

W. Z. C.

Memorandum Date: May 20, 2009

Order Date: June 3, 2009

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**TO:** Board of County Commissioners

**DEPARTMENT:** CAO/ Community & Economic Development

**PRESENTED BY:** Mike McKenzie-Bahr, Community and Economic Development Coordinator

**AGENDA ITEM TITLE:** ORDER IN THE MATTER OF APPROVING SUBMITAL OF THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PLAN AND AUTHORIZE THE COUNTY ADMINISTRATOR TO SIGN ALL GRANT APPLICATION DOCUMENTS.

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I. **MOTION**

Move to approve the Order submittal of the Energy Efficiency and Conservation Block Grant plan and authorize the County Administrator to sign all grant application documents.

II. **AGENDA ITEM SUMMARY**

Lane County was awarded a \$561,200 Energy Efficiency and Conservation Block Grant (EECBG) by the U.S. Department of Energy. The award is part of a formula block grant that was awarded to the top ten populated cities and counties in each state.

Under the EECBG guidelines, recipients are required to go through a multi-phase process prior to spending the funds. The process includes developing a funding plan and filling out an "application." The application due date is June 25, 2009.

The Board is being asked to approve submittal of the Energy Efficiency and Conservation Block Grant plan and authorize the County Administrator to sign all grant application documents.

The purpose of the EECBG Program is to assist eligible entities in creating and implementing strategies to:

- 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 the total energy use of the eligible entities; and
- improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

### **III. BACKGROUND/IMPLICATIONS OF ACTION**

#### **A. Background / Analysis**

The USDOE Funding announcement states the purpose of EECBG funding: “Entities may develop various initiatives and projects that address one or more of the purposes and each activity an entity undertakes is not required to meet all of the stated purposes.”

Target programs and projects that will provide substantial, sustainable and measurable energy savings, job creation and economic stimulus effects.

- 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, and job training programs.
- To the extent possible, develop programs and strategies that will continue beyond the funding period.
- Ensure oversight, transparency, and accountability for all program activities.
- Enact policies that transform markets, increase investments, and support program goals.
- Develop comprehensive plans that benchmark current performance and set aggressive goals.

Eligible Activities:

- Developing/implementing an energy efficiency and conservation strategy;
- Retaining technical consultant services to assist in the development of such a strategy;
- Conducting residential and commercial building energy audits;
- Establishing financial incentive programs for energy efficiency improvements (e.g., loan programs, rebate programs, waive permit fees);
- Providing grants to nonprofit organizations to perform energy efficiency retrofits;
- Developing/implementing programs to conserve energy used in transportation (e.g., flex time by employees, satellite work centers, promotion of zoning requirements that promote energy efficient development, transportation infrastructure: bike lanes/pathways, pedestrian walkways, and synchronized traffic signals);

- Developing and implementing building codes and inspection services to promote building energy efficiency;
- Implementing energy distribution technologies;
- Developing public education programs to increase participation and efficiency rates for recycling programs;
- Purchasing/implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources;
- Installing light emitting diodes (LEDS);
- Developing, implementing, and installing on or in any government building of onsite renewable energy technology that generates electricity from renewable resources (solar and wind energy, fuel cells, and biomass); and
- Any other activity as determined by the Secretary of Energy in consultation with the Secretaries of Transportation and Housing and Urban Development and the Administrator of the Environmental Protection Agency.

The period of performance for the grant is 36 months. Entities are required to obligate/commit all funds within eighteen (18) months from the effective date of the award. In the event funds are not obligated/committed within eighteen (18) months, DOE reserves the right to deobligate the funds and cancel the award.

Lane County created an EECBG Committee to review project possibilities. The committee consisted of Steve Manela, Health and Human Services; Mike McKenzie-Bahr, Community and Economic Development; Craig Satein, Housing and Community Services Agency; Mary Ellen Bennett, Health and Human Services; and Chuck Forester, Lane Workforce Partnership.

The committee conducted outreach and met with representatives of other departments including Public Works and Management Services. Through a collaborative process between departments, the committee reached unanimous consensus to recommended two projects and a remaining balance to be applied to the above categories.

#### Recommendations:

- 1) Implement an energy efficiency and conservation strategy at the Lane County Adult Corrections Facility and Courthouse/Public Service Building as part of the project to replace the use of steam at both facilities. Amount of EECBG Grant recommended: \$500,000. Dedicating this amount of grant funds to the project will reduce by \$500,000 the amount the County needs to borrow to complete the estimated \$3.1 million project.
- 2) Retain technical consultant services to assist in the development of an energy efficiency and conservation strategy that can be used to leverage

other ARRA funds already received, additional ARRA funds that can be applied for and other state and federal funds. The focus of the strategy will be on ways to implement energy efficiency, conservation and renewable energy technologies on public buildings, non-profits and residential buildings and other intermediate and longer term projects that could meet the requirements of the grant. The recommendation is to retain Resource Innovations at the University of Oregon to assist developing the plan. Amount of EECBG Grant recommended: \$20,000.

