



## Federal Funding Opportunities for Building Energy Efficiency in Rural Communities

Community action for building energy efficiency and emissions reductions is critical to achieving local and state goals, and many communities in the Northeast and Mid-Atlantic are leading the way. With new funding from the [Bipartisan Infrastructure Law](#) (BIL) and [Inflation Reduction Act](#) (IRA), even greater investments in clean energy will be possible. Local governments are eligible to apply for and receive a large portion 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 federal government's Infrastructure Implementation Coordinator published a document [outlining steps for local governments](#) to prepare for the competitive funding. For smaller, rural towns and communities, focusing on capacity building and partnerships will be important to take advantage of these funds. This brief is meant to serve governments and communities that don't have staff capacity to research, apply for, and manage grant money on their own.

This brief outlines building energy efficiency and electrification actions that NEEP recommends small, rural communities in the Northeast and Mid-Atlantic pursue, along with the funding opportunities that NEEP believes could be used to support them. The "Federal Grants" section below includes details, eligible recipients, and timelines for specific grants, and concludes with additional resources. This resource focuses on Bipartisan Infrastructure Law grants and other existing opportunities, and Inflation Reduction Act funds will be covered in a future resource.

### Rural Community Decarbonization Strategies and Potential Federal Funds

#### *Establish a Shared Energy Manager*

Small, rural towns that don't need their own full-time energy manager could cooperate with other communities and share an energy manager. Alternatively, the position could be funded and administered through a local planning commission or other entity to reduce the administrative burden on participating communities. Pennsylvania Department of Environmental Protection (DEP) 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 Massachusetts created a [resource on hiring a shared energy manager](#) as well. While communities have not yet received final guidance from the federal agencies on how money can be spent, the following grants may be able to fund capacity in the form of a town or regional energy manager.



- **Federal Funding Sources May Include:**
  - Building Resilient Infrastructure and Communities (includes management/admin costs)
  - Appalachian Regional Commission funds + community capacity initiative
  - Energy Efficiency and Conservation Block Grant
  - Energy Improvement in Rural and Remote Areas

### ***Hire a Community or Regional Energy/Electrification Coach***

An energy/electrification coach is an individual or group of individuals, usually from the community, who offers to discuss electrification projects one-on-one with other members of the community. The coach supports homeowners through 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:**
  - Energy Efficiency and Conservation Block Grant - technical consultant services, establishment of programs
  - Low Income Home Energy Assistance Program (only for homes where heating electrification would reduce heating bills, i.e. homes heated with oil, propane, or electric resistance heating).

### ***Work with Your Regional Planning Commission***

Regional planning commissions provide local governments with planning services related to transportation, infrastructure, housing, employment, sustainability, etc. Regional planning commission staff can often help with grant writing and planning, community engagement, workforce development, and more. They can also coordinate local governments to work with each other. For example, a staff member at the Two Rivers Ottauquechee Regional Commission ([TRORC](#)) in Vermont serves as an Intermunicipal Regional Energy Coordinator, working with seven towns on energy efficiency, conservation, and renewable production in the towns' operations. Also consider other regional nonprofits or state agencies that work with local governments, such as the nonprofit [Vital Communities](#) or your state's League of Towns and Cities.

### ***Benchmarking and Building Performance Standards***

Building energy 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.

[South Portland, ME](#), Lexington, MA, Charleston, WV, and others have launched programs at the local level. 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 building performance 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. A [Lawrence Berkeley National Lab \(LBNL\) 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:**
  - Energy Efficiency and Conservation Block Grant
  - Energy Efficiency Revolving Loan Fund Capitalization Grant Program - this money will come through state energy offices and will require collaboration with the state, but can be used to cover commercial building audits.
  - Building Codes Implementation for Efficiency and Resilience - final rules might include funding for building performance standards. Will require collaboration with the state.

### ***Residential Energy Labeling***

Labeling is akin to providing a Miles per Gallon (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 home 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 involve 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



## Federal Grant Opportunities

Many of these funding opportunities come from the Bipartisan Infrastructure Law (BIL) through the Department of Energy, but some are non-BIL opportunities that are also good to consider. Some of these grants do not have their final guidance published, so final uses of these funds will be subject to change.

