

**Washington State
Energy Efficiency & Conservation Strategy
Energy Efficiency and Conservation Block Grant Program
June 22, 2009**

1. Describe your State's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measureable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits statewide. Provide a schedule or timetable for major milestones. If your State has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.

The Washington State Department of Community, Trade and Economic Development (CTED) proposes to distribute 60% of the EECBG allocated funds through a statewide competitive grant process available to the 29 counties and 255 cities that are not eligible to receive direct grants from the DOE (Competitive Sub-grant Program). The remaining 40% will be used for technical assistance, a statewide program that supports energy efficiency and conservation in all cities and counties in the state (Energy Planning Program), and all program administrative costs.

The State Strategy implements state energy efficiency and conservation policy, including: one of the most stringent energy codes in the U.S. (residential and non-residential); energy conservation in design and a LEED silver standard for all publicly funded buildings; statutory requirements for electric utilities to pursue all available conservation that is cost-effective, reliable and feasible; statewide goals to reduce annual per capita miles traveled 18% by 2020; statewide efficiency standards for new appliances; and an executive order to reduce greenhouse gas emissions and increase transportation and fuel-conservation options for state residents.

**Goals and Objectives of Washington's Energy Efficiency and
Conservation Block Grant Program**

Goal 1 – Provide sub-grants through a competitive process to local governments that will be used to enhance existing or create new energy efficiency and conservation projects and programs.

Objective 1.1 – Provide local governments with funding for energy efficiency and conservation projects and programs that meet the unique needs of the community.

Objective 1.2 – Create an application process that is as simple as possible while meeting federal and ARRA requirements.

Objective 1.3 – Facilitate public/private and regional local government partnerships that leverage block grant funds.

Objective 1.4 – Ensure that funded activities provide persistent benefits beyond the EECBG funding period.

Goal 2 – Provide statewide resources for long term energy efficiency and conservation planning and implementation.

Objective 2.1 – Provide resources to local governments to plan for and implement energy efficiency and conservation.

Objective 2.2 – Provide infrastructure assistance for local energy efficiency and conservation programs, such as resource conservation managers at public agencies.

Major milestones for Competitive Sub-grant Program	Deadlines
Develop sub-grant program and conduct statewide application workshops	June 24 – July 10, 2009
Issue notice of application	~August 1, 2009, or later pending DOE approval
All sub-grant funds obligated	November 18, 2009
Major milestones for energy efficiency and conservation planning and implementation (Energy Planning Program)	
Work with WSU Extension Energy Program to develop statewide program (all cities and counties)	July 30, 2009
Begin training workshops for energy planning and resource conservation manager (RCM) program	September 2009
Infrastructure in place for RCM program	January 2010
All energy plan and RCM funds obligated under contract	June 30, 2010
All block grant funds expended	September 30, 2012

2. Describe your State’s proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy’s goals/objectives.

Use of funds for Competitive Sub-grant Program

Washington State proposes to develop a competitive grant application process for cities less than 35,000 in population and counties less than 200,000 in population. The total amount of funding that will be available will be \$6,387,540 - 60% of the \$10,645,900 that will be awarded to the State.

Competitive applications will be funded up to \$135,000. Joint applications with other eligible cities or counties are encouraged. Joint applications will be funded up to \$135,000 per eligible

participant. Eligible cities and counties will also be encouraged to partner with direct recipients of block grant funds from Department of Energy.

Applicants may apply for any one activity or combination of the activities listed in DE-FOA-0000013 pages 6 – 8. Applications will be competitive and will be selected based on the following criteria that will be refined in the application: jobs created or retained; energy saved; GHG emissions reduced; persistence of activity benefits beyond the EECBG funding period; leveraging of at least a 1/1 ratio through public and private partnerships and/or other funding sources.

Consideration will be given to: whether there already is significant investment from another program that does not require more funds from this program – state or federal; NEPA requirements that apply to the activity that might delay the activity beyond ARRA deadlines; and balancing criteria to ensure geographic diversity, if needed.

Use of funds for statewide Energy Planning Program and administrative costs

The state will use the remaining \$4,258,360 for technical assistance for and administration of the sub-grants and a statewide Energy Planning Program over the three-year funding period. The statewide Energy Planning Program will be available for all cities and counties to do energy efficiency and conservation planning and implementation, the two main components of which will be energy plans and resource conservation manager programs.

Technical assistance for the EECBG sub-grants will focus on cities less than 35,000 in population and counties less than 200,000 in population, but will be provided upon request to direct recipients of block grant funds. This includes provision of technical assistance to cities and counties to develop grant applications, and to implement projects and programs funded by EECBG grants.