3) Set aside \$41,200 of EECBG to be used for projects that implement elements of the energy efficiency and conservation strategy.

**B. Policy Issues**

Does the Board of Commissioners want to use federal funds designated for energy efficiency and conservation planning and implementation, on local projects and to develop a comprehensive local plan.

**C. Board Goals**

Use of EECBG funds will meet the Board goal to “Develop Lane County’s economic engine.” Specifically it will allow us to “Convert legacy practices to sustainable practices’ and “Focus on what we do best and take advantage of our unique strengths and image.”

**D. Financial and/or Resource Considerations**

The EECBG requires no matching funds. Acceptance of the grant will bring in \$541,000 to the County. This will help us reduce by \$500,000 the amount of money needed to be borrowed for the jail and public service building energy project. Development of energy efficiency and conservation strategy may help the County leverage additional funds.

**E. Analysis**

The EECBG is designated for energy efficiency and conservation planning and implementation. The proposal as developed by the EECBG Committee will leverage the funds to decrease the cost of a County project, develop a comprehensive local plan for energy efficiency and conservation and allow some funds to be used for implementation of that plan.

This proposal meets the USDOE state requirements of the funds and gives Lane County the opportunity to reduce fossil fuel emissions in a manner that is environmentally sustainable and, maximizes the benefits for local residents.

**F. Alternatives/Options**

The Board of Commissioners may:

- 1) Approve the ORDER to submit the EECBG grant plan as recommended in the Board;
- 2) Amend the Order to submit the EECBG grant plan ;
- 3) Reject the ORDER.

**IV. TIMING/IMPLEMENTATION**

Upon approval by the Board, the EECBG plan will be submitted to the Department of Energy by the application due date.

**V. RECOMMENDATION**

The EECBG Committee members recommend the Board of Commissioners adopt the attached order.

**VI. FOLLOW-UP**

County staff will keep the Board apprised of EECBG planning status.

**VII. ATTACHMENTS**

1. Board Order
- 2: EECBG Summary Sheet

**IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON**

ORDER NO. ) ORDER IN THE MATTER OF APPROVING  
) SUBMITAL OF THE ENERGY EFFICIENCY  
) AND CONSERVATION BLOCK GRANT PLAN  
) AND AUTHORIZE THE COUNTY  
ADMINISTRATOR TO SIGN ALL GRANT  
APPLICATION DOCUMENTS.

WHEREAS, the U.S. Department of Energy awarded Lane County a \$561,200 Energy Efficiency and Conservation Block Grant; and

WHEREAS, the purpose of the EECBG Program is to assist eligible entities in creating and implementing strategies to: 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 the total energy use of the eligible entities; and improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors; and

WHEREAS, Lane County formed a Energy Efficiency and Conservation Block Grant Committee to review uses of the funds; and

WHEREAS, the matter having been fully considered by the Board,

NOW THEREFORE, IT IS HEREBY ORDERED THAT: the Board of Commissioners  
approves submitting an EECBG application to include

- 1) Implement an energy efficiency and conservation strategy at the Lane County Adult Corrections Facility and Courthouse/Public Service Building as part of the project to replace the use of steam at both facilities. Amount of EECBG Grant recommended: \$500,000. Dedicating this amount of grant funds to the project will reduce by \$500,000 the amount the County needs to borrow to complete the estimated \$3.1 million project.
- 2) Retain technical consultant services to assist in the development of an energy efficiency and conservation strategy that can be used to leverage other ARRA funds already received, additional ARRA funds that can be applied for and other state and federal funds. The focus of the strategy will be on ways to implement energy efficiency, conservation and renewable energy technologies on public buildings, non-profits and residential buildings and other intermediate and longer term projects that could meet the requirements of the grant. The recommendation is to retain Resource Innovations at the University of Oregon to assist developing the plan. Amount of EECBG Grant recommended: \$20,000.
- 3) A set aside of \$41,200 of EECBG to be used for projects that implement elements of the energy efficiency and conservation strategy.

FURTHER ORDERED that the Board of Commissioners delegates and authorizes the County Administrator to sign the grant application and all related documents relating to the Energy Efficiency and Conservation Block Grant application.


DATED this 3rd day of June, 2009.

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Peter Sorenson, Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 5-26-09 lane county



OFFICE OF LEGAL COUNSEL

# The Energy Efficiency and Conservation Block Grant (EECBG)

As included in the Energy Independence and Security Act of 2007

### What is the Purpose of the EECBG Program?

To assist eligible entities in implementing energy efficiency and conservation strategies—

- ✓ to reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities;
- ✓ to reduce total energy use; and
- ✓ to improve energy efficiency in the transportation, building, and other appropriate sectors.

