projects. For example, structural integrity studies are needed for many of the City's solar projects to ensure the ability of the facility's roof to hold the additional weight associated with solar installations. This allocation would provide funding to ensure the development of additional solar projects—both solar hot water and solar electric/photovoltaic—on city facilities.

One of the areas that staff will also be exploring will be the development of a Request for Qualifications for the purpose of entering into a Master Agreement to maximize and accelerate solar installations on city facilities. Program staff would also be involved in the development of additional energy efficiency financing options for city and community efforts, such as the Clean Renewable Energy Bond or Qualified Energy Conservation Bonds detailed in Attachment 2.

Attachment 2

AMERICAN RESOURCE AND RECOVERY ACT ENERGY FUNDING OPPORTUNITIES

CREB/Clean Renewable Energy Bonds: Up to $2.4 billion (national). Available to local governments for "qualified renewable energy facility" including: solar energy facility; closed-loop or open-loop biomass facilities; landfill gas facility; or a trash combustion facility. Applications due August 7th.

QECB/ Qualified Energy Conservation Bond Allocations: Up to $2.4 billion (national). QECBs can be used for:

- Capital expenditures incurred for purposes of (i) reducing energy consumption in publicly-owned buildings by at least 20 percent, (ii) implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs),
- Mass commuting facilities and related facilities that reduce consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting.
- Demonstration projects designed to promote the commercialization of (i) green building technology, (ii) conversion of agricultural waste for use in the production of fuel or otherwise, (iii) advanced battery manufacturing technologies, (iv) technologies to reduce peak use of electricity, or (v) technologies for the capture and sequestration of carbon dioxide emitted from combusting fossil fuels in order to produce electricity.
- Public education campaigns to promote energy efficiency

California Energy Commission Competitive Funds: Block Grant Allocations and State Energy Program Allocations: Guideline and application development for allocation: May-July 2009. Anticipated first round of allocations: September 2009.

- *$20M: Green Jobs and Workforce Development*
- *$196M: Energy Efficiency Retrofits and Clean Energy Systems in Residential, Non-Residential and Industrial Sectors*
- *$10M: Program Implementation and Delivery (admin support to CEC)*

Federal Energy Efficiency and Conservation Block Grant—Competitive Funds: No guidelines established to date

Federal Electricity Delivery and Energy Reliability—Smart Grid Demonstrations (Competitive Funds): Draft Funding opportunity notice released late April. Anticipate final RFP June/July 2009. Opportunity for partnership with PG&E.

EPA Diesel Emissions Reduction Act Competitive Grants: General Services reviewing for development of proposal(s)

EPA Brownfields Projects Competitive Grants: Announcement released May 7, 2009 and is due November 14, 2009. ESD is developing proposals for Las Plumas and other sites.

Department of Commerce Demonstration Grants: OED and ESD developed joint proposal for electronic demonstration of transportation technologies at Las Plumas for submittal to the U.S. Department of Commerce by May 15, 2009.

California State Water Revolving Fund: Applying for Fuel cell demonstration at Water Treatment Plant