### ***Energy Improvement in Rural or Remote Areas*** \$1,000,000,000, U.S. Department of Energy

- 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
  - 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
  - Providing or modernizing electric generation facilities
  - Developing microgrids
  - Increasing energy efficiency

### ***Building Resilient Economies in Coal Communities Initiative*** U.S. Department of Commerce Economic Development Administration (EDA)

- 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
- [Press Release June 2022](#)

### ***Appalachian Regional Commission Funds*** \$800,000,000

- Open to states, local governments, and non-profits in the ARC region, including Maryland, New York, Pennsylvania, and West Virginia
- Eligible Uses: Activities that support the goals of building Appalachia's...
  - Businesses
  - Workforce Ecosystem
  - Infrastructure
  - Regional Culture and Tourism
  - Community Leaders and Capacity

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

### and ***Appalachian Area Development: Regional Multistate Initiative*** \$80,000,000

- Open to states, local governments, and non-profits in the ARC region, including Maryland, New York, Pennsylvania, and West Virginia



- Eligible Uses: Activities that support the goals of building Appalachia's...
  - Businesses
  - Workforce Ecosystem
  - Infrastructure
  - Regional Culture and Tourism
  - Community Leaders and Capacity
- [Website](#)

### ***Appalachian Area Development: Community Capacity Initiative***

- Open to states, local governments, and non-profits in the ARC region, including Maryland, New York, Pennsylvania, and West Virginia)
- Develop capacity throughout Appalachian communities to deploy increased federal funding opportunities
- Federal cost share requirement: Maximum Appalachian Regional Commission share ranges from 30 - 80 percent, depending on the county's level of economic distress. Appalachian Regional Commission participation can increase the allowable federal share up to 100 percent in a grant. Waivers are available in some circumstances.

### ***Northern Border Regional Commission \$150,000,000***

- Open to states, counties, municipalities, tribes, nonprofits, housing authorities, and higher education institutions in the Northern Border Region (parts of Maine, New Hampshire, New York, and Vermont)
- Uses include transportation, basic public, and communications infrastructure, renewable and alternative energy sources, and workforce development.
- 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 closed for 2022

### ***The Environmental Justice Thriving Communities Technical Assistance Center*** ([EJ TCTAC](#)) Program

#### **U.S. Environmental Protection Agency**

- Eligible Recipients:
  - Public and private universities and colleges
  - Public and private nonprofit institutions/organizations (includes institutions of higher education such as community colleges, and philanthropic organizations),
  - Intertribal Consortia – a coalition between two or more Indian tribal governments authorized by the governing bodies of those tribes to apply for and receive assistance and participate in self-governance
- Can provide TA on (among other things)
  - How to address environmental and energy justice needs
  - Local EJ analyses
  - Grant identification, application, and management
  - Community engagement
  - Capacity building



- Eligible recipients can provide assistance to nonprofits, community-based organizations, underserved or rural communities, faith-based organizations, educational institutions, disadvantaged businesses, local, tribal, or state governmental units, and U.S. territories.
- The application period ended November 1, 2022; communities may consider partnering with recipients of this grant for assistance

### **Community Facilities Program U.S. Department of Agriculture**

- Direct loans, loan guarantees and grants for constructing, expanding, or improving public buildings, schools, health care facilities, and more.
- Open to governments, nonprofits, and tribes
- [Website](#)

## **Resources**

- [Rural America Placemaking Toolkit \(ruralplacemaking.com\)](http://ruralplacemaking.com)
- Interagency Working Group on Coal & Power Plant Communities and Economic Revitalization - [Funding Clearinghouse](#)
- [National Association of Counties \(NACo\)'s BIL page](#)
- White House Fact Sheet - [Competitive Infrastructure Funding Opportunities for Local Governments](#)
- [Bipartisan Infrastructure Law Opportunities for Community Building Energy Efficiency](#) - NEEP
- [Community Action Planning for Energy Efficiency \(CAPEE\)](#) - NEEP
- [DOE Energy Efficiency and Renewable Energy Funding Opportunity Exchange](#)
- [Bipartisan Infrastructure Law Homepage | Department of Energy](#)
- [Funding Opportunities | U.S. Economic Development Administration \(eda.gov\)](#)
- [View Opportunity | GRANTS.GOV](#) - Economic Recovery Corps and Equity Impact Investments NOFO