### What Activities are Eligible Under the EECBG Program?

- Developing/implementing an energy efficiency and conservation strategy;
- Retaining technical consultant services to assist in the development of such a strategy;
- Conducting residential and commercial building energy audits;
- Establishing financial incentive programs for energy efficiency improvements (e.g., loan programs, rebate programs, waive permit fees);
- Providing grants to nonprofit organizations to perform energy efficiency retrofits;
- Developing/implementing programs to conserve energy used in transportation (e.g., flex time by employees, satellite work centers, promotion of zoning requirements that promote energy efficient development, transportation infrastructure: bike lanes/pathways, pedestrian walkways, and synchronized traffic signals);
- Developing and implementing building codes and inspection services to promote building energy efficiency;
- Implementing energy distribution technologies;
- Developing public education programs to increase participation and efficiency rates for recycling programs;
- Purchasing/implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources;

- Installing light emitting diodes (LEDs);
- Developing, implementing, and installing on or in any government building of onsite renewable energy technology that generates electricity from renewable resources (solar and wind energy, fuel cells, and biomass); and
- Any other activity as determined by the Secretary of Energy in consultation with the Secretaries of Transportation and Housing and Urban Development and the Administrator of the Environmental Protection Agency.

### What are the Requirements for Direct Block Grant Recipients under the EECBG Program?

- Not later than one year after receipt of first year funding, eligible communities are required to submit to DOE Secretary a proposed Energy Efficiency and Conservation Strategy as described under eligible activities, and which includes the goals and proposed plan for the grant.
- The Strategy shall be approved or disapproved by the Secretary within 120 days or returned to the entitlement communities for revision.
- No more than 10%, or \$75,000, whichever is greater, may be expended on administrative expenses (e.g., staffing);
- No more than 20% or \$250,000, whichever is greater, may be used for the establishment of revolving loan funds.
- No more than 20% or \$250,000, whichever is greater, may be used for the sub-granting to non-governmental organizations for the purpose of assisting in the implementation of the Energy Efficiency and Conservation Strategy.

### Annual Report—

- No later than two years after the date on which funds are initially provided to eligible communities and annually thereafter, the eligible communities shall submit to the DOE Secretary a report describing—
  - ✓ the implementation of the Energy Efficiency and Conservation Strategy, and
  - ✓ energy efficiency gains.



# The Energy Efficiency and Conservation Block Grant (EECBG)

## EECBG Funding Allocations

### \$2 Billion Annual Appropriation

First year funding can be used for strategy development; funding in subsequent years is only for implementation of city and county strategies approved by U.S. DOE.

**U.S. DOE Competitive Grant Program (\$40 million)**  
All non-formula cities/counties are potentially eligible for funding

2%

2%

**Tribal Programs (\$40 million)**

68%

28%

### Formula City & County Program\* (\$1.36 billion)

- Every city with a population of 35,000 or more
- Every county with a population of 200,000 or more
- In addition, each state (including Puerto Rico) is guaranteed to have at least its 10 largest cities and 10 largest counties eligible for formula grants, regardless of population

### Balance of State Program (\$560 million)

- Each state is required to pass through at least 60% of its funding share to cities and counties not receiving direct formula funding
- Each state decides how to award these funds among these cities and counties

\* Law (PL 110-140) directs U.S. DOE to develop a formula for allocating block grant funds among these cities and counties, with population factors a key consideration.

### What are the Requirements for States under the EECBG Program?

- A state that receives a grant under the program shall use not less than 60 percent of the amount received to provide subgrants to non-entitlement communities no later than 180 days after the date on which the DOE Secretary approves a proposed Energy Efficiency and Conservation Strategy of the State.
- No later than 120 days after enactment of the law each state shall modify its energy conservation plan to establish additional goals for increased energy efficiency and conservation.
- Also within those 120 days, each state will submit to the DOE Secretary a proposed Energy Efficiency and Conservation Strategy that establishes a process for providing subgrants to non-entitlement communities and includes a plan for the use of their money to implement their energy conservation plan. The DOE Secretary has 120 days to approve or disapprove a proposed strategy. If a strategy is disapproved, the Secretary will provide reasons for disapproval and allow the recipient to resubmit as many times as needed until the Secretary approves a proposed strategy.)

- A state may not use more than 10 percent of amounts provided for administrative expenses.
- Each state that receives a grant under the program shall submit to the DOE Secretary an annual report that describes the status of the implementation of the State's conservation strategy, the status of the subgrant program, and the energy efficiency gains achieved.

### Who is Eligible for U.S. DOE Competitive Grants and How Do I Apply?

- Units of local governments (including Indian tribes) that are not eligible entities and consortia of those units of local government can submit an application at the time and manner that the DOE Secretary designates and includes a plan that outlines the eligible activities that they will be implementing. Priority will be given to units of local governments located in States with populations of less than 2,000,000 or to plans that carry out projects that would result in significant energy efficiency improvements or reduction in fossil fuel use.