

Bipartisan Infrastructure Law Opportunities for Community Building Energy Efficiency

Community action for building energy efficiency and emissions reductions is critical for achieving local and state goals, and many communities in the Northeast and Mid-Atlantic are leading the way. With new funding from the <u>Bipartisan Infrastructure Law</u> (BIL), even more will be possible. Local governments are eligible to apply for and receive a large part of the available money, so planning for these applications is key. Roughly 60 percent of BIL funding will be allocated through formulas, and about 40 percent will be made available through competitive grants, loans, and federal programs.

The White House sent a <u>letter to all of the U.S. Governors</u> asking them to appoint a state-wide Infrastructure Implementation Coordinator to work with the state budget team and across departments. The federal government's Infrastructure Implementation Coordinator also <u>outlined steps for local governments</u> to prepare for the competitive funding.

This resource outlines building energy efficiency and electrification actions that NEEP recommends communities in the Northeast and Mid-Atlantic pursue, along with the funding opportunities that NEEP believes could be used to support them. The "Grants" section below includes details on each one listed, and further resources are at the conclusion.

Community Decarbonization Actions and Potential BIL Funds to Support Them

Writing an Energy Master Plan or Climate Action Plan

Having an Energy Master Plan (EMP), Climate Action Plan (CAP), or an energy chapter of a Comprehensive/Master Plan is an important yet often overlooked element of planning at the local or facility level. The goal of an EMP is to develop a roadmap for an efficient, cost-effective energy infrastructure system. These typically include existing energy policy and strategies; energy use data and energy sources; forward-looking goals, objectives, and strategies; a guiding framework; and methods for monitoring and verification, among other items.

When developing an EMP, use federal funds to hire consultant services to conduct a thorough analysis of the existing building stock and of which strategies can be implemented across each building sector to make progress towards goals. Have consultants create building-specific roadmaps for larger, poorer performing buildings and integrate these into EMPs. They can also assist in developing strategies for engaging the commercial and residential building sectors. See <u>West Hartford</u>, <u>CT's Energy Plan</u> for example.

Additionally, jurisdictions can partner to create joint energy plans, pooling resources, sharing lessons learned, and reducing administrative burden. See <u>Portland and South Portland</u>, <u>ME</u> and <u>Beverly and Salem</u>, <u>MA's</u> joint plans for examples. The 2022 <u>RFP from Mercer Island</u>, <u>WA</u> (population of around 25,000) for developing a climate action plan lists a total project budget of \$120,000, and an <u>RFP from Erie County</u>, <u>NY</u> for a CAP lists a project budget of \$125,000 for plan development and marketing.

• Federal Funding Sources May Include:



- Energy Efficiency and Conservation Block Grant requires an Energy Efficiency and Conservation
 Strategy, funds can be used to develop it
- Climate Pollution Reduction Grants

Establishing an Energy Manager

Using this money to fund internal capacity will help ensure that results will be lasting and well-organized. Energy managers generally take the lead on getting a baseline of a town's energy use and planning and implementing energy-related programs. Their work can cover just government-owned buildings or can be community-wide. Specific tasks could include overseeing a town's benchmarking or residential energy labeling program, grant writing and reporting, leading the development of an energy plan, overseeing retrofit projects, etc.

Smaller or more rural towns could potentially cooperate and share energy managers, or the position could be at the planning commission level. Pennsylvania hired an engineering firm to offer energy management services to five municipalities, and Rhode Island published this RFP for energy management services across multiple municipalities in 2020. The Metropolitan Area Planning Commission (MAPC) in MA created a resource on hiring a shared energy manager, which details important steps in the process. According to a MA Department of Energy Resources report, energy managers often save towns enough money to cover the costs of their own salary. The uses of BIL money will be subject to final guidance from the federal agencies, so refer to Requests for Proposals for eligible uses.

