



washington

**STATE ENERGY SUMMIT**

Leadership for a Clean and Efficient Energy Future

# **State Directed Energy Recovery Funds**

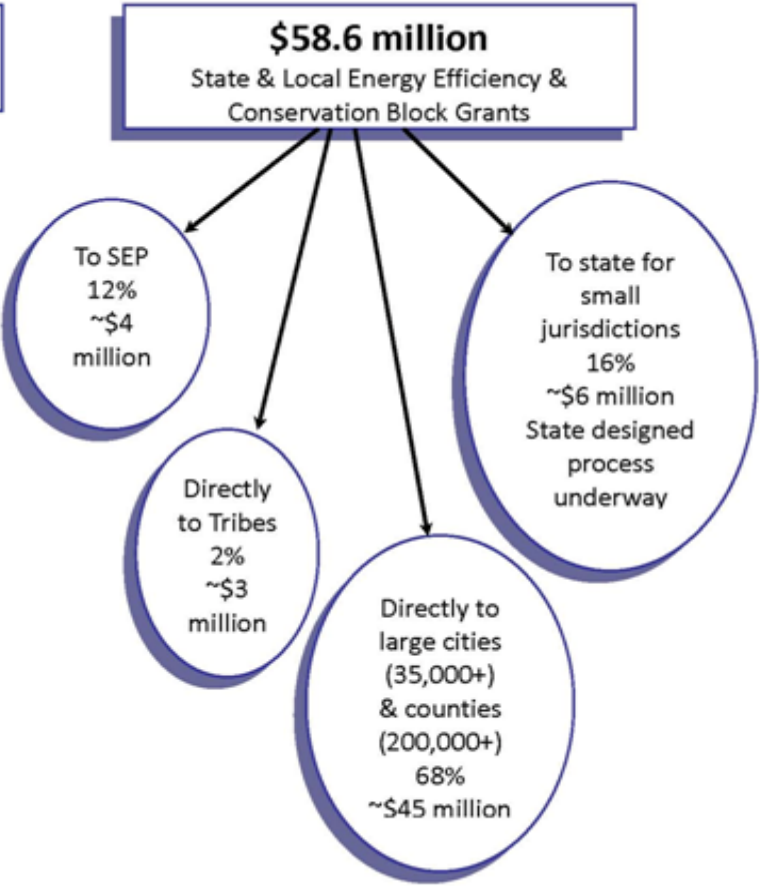
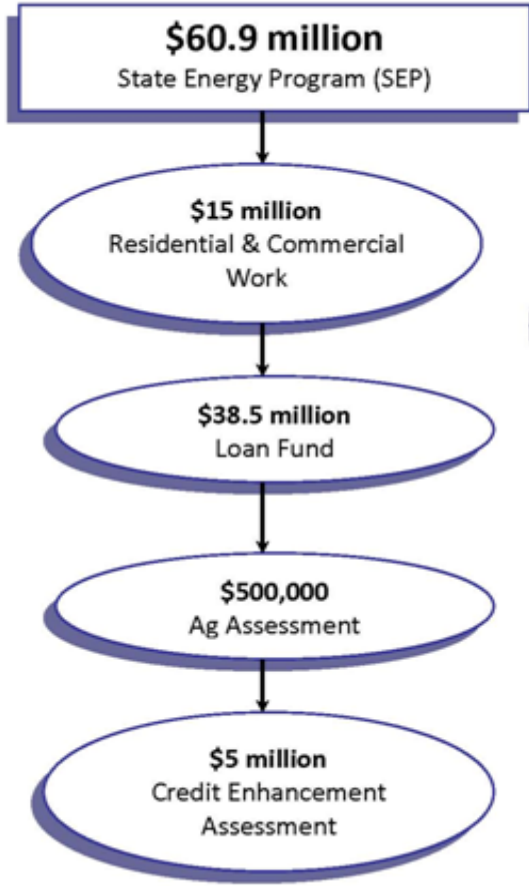
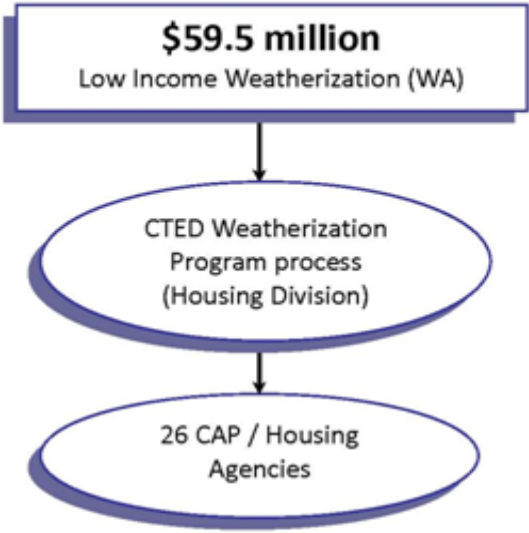
## **An Opportunity to Shape Our Energy Future**