The statewide Energy Planning Program will provide technical and financial assistance to all cities and counties, regardless of size, to do energy efficiency and conservation plans. The statewide program will also further development of a state resource conservation manager program. A Resource Conservation Manager (RCM) is a designated individual acquired by an agency to support its energy and resource efficiency program. The RCM's sole focus is to bring about reductions in the cost of energy, water, natural gas, fuel oil, refuse disposal and any other utilities. This is done through improved use practices, greater attention to utility billings and rate structures and the installation and use of resource management equipment. Washington State has almost two decades of successful experience with RCMs. The RCM program will include grants to local governments, and development of a support system for local resource conservation managers with software, training, and technical assistance. The program will build on the existing program in Washington State University (WSU) Extension Energy Program. To make the program successful, local governments will be encouraged to include schools, ports, or other local entities in their program.

3. Summarize your performance metrics from Attachment B1 – Project Activity File: Proposed Number of Jobs Created, Proposed Number of Jobs Retained, Proposed Energy Saved and/or Renewable Energy Generated, Proposed GHG Emissions Reduced (CO2 Equivalents), and Proposed Funds Leveraged.

- 1) Number of Jobs Created or Retained - 209 job years
- 2) Energy Saved and/or Renewable Energy Generated – 38,327,000,000 BTUs
- 3) GHG Emission Reduced (CO2 equivalents) – 6254 short tons of CO2
- 4) Funds leveraged – \$3,968,770

4. Describe your State’s established process for providing sub-grants to units of local government that are not eligible for direct EECBG formula grants from DOE.

The process for the competitive sub-grants is as follows.

Process Steps	Due Dates
Develop applications	June 21, 2009
Develop guidance for applications	June 21, 2009
Circulate draft guidance and draft applications to eligible cities and counties	June 22, 2009
Conduct application workshops around the state and participate in association conferences	June 24 – July 17, 2009
Issue notice of competitive applications	~August 1, 2009, or later pending DOE approval
Due date for submittal of all competitive applications	~September 1, 2009, or one month after notice of application
Provide guidance and training on ARRA requirements to all local government awardee staff	September – October 2009
All sub-grant funds obligated under contract	November 18, 2009
Monitoring and metrics reporting begins	January 2010
All EECBG funds expended	September 30, 2012

5. Describe how this strategy has been designed to ensure that it sustains benefits beyond the EECBG funding period.

Selection of application for grant awards will include an evaluation of the persistence of benefits beyond the EECBG funding period. The energy planning and resource conservation manager activities were specifically chosen because of their ability to provide continuing benefits beyond the life of the federal support. For example, savings from the efforts of resource conservation managers can be used to continue to fund resource conservation managers beyond the EECBG funding period. Energy planning will have long term benefits through implementation. Energy savings from energy efficiency projects are expected to continue long beyond the end of the EECBG funding period.

6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

The Governor has created a site on her web page for all American Recovery and Reinvestment Act (ARRA) programs with information about the programs and links to each state agency's web site. The recovery.wa.gov website is designed to help Washingtonians understand the recovery package and locate information that helps local governments find the right place to apply for funding. It also will serve as a "one-stop" location for accountability information so residents can see that the recovery money is being spent wisely. CTED has also created a web site for ARRA programs that it is administering and tracking for the state. The CTED site has information about each program, who is eligible to apply, and what the process will be for application. Program materials will be posted on CTED's web site as they become available per the schedule above, including CTED's Energy Efficiency and Conservation Strategy, application and guidance materials for cities and counties, contract awards, and how the funds have been spent. Quarterly reports to U.S. DOE on EECBG activities and contracts will be posted on both the Governor's and CTED's web sites.

CTED's Audit Review and Resolution Department currently reviews the audit reports of all sub-recipients of federal funds subject to the Single Audit Act. CTED is also subject to performance and financial and accountability audits by the Washington State Auditor. There will be increased audit coverage of ARRA funds by the State Auditor.

CTED will have an established process for due diligence and risk assessment prior to awarding a contract, for conducting a desk review prior to approving reimbursement requests, and for contract monitoring consistent with agency policy and ARRA requirements. CTED is doing a risk assessment and risk management plan for all ARRA programs, and will have detailed action plans about how to mitigate/eliminate potential risks by the time funds are awarded. CTED will be trained in June and July 2009 and will provide training to sub-grant awardees for compliance with ARRA requirements, including reporting, in September and October 2009.

Projects that have utility partners will meet Washington State Utilities and Transportation Commission approved program guidelines for the private utilities and Bonneville Power Administration guidelines for public utilities. This will provide additional quality control for these types of projects.