- Federal Funding Sources May Include:
 - Energy Efficiency and Conservation Block Grant
 - Climate Pollution Reduction Grants

Benchmarking and Building Performance Standards

Benchmarking is the practice of comparing the measured performance of a building to itself, its peers, or to established norms. Building performance standards go a step further by requiring building owners to meet a mandatory level of performance (based on property type) and to disclose that data publicly. These policies can save building owners and taxpayers money and help meet government GHG reduction goals.

West Virginia passed a statewide benchmarking program for state-owned buildings with the goal of reducing energy consumption by 25 percent by the year 2030. South Portland, ME, Lexington, MA, and Charleston, WV have launched similar programs at the local level. This information can be used to design more targeted energy efficiency programs. Consider establishing a mandatory benchmarking policy for municipal buildings or commercial buildings over a certain square footage and see NEEP's Benchmarking Toolkit for guidance. BIL funding could be used to cover program administration, building owner outreach, subsidized energy audits beyond the basic benchmarking, or the planning, time, and resources required to implement a BPS.

BIL funding could also be used to help building owners comply with standards. Implementation requires more time and resources during setup and the first year, and the number of full-time employees needed depends mostly on the number of covered buildings. More resources are required for performance standards than benchmarking. An LBNL report on benchmarking and disclosure programs reports that benchmarking implementation required 1.5-4.25 FTEs for the large U.S. cities surveyed during the first year of implementation. Smaller towns and cities would likely require far less staff time. See section 3.8 of the report for more information on software and other costs.

- Federal Funding Sources May Include:
 - o Energy Efficiency and Conservation Block Grant



- Energy Efficiency Revolving Loan Fund Capitalization Grant Program this money will come through state energy offices so will require collaboration with the state but can be used to cover commercial building audits.
- Building Codes Implementation for Efficiency and Resilience some current grantees are focusing on building performance standards

Residential Energy Labeling

Labeling is like providing a MPG rating for a home's energy use, and it can empower homeowners, buyers, and renters to make more informed decisions about their energy use and costs. Creating a policy that, for example, requires a homeowner to include an energy label on the home listing would incorporate information about the home's efficiency into a real estate transaction and allow it to be valued appropriately. See the EMPRESS Home Energy Labeling Guide for States and Local Governments for details on how to establish labeling programs.

Local labeling programs might use federal funding to offset the cost of energy audits, if the program requires or prompts people to use labels that require in-person professional audits. Communities can also use funding to cover administrative costs, or for realtor, homeowner, buyer, or tenant outreach and education. Finally, funds may cover funneling customers towards energy efficiency upgrades or retrofits.

- Federal Funding Sources May Include:
 - Energy Efficiency and Conservation Block Grant can cover residential audits
 - Energy Auditor Training Grant Program use of this money will require collaboration with the state
 - Energy Efficiency Revolving Loan Fund Capitalization Grant Program will also require collaboration with the state, can cover energy efficiency audits

Hiring an Energy/Electrification Coach

An energy/electrification coach is an individual, usually from the community, who offers to discuss electrification projects one-on-one with other members of the community. The coach acts as a support while homeowners navigate the complex world of electrification projects. Services can include but are not limited to recommendations for weatherization, discussion of electrification technologies best suited to the homeowner's needs, and comparison of contractor quotes. Bedford, NY and Concord, MA (among others) provide residents with free electrification coaching.

- Federal Funding Sources May Include:
 - o **EECBG** technical consultant services, establishment of programs
 - Low Income Home Energy Assistance Program only for homes where heating electrification would reduce heating bills, i.e., with oil, propane, or electric resistance heating
 - Energy Future Grants

Grants

Energy Efficiency and Conservation Block Grant \$550,000,000

- Open to states, local governments, and tribes (68 percent will go directly to cities and counties)
- Eligible Uses:
 - o Development and implementation of an energy efficiency and conservation strategy
 - Technical consultant services



