



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: August 19, 2008

Subject: LETTERS OF SUPPORT FOR FULL FUNDING FOR THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS IN ECONOMIC STIMULUS LEGISLATION

RECOMMENDATION

It is recommended that Council authorize the Mayor to sign letters to 1st Congressional District legislators supporting the inclusion of \$2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program, which will stimulate local economies and support environmental programs in communities across America.

BACKGROUND DISCUSSION

In late 2007, Congress passed the Energy Independence and Security Act of 2007 providing local governments with new opportunities to combat climate change. The law includes a provision sponsored by Representative Albert Wynn (D-MD) and supported by the U.S. Conference of Mayors that creates a block grant program for cities and counties to institute programs to improve energy efficiency and reduce dependence on fossil fuels (see Attachment 1). Funding for the new Energy Efficiency and Conservation Block Grant (EECBG) program is authorized at \$2 billion annually, 68% of which goes directly to local governments. Cities with populations greater than 35,000 and counties with populations greater than 200,000 would receive direct funding determined by formula. Cities and counties with smaller populations would be eligible for competitive state funding.

While this program has been authorized under the new Energy law at \$2 billion a year, Congress must provide appropriations for the program to be funded. In June, the House Appropriations Committee appropriated \$295 million for the program in FY 2009. In July, the Senate Appropriations Committee decided not to include any funding for the EECBG program in their FY 2009 appropriations bill for the U.S. Department of Energy. Later this year or in early 2009, the House and Senate will decide upon a final funding level for the EECBG Program.

When Congress reconvenes in September, the House and Senate are planning to consider emergency economic stimulus legislation, providing another opportunity for local governments to urge Congress to provide full funding for the EECBG program. The City of Kirkland supports energy efficiency projects internally through facility projects and externally via the Kirkland Green Building Program. This program has the potential to support these efforts as well as provide economic development opportunities consistent with the Sustainability Assessment. Attachment 2 is a

draft letter to be mailed to Senator Murray, Senator Cantwell and Representative Inslee encouraging support of appropriations to fund the EECBG program.

Attachment 1 – *The Energy Efficiency and Conservation Block Grant (EECBG)* Fact Sheet

Attachment 2 – Draft Letter to Senator Cantwell, Senator Murray and Representative Inslee

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—

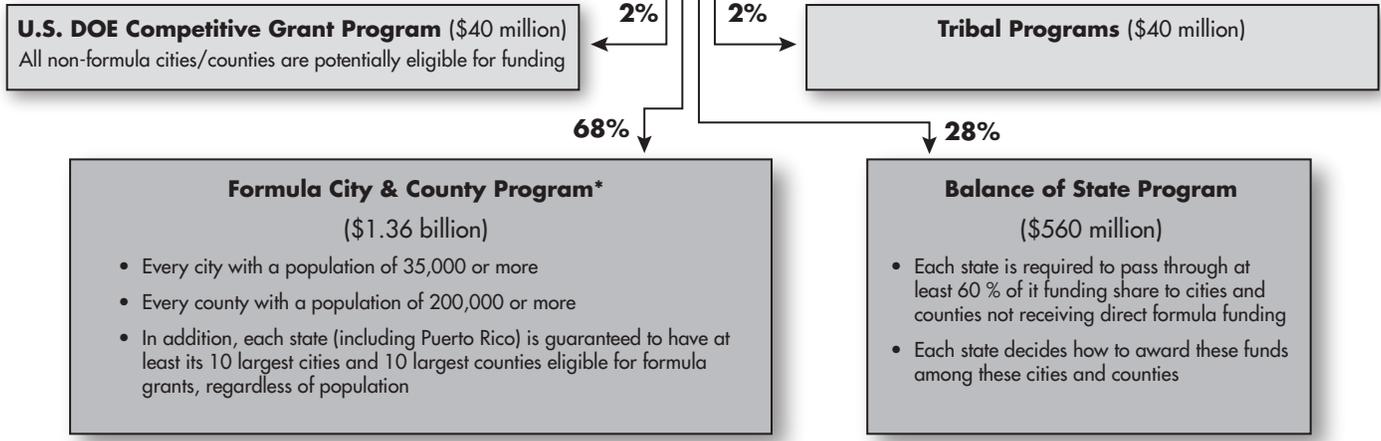
- No later than two years after the date on which funds are initially provided to eligible communities and annually thereafter, the eligible communities shall submit to the DOE Secretary a report describing—
 - ✓ the implementation of the Energy Efficiency and Conservation Strategy, and
 - ✓ energy efficiency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



* 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.

September 3, 2008

DRAFT

United States Senator Maria Cantwell
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cantwell:

As Congress prepares to consider national economic stimulus legislation this September, the Kirkland City Council would like to express support of the inclusion of \$2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program, which will create jobs and stimulate local economies in communities across America. The City of Kirkland supports the economic and environmental opportunities this funding would provide.

