



# REPORT TO LAW & LEGISLATION COMMITTEE City of Sacramento

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915 I Street, Sacramento, CA 95814-2671

Staff  
April 15, 2008

Honorable Members of the  
Law and Legislation Committee

**Title: Legislative Position: Support the Federal Energy Efficiency and Conservation Block Grant.**

**Location/Council District:** Citywide

**Recommendation:** Adopt a support position on the Federal Energy Efficiency and Conservation Block Grant.

**Contact:** Yvette Rincon, Senior Management Analyst, Department of General Services, 916-808-5827

**Presenters:** Yvette Rincon

**Department:** General Services

**Division:** Office of the Director

**Organization No:**

## **Description/Analysis**

**Issue:** At the February 12, 2008 Council meeting, Mayor Fargo asked that staff bring forward for the Committee's consideration of a support position for the Federal Energy Efficiency and Conservation Block Grant (EECBG). Late last year, the U.S. Conference of Mayors was successful in getting Congress to authorize \$2 billion in funding for the EECBG for a five year period.

The EECBG would provide funding to cities and counties to establish and implement locally based energy efficiency, conservation and production initiatives. Some examples of such programs would include building and home energy conservation programs, fuel consumption programs, alternative fuels development, building retrofits for increased energy efficiency, planning and zoning adjustments, and alternative energy programs. For the City of Sacramento, this grant would provide the funding needed to implement and meet a number of the goals of the City's Sustainability Master Plan.

**Policy Considerations:** Supporting the Federal Energy Efficiency and Conservation Block Grant would provide the needed funding to implement and meet the goals of the City's Sustainability Master Plan.

**Environmental Considerations:** The funds from this block grant will be used to support the City Sustainability Master Plan which will have a positive impact in reducing greenhouse gas emissions throughout the City.

**Rationale for Recommendation:**

**Financial Considerations:** At this point, the EECBG for \$2 billion has been authorized by Congress. The next step for Congress is to appropriate the funding which could happen as soon as the end of this year, but more likely next year. When the funding is appropriated, and because its distribution is based on population, the City would expect to get approximately \$2.5 million annually for the next five years.

**Emerging Small Business Development (ESBD):** N/A

Respectfully Submitted by: Yvette Rincon  
Yvette Rincon,  
Senior Management Analyst

Approved by: Reina L. Schwarz  
Reina L. Schwarz,  
Director of General Services

Recommendation Approved:

for RAY KERRIDGE  
RAY KERRIDGE  
City Manager

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## The Energy Efficiency and Conservation Block Grant (EECBG)

# 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.

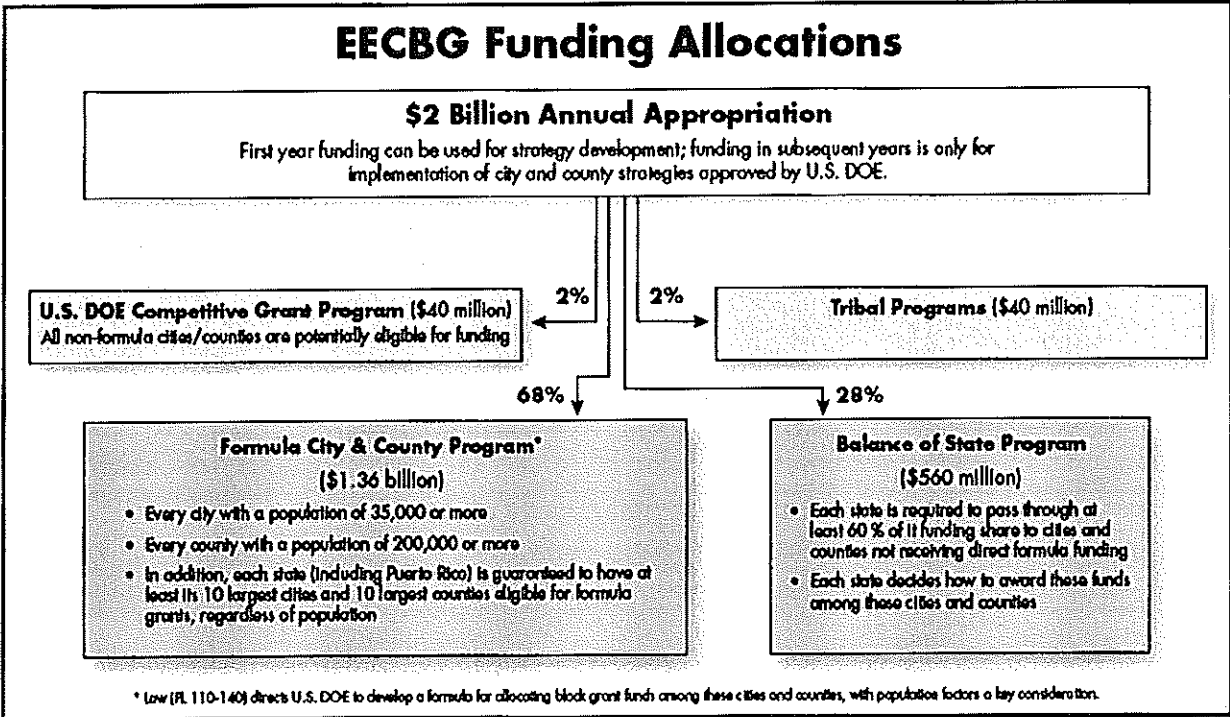
### What are the Requirements for Direct Block Grant Recipients under the EECBG Program?

- 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)**



**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.