- Residential and commercial audits
- Financial incentive programs for energy efficiency
- Energy efficiency retrofit grants for government agencies and nonprofits
- Energy efficiency and conservation programs for buildings and facilities
- Conservation of transportation energy
- Building codes and inspection services
- Energy distribution technologies
- Material conservation programs
- Landfill GHG reduction, capture, and use
- o Replacing traffic signals and streetlights
- Onsite renewable energy on or in government buildings
- Programs for financing (loan programs and performance contracting programs) for leveraging additional public and private funds
- Formula allocations available here, pre-applications due July 31, 2023
- Competitive grants open to formula-ineligible municipalities, full applications due August 7, 2023
- Sixty percent of state allocations must be made available for formula-ineligible municipalities, details will vary by state

Climate Pollution Reduction Grants \$5,000,000,000

- Phase I: Planning Grants
- \$3 million for states and \$1 million for qualifying metropolitan statistical areas (MSAs)
- To develop a Priority Climate Action Plan (PCAP) and Comprehensive Climate Action Plan (CCAP), funds can be used on staffing costs, training and capacity-building, modeling, outreach, and more
- Phase II: Implementation Grants
- For activities identified in a Priority Climate Action Plan (PCAP) in Phase I
- Competitive, FOA expected in late 2023

Energy Future Grants \$27,000,000

- Open to multijurisdictional teams led by local, state, or tribal governments
- Teams can include community-based organizations, affordable housing advocates, utilities, local labor unions, workforce training providers, and for-profit organizations that have expertise in finance, engineering, and/or planning
- Three topic areas: transportation, power sector, and buildings (or cross-cutting)
- FOA published July 2023, applications due September 30, 2023

Energy Improvement in Rural or Remote Areas \$1,000,000,000

- Open to industry partners, utilities, national laboratories, universities, state and local governments, community-based organizations, tribal, and environmental groups in rural or remote areas (defined as cities, towns, or unincorporated areas with fewer than 10,000 inhabitants).
- Eligible Uses: financial assistance to increase environmental protection from the impacts of energy use and improve resilience, reliability, safety, and availability of energy in remote areas
 - o Cost-effectiveness of energy generation, transmission, distribution systems
 - Siting or upgrading transmission and distribution lines
 - Reducing GHG emissions from energy generation by rural or remote areas



- o Providing or modernizing electric generation facilities
- Developing microgrids
- Increasing energy efficiency
- Multiple prizes and grant opportunities announced and awarded, will continue to announce opportunities through the Office of Clean Energy Demonstrations (OCED)

Appalachian Area Development: Allocations to ARC States \$100,000,000

- Grant proposals originate at the state level, see ARC State Program Managers
- Investments in two main areas: critical infrastructure and business and workforce development
- Learn More

Northern Border Regional Commission Catalyst Program \$44,000,000

- Open to states, counties, municipalities, tribes, nonprofits in the Northern Border Region (Maine, New Hampshire, New York, and Vermont)
- Uses include stabilizing and reducing energy costs, workforce development, modernizing essential infrastructure, and more.
- Federal cost share requirement: Maximum Northern Border Regional Commission share is 50 percent or 80 percent, depending on the community's level of economic distress.
- Application process closed for 2023, future application process unknown

Building Resilient Economies in Coal Communities Initiative \$2.6 million

- Awarding \$2.6 million to the National Association of Counties (NACo)
- Creates an interdisciplinary knowledge-sharing community that will empower local governments, nonprofits, and other community champions to develop new ideas, approaches, and fundable projects
- NACo will create a national network to organize local governments and other coal community stakeholders, provide technical assistance, and create a forum for the exchange of best practices
- Funded by ARPA
- Holding bimonthly national virtual convenings Learn More

Building Resilient Infrastructure and Communities (BRIC) \$1,000,000,000

- Available FY 2022-2026, \$200 million per year
- Open to state, local, tribal, and territorial governments that had a major disaster declaration under the Stafford Act in the seven years prior
- For hazard mitigation projects, capacity-building, innovation, and partnerships
- Learn More