**May 4, 2009**



**Washington State**  
Innovation is in our nature.

# Overview: Energy Recovery Funds



# Key Criteria

- Retain/create jobs
- Save energy
- Produce clean energy
- Reduce greenhouse gases
- Be ready to implement
- Leverage other \$\$\$

# Low Income Weatherization

- \$59.5 million in Low Income Weatherization Funding
- Estimated 400-500 jobs created and sustained over ARRA funding period
- Developing online, statewide weatherization data system
- Request for Proposal for innovative and green technologies
- Tiered program design
- For more information Steve Payne at CTED  
[stevep@cted.wa.gov](mailto:stevep@cted.wa.gov) (360) 725-2950

# State and Local Block Grants for Energy Efficiency

- Building energy efficiency
- Transportation energy efficiency
- Building codes and inspections
- Energy distribution technologies to increase energy efficiency
- Material conservation programs to increase energy efficiency
- Energy efficient traffic signals and street lighting
- Renewable technologies on government buildings

More information: [www.eecbg.energy.gov](http://www.eecbg.energy.gov)

# What do smaller jurisdictions want to do?

- Building retrofits (mostly public) - 20
  - Traffic and street light replacements - 11
  - Building audits (mostly residential and commercial) - 7
  - Renewable energy (mostly public buildings) - 7
  - Energy efficiency strategy and technical consultant - 4
  - Electric vehicles/vehicle fuels - 3
  - Bicycle and pedestrian trails - 3
- (5 counties and 28 cities)

# State Energy Program (SEP)

# State Energy Program – Not Low-Income Weatherization

**\$14.5 million** for residential and small commercial energy efficiency pilots

- Partnership with WSU energy program
- Competitive grants for at least three pilots
  - o Provide audits and efficiency retrofits in urban areas
  - o Use local community organizations, local labor
  - o Include sponsor match
  - o Ensure quality control and report on outcomes

(SB 5649 Section 102)

# State Energy Program – Farm Energy

**\$500K** for farm energy assessments

- Develop assessment methods for farm energy use
- Farm auditor curriculum
- Opportunities for other funding for farm efficiency projects

(SB 5649 Section 103)

# State Energy Program - Credit Enhancements

**\$5 million** for *“credit enhancements such as loan loss reserve funds...and consumer financial products and services that will be used to obtain energy efficiency services.”*

- Grants to financial institutions
- *Proposed* limits: \$500,000 to \$2 million
- Section 208: Municipalities can use block grants for “loan loss revenues” or “risk reduction mechanisms.” CTED to work with them.
- Link with any local block grant funds if at all possible

(SB 5649 Sections 205,206,208)

# Financing - Energy Recovery Act Account

**\$38.5 million** for "loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, including **but not limited to:**

- i. renewable energy projects or programs that require interim financing to complete project development and implementation;
- ii. companies with innovative, near-commercial or commercial, clean energy technology; and
- iii. energy efficiency technologies that have a viable repayment stream from reduced utility costs."

(HB 2289, Section 5)

# Financing – Energy Recovery Act Account

## Our current thinking:

- Invest two-thirds (~\$25 million) in low to moderate risk loans, loan instruments
- Remaining funds in higher risk investments focusing on near-commercial companies, projects
- Loan amounts: \$500,000 - \$2 million
- “Wholesale” loans, third parties may do “retail” loans
- Public or private entities - companies, utilities, state and local governments, non profits...
- May package some grants with the loans

# Questions For Afternoon SEP Sessions

- How do we partner most effectively with you?
- How can we best coordinate state energy program with local block grant funds?
- How can we best coordinate state energy program and local block grant funds with competitive pots?
- What are the best ways to leverage and sustain these funds?
- What are the most effective finance tools?
- What do we need to do to outshine other states?