As you know, last year Congress passed the Energy Independence and Security Act of 2007. The law creates a new program for cities and counties to enact strategies that reduce fossil fuel emissions, cut total energy use, and improve energy efficiency. Funding for the new EECBG program is authorized at \$2 billion annually, 68% of which goes directly to local governments. Cities with populations greater than 35,000 and counties with populations greater than 200,000 would receive direct funding determined by formula. Cities and counties with smaller populations would be eligible for state-allocated funding.

Federal support of the EECBG Program will provide an immediate economic boost to local communities across America. Local governments are ready to implement thousands of energy improvement projects including implementation of solar, wind and biomass renewable technologies, the replacement of inefficient windows, insulation and boilers, and the installation of light emitting diode infrastructure. In addition to fueling economic recovery, these projects have the additional benefit of putting the nation on a course toward energy independence and reducing greenhouse gas emissions.

The City of Kirkland encourages you to sign onto the bipartisan letter from Senators Hillary Clinton (D-NY), Susan Collins (R-ME), Robert Menendez (D-NJ), and Bernard Sanders (I-VT) to the leaders of the Senate Appropriations Committee urging them to include \$2 billion for the EECBG program in the economic stimulus legislation.

Thank you for your consideration.

Sincerely,

Kirkland City Council

by James L. Lauinger, Mayor

September 3, 2008

DRAFT

United States Representative Jay Inslee
The House of Representatives
403 Cannon House Office Building
Washington, D.C. 20515-4701

Dear Congressman Inslee:

As Congress prepares to consider national economic stimulus legislation this September, the Kirkland City Council would like to express support of the inclusion of \$2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program, which will create jobs and stimulate local economies in communities across America. The City of Kirkland supports the economic and environmental opportunities this funding would provide.

As you know, last year Congress passed the Energy Independence and Security Act of 2007. The law creates a new program for cities and counties to enact strategies that reduce fossil fuel emissions, cut total energy use, and improve energy efficiency. Funding for the new EECBG program is authorized at \$2 billion annually, 68% of which goes directly to local governments. Cities with populations greater than 35,000 and counties with populations greater than 200,000 would receive direct funding determined by formula. Cities and counties with smaller populations would be eligible for state-allocated funding.

Federal support of the EECBG Program will provide an immediate economic boost to local communities across America. Local governments are ready to implement thousands of energy improvement projects including implementation of solar, wind and biomass renewable technologies, the replacement of inefficient windows, insulation and boilers, and the installation of light emitting diode infrastructure. In addition to fueling economic recovery, these projects have the additional benefit of putting the nation on a course toward energy independence and reducing greenhouse gas emissions.

The City of Kirkland encourages you to sign onto the bipartisan letter from Senators Hillary Clinton (D-NY), Susan Collins (R-ME), Robert Menendez (D-NJ), and Bernard Sanders (I-VT) to the leaders of the Senate Appropriations Committee urging them to include \$2 billion for the EECBG program in the economic stimulus legislation.

Thank you for your consideration.

Sincerely,

Kirkland City Council

by James L. Lauinger, Mayor

September 3, 2008

DRAFT

The Honorable Patty Murray
United States Senate
173 Russell Senate Office Building
Washington, DC 20510

Dear Senator Murray:

As Congress prepares to consider national economic stimulus legislation this September, the Kirkland City Council would like to express support of the inclusion of \$2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) Program, which will create jobs and stimulate local economies in communities across America. The City of Kirkland supports the economic and environmental opportunities this funding would provide.

As you know, last year Congress passed the Energy Independence and Security Act of 2007. The law creates a new program for cities and counties to enact strategies that reduce fossil fuel emissions, cut total energy use, and improve energy efficiency. Funding for the new EECBG program is authorized at \$2 billion annually, 68% of which goes directly to local governments. Cities with populations greater than 35,000 and counties with populations greater than 200,000 would receive direct funding determined by formula. Cities and counties with smaller populations would be eligible for state-allocated funding.

Federal support of the EECBG Program will provide an immediate economic boost to local communities across America. Local governments are ready to implement thousands of energy improvement projects including implementation of solar, wind and biomass renewable technologies, the replacement of inefficient windows, insulation and boilers, and the installation of light emitting diode infrastructure. In addition to fueling economic recovery, these projects have the additional benefit of putting the nation on a course toward energy independence and reducing greenhouse gas emissions.

The City of Kirkland encourages you to sign onto the bipartisan letter from Senators Hillary Clinton (D-NY), Susan Collins (R-ME), Robert Menendez (D-NJ), and Bernard Sanders (I-VT) to the leaders of the Senate Appropriations Committee urging them to include \$2 billion for the EECBG program in the economic stimulus legislation.

Thank you for your consideration.

Sincerely,

Kirkland City Council

by James L. Lauinger, Mayor