Energy Auditor Training Grant Program \$400,000,000

- Available to states (**not** local governments)
- Eligible Uses: the cost associated with individuals being trained or certified to conduct energy audits by the state or a state-certified third-party training program, or to pay the wages of a trainee during their training and certification
- Application estimated to open in 2023

Energy Efficiency Revolving Loan Fund Capitalization Grant Program \$250,000,000



- Available to states (not local governments)
- Eligible Uses: loans and grants through the state for residential and commercial energy efficiency audits, upgrades, and retrofits
- Awards to states, territories, and D.C., anticipated Fall 2023

NEEP Region State Contacts

| State | IIJA Coordinator | Energy-Specific Contact |
|----------------|--|---|
| Connecticut | Mark Boughton, Commissioner of Department of Revenue Services | Shubhada Kambli, CT DEEP Shubhada.Kambli@ct.gov |
| D.C.* | | Zita Rostas, DC DOEE Grants Management Division |
| Delaware | Greg Patterson, Former chief of staff at Department of Natural Resources and Environmental Control | DNREC – Rob Underwood? Robert.Underwood@delaware.gov |
| Maine | Infrastructure Implementation Committee | Ross Anthony, ME GEO ross.anthony@maine.gov |
| Maryland | Allison Mayer, Deputy chief of staff | Eric Coffman, MD MEA eric.coffman@maryland.gov |
| Massachusetts | Federal Funds Office | Joanne Bissetta, MA DOER joanne.bissetta@state.ma.us |
| New Hampshire* | | Griffin Roberge, NH DOE griffin.j.roberge@energy.nh.gov |
| New Jersey | Richard Sun, Senior policy adviser, transportation | Dustin Wang, BPU dustin.wang@bpu.nj.gov |
| New York* | Minelly De Coo, Former director of capital projects for New York City Office of the Mayor | |
| Pennsylvania | Louie Krak and Abbey Cadden, PA DEP Infrastructure Implementation Coordinators | Nate Reagle, PA DEP nreagle@pa.gov and Alayna Schmeider, PA DEP aschmeider@pa.gov |



| Rhode Island | Chris Farrell, Senior staff member for Governor Christopher.Farrell@governor.ri.gov | Nathan Cleveland, RI OER Nathan.Cleveland@energy.ri.gov |
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| Vermont* | | |
| West Virginia | Vic Sprouse, Director, federal funds and grants at Department of Economic Development | Karen Lasure and Garrett Weaver, WV SEO karen.r.lasure@wv.gov and garrett.c.weaver@wv.gov |

^{*}This list is incomplete in part because some states did not elect IIJA coordinators and in part because NEEP was not able to discern who the correct contact is. This list will be updated over time.

NEEP's Regional Community Federal Funding Working Group

In 2023, NEEP launched The Community Federal Funding Working Group for communities to prepare for federal funding from BIL and IRA. The purpose of this working group is to share key program dates and deadlines, highlight model project ideas, share best practices, and more. Communities, planning commissions, states, and nonprofits will gather and discuss grant opportunities, applications, and questions. The focus will be funds for communities to pursue energy efficiency, climate action planning, electrification, and other decarbonization actions. To join fill out this form or reach out to Chase Macpherson at cmacpherson@neep.org.

Resources

- What You Need to Know About the Energy Efficiency and Conservation Block Grant National League of Cities (nlc.org)
- State Infrastructure Coordinator's role
- White House Fact Sheet: Competitive Infrastructure Funding Opportunities for Local Governments
- Community Action Planning for Energy Efficiency (CAPEE) NEEP
- DOE Energy Efficiency and Renewable Energy Funding Opportunity Exchange
- Bipartisan Infrastructure Law Homepage Department of Energy
- How to Apply for and Manage Federal Grants Energy Communities
- <u>State-City Partnership Opportunities through the Energy Efficiency and Conservation Block Grant Program</u> National League of Cities (nlc.org)
- For more information about state and local matters, contact stateandlocal@hq.doe.gov