

## Executive Summary

### State of Ohio's Proposal for the American Recovery and Reinvestment Act's Energy Efficiency and Conservation Block Grant Program

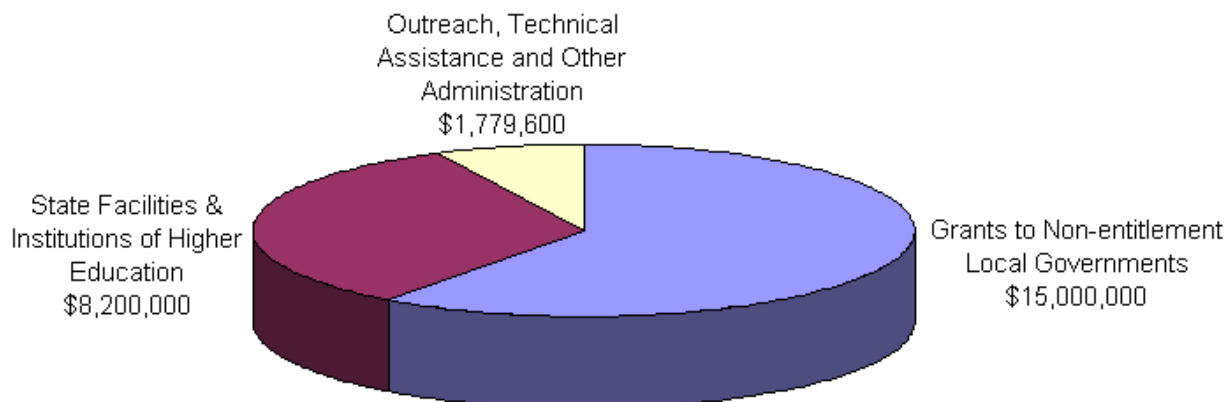
The Energy Efficiency and Conservation Block Grant program is one of several energy-related programs receiving funding through American Recovery and Reinvestment Act. The purpose of this program is to reduce fossil fuel emissions, reduce the consumption of energy, and improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors. A total of \$84,183,300 is available to Ohio and includes \$59,203,700 that is available through direct allocation from the federal government to the ten largest counties and to the thirty-three largest cities.

The remaining amount of \$24,979,600 is available to the state energy office – the Ohio Department of Development's Energy Office. The Ohio Energy Office has proposed to spend these funds according to the following strategy:

- 60.05 percent, or \$15,000,000 will be provided through a competitive solicitation available to the seventy-eight (78) county governments and the one-hundred fourteen (114) city governments located in these seventy-eight counties that did not receive a direct allocation for certain eligible Energy Efficiency and Conservation Block Grant activities
- 32.83 percent or \$8,200,000 will be available through a competitive solicitation available to be awarded to state facilities and institutions of higher education including community colleges, and public and private universities and colleges for eligible Energy Efficiency and Conservation Block Grant activities
- 7.12 percent or \$1,779,600 for administration including outreach, technical assistance, third-party competitive reviews, and reporting

*"It is the responsibility of state government to lead by example in reducing energy consumption in this era of steep energy prices, mounting environmental concerns, and persistent energy security risks. By improving energy efficiency and adopting advanced energy utilization technologies, we can make the most of our existing energy resources and also stimulate activity and investment in the energy efficiency services sector."* - Ohio Executive Order 2007-02S.

Ohio's Energy Efficiency and Conservation Block Grant program will expand upon these principles making signature projects possible at state and higher education facilities, and provide resources to help local governments as well.



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**Goal:** To reduce energy consumption at local, state, and higher education facilities to achieve lower energy bills, reduce emissions, create jobs, and build upon "lead by example" efforts. The complementary goal is to support the increased production of distributed energy and renewable energy to increase these facilities' operational efficiencies and decrease energy costs.

**Objectives:**

- The Ohio Department of Development will work with the Governor's Energy Advisor to select a third-party contractor to review local, state and higher education applications for shovel-ready, geographically dispersed, sizable, and cost-effective projects.
- In consultation with the County Commissioners' Association of Ohio and Ohio's Metropolitan Planning Organizations the Ohio Department of Development will issue a competitive solicitation to provide financial incentives to eligible local governments to install energy savings, renewable energy generation measures, and other priority activities.

**Milestones:** Over the course of the program, the Ohio Department of Development will work to achieve these milestones in the process:

- |                                       |                          |
|---------------------------------------|--------------------------|
| a. Determine third-party evaluator(s) | Prior to award           |
| b. Release competitive solicitations  | Prior to award/1st month |
| c. Receive applications               | 2nd month                |
| d. Select projects:                   |                          |
| a. Non-entitlement Local Governments  | 3rd month                |
| b. State/Higher Education             | 5th month                |
| c. Monitor installations              | 6th to 18th month        |
| d. Verify energy savings/production   | 6th to 24th month        |

All projects must be registered in the [www.recovery.ohio.gov](http://www.recovery.ohio.gov) website to be eligible for funding. To date, one-hundred seventy one (171) related proposals have been submitted through the [www.recovery.ohio.gov](http://www.recovery.ohio.gov) website by state agencies and higher education entities, requesting \$1.02 billion in support. Three hundred and forty eight (348) related proposals have been submitted by quasi-governmental entities, townships, villages, cities, or county governments located in the 78 eligible non-entitlement counties, requesting a total \$939 million in support. Formal applications will be distributed to these entities.

**NOTE:** If you have not done so already, please submit your project ideas at the State of Ohio's ARRA website at: <http://recovery.ohio.gov/>. Please stay tuned for email updates to learn next steps on the application process. It is not necessary to contact the Ohio Department of Development or other state agencies directly with your specific project proposals at this time

The Ohio Department of Development will provide outreach to inform eligible entities of existing United States Department of Energy reporting and accounting requirements, including National Environmental Protection Act, Davis-Bacon Act, and other requirements. The Ohio Department of Development will administer, monitor, and report awards, including the verification of energy savings, energy production, jobs created, and/or emissions reduced. The Ohio Department of Development will make funding available to support three or four external contractors who will:

- Assist in the competitive program design, evaluation, and selection of received applications.
- Provide technical assistance to eligible entities regarding eligible activity selection, metric measurement, application, and monitoring.
- Offer additional outreach to eligible counties and cities.

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- **Local Governments**  
**Total Funding Available: \$15 million**

There is an established process for providing sub-grants to units of local government that are not eligible for direct Energy Efficiency and Conservation Block Grant formula allocations from the United States Department of Energy. In Ohio, \$15 million will be competitively available as grants to the seventy-eight (78) non-entitlement county governments and the one hundred fourteen (114) recognized non-entitlement city governments located in these 78 counties. The \$15 million will be allocated according to the following breakdown:

- \$3 million will be available for the twenty-six (26) county governments with populations under 39,000\* and the twelve (12) city governments located in these counties
- \$4 million will be available for the twenty-six (26) county governments with populations between 39,001 to 65,000\* and the thirty-four (34) city governments located in these counties
- \$8 million will be available for the twenty-six (26) county governments with populations at 65,001 and above\* and the sixty-eight (68) city governments located in these counties

*\* Consistent with federal direct allocation calculations, the population of each of the 78 counties was modified to subtract city populations that received direct Energy Efficiency and Conservation Block Grant allocations.*

Eligible activities include:

- Energy efficiency retrofits
- Financial incentive program (limited to energy saving performance contracting)
- Energy distribution
- Traffic signals and street lighting
- Renewable energy technologies on government buildings
- Reduction and capture of methane and greenhouse gases

Construction of new buildings is ineligible. Projects that would require, but have not yet completed environmental impact statements are also ineligible.

**Principles:** Projects awarded funds will be expected to achieve these standards:

- Demonstrate partnerships and collaboration
- Support beneficial community impact
- Make the best use of funds through cost-effective project implementation
- Signature measures that achieve significant scale and/or scope

**Criteria for selection:** Applicants will be rated on the criteria listed below. Formal applications will provide further detail to eligible applicants.

- Project readiness
- Number of jobs created
- Positive impact on distressed communities
- Replication and/or transferability

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- Cost-effective measurable impacts on energy savings, energy production, and emission reduction
- Leverage

**Process and Program Requirements:** Applications must come from the duly authorized official or the highest elected official from a city or county, or their designee.

Townships, villages, and quasi-governmental entities may partner with city and county governments. All projects must be registered in [www.recovery.ohio.gov](http://www.recovery.ohio.gov).

Applications will be screened by inter-agency staff led by the Ohio Department of Development. Then an independent third-party evaluators will review, rank and select projects based on the program principles and selection criteria. Funds will be disbursed and monitored by the Ohio Department of Development.

Program and reporting requirements regarding performance metrics and fiscal data will be consistent with the United States Department of Energy's guidelines. Applicants must submit their existing energy conservation strategy, or if one does not exist, must address certain strategy questions that will be provided. The Ohio Department of Development will work with the County Commissioners' Association of Ohio, Ohio's Metropolitan Planning Organizations, and the Governor's Regional Economic Development Directors to distribute this solicitation.

- **State Facilities and Institutions of Higher Education**  
**Total Funding Available: \$8.2 million**

The plan is to augment current implementation funds to install energy saving and energy generation measures in state facilities that have been identified through existing audit and benchmarking tools, specifically ENERGY STAR Portfolio Manager, initiated through Executive Order 2007-02S. Institutions of higher education and state agencies are also eligible to compete for funds to implement eligible activities in their existing facilities.

**Criteria for Selection:** Applicants will be rated on the criteria listed below. Formal applications will provide further detail to eligible applicants.

- Project readiness
- Number of jobs created, on both the implementation and operations side
- Worker, community, and/or student education component
- Cost-effective measurable impacts (energy savings, renewable or distributed energy produced, emissions reduced)
- Size of leverage

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- **Program Requirements**

Program and reporting requirements and metrics will be consistent with the United States Department of Energy guidelines. Funds will be disbursed and monitored by the Ohio Department of Development. A third-party evaluator will be chosen to select projects for award.

The Ohio Department of Development will require projected estimates as part of the formal application from eligible entities on the number of jobs created, proposed number of jobs retained, proposed energy saved and/or renewable energy generated, proposed greenhouse gas emissions reduced, and proposed funds leveraged of each activity. Those estimates will comprise the State of Ohio's performance on the Energy Efficiency and Conservation Block Grant performance criteria.

The Ohio Department of Development will require regular reports from grantees to track and report performance on metrics related to these activities according to the United States Department of Energy's guidelines for the Energy Efficiency and Conservation Block Grant program.

The Ohio Department of Development will share with sub-grantees all the United States Department of Energy's provided measurement tools for greenhouse gas emission reductions, and methodologies for measuring and verifying energy generation and energy savings. Job creation and preservation reporting will be based on guidance from the White House Council on Economic Advisors that assumes that each \$92,000 of spending produces one job-year of employment. Leverage of funds will be measured through existing federal grant management protocols.

- **Signature Projects**

The program expects to sustain benefits beyond the funding period with Ohio's strategy of "lead by example" initiatives for State facilities statewide. These funds will be available on a competitive basis to install energy saving and/or renewable energy generating measures in public universities, colleges, state, and local governmental facilities that will continue to save energy and reduce energy bills long beyond the Energy Efficiency and Conservation Block Grant funding period.

The intention is to attract the best proposals that include strong energy efficiency and renewable energy projects. Technical assistance will be provided to those applicants that are successful in receiving awards to ensure reliable, reportable measured, and verified results. Peer to peer communications will be encouraged to showcase successful projects and share information on cost/benefit analyses, community impacts and "how to" replicate projects.

The program includes the \$8.2 million for state agencies and institutions for higher education through a competitive solicitation in order to award signature projects that move beyond conventional activities and include innovative and cost-effective energy projects. Project applications are expected to include an array of financing, ownership, and energy technology options that will provide long-term benefit to their constituents, whether taxpayers, tuition payers, or public or private funders. By demonstrating the value that their energy projects can yield over time, this investment of Energy Efficiency and Conservation Block Grant funds is anticipated to seed future investment.