



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of June 13, 2009**

DATE: June 13, 2009

SUBJECT: Energy Efficiency and Conservation Block Grant (EECBG) funds under the American Recovery and Reinvestment Act (ARRA) of 2009.

C. M. RECOMMENDATIONS:

1. Authorize the County Manager to submit the County's Energy Efficiency and Conservation Block Grant (EECBG) application to the U.S. Department of Energy (DOE).
2. Approve the goals of the County's EECBG program as described in this Report.

ISSUES: Submission of an EECBG application, including an Energy Efficiency and Conservation Strategy (EECS), is required for use of EECBG ARRA funds.

SUMMARY: ARRA of 2009 authorized \$3.2 billion in DOE EECBG funds, and Arlington County will receive \$2.085 million. DOE encourages grantees to give priority to projects that can award bids quickly and will maximize job creation and economic benefit. The complete EECBG application must be submitted to DOE no later than June 25, 2009. This Board Report describes the intended content of the EECBG application in accordance with the DOE requirements.

BACKGROUND: Arlington County will receive \$2.085 million in EECBG, available upon execution of a grant agreement with DOE.

The purpose of the EECBG Program is to assist eligible entities, including local governments, in creating and implementing strategies to:

- reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- reduce the total energy use of the eligible entities; and
- improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

County Manager: _____

County Attorney: _____

Staff: John Morrill, DES General Services Division/Fresh AIRE; Joan Kelsch, DES Utilities and Environmental Policy Division/Fresh AIRE

These stated purposes describe the overall intent of the EECBG Program. Eligible entities, including local governments, may develop various initiatives and projects that address one or more of the purposes and each activity an entity undertakes is not required to meet all of the stated purposes. However, each entity is required to use the funds in a cost-effective manner that is of maximum benefit to the population and in a manner that will yield continuous benefits over time in terms of energy and emission reductions.

The period of performance for the grant will be 36 months. In keeping with the agenda of the Recovery Act, and supporting the goal of immediate investment in the economy, entities are required to obligate/commit all funds within eighteen (18) months from the effective date of the award. In the event funds are not obligated/committed within eighteen (18) months, DOE reserves the right to deobligate the funds and cancel the award.

DISCUSSION: DOE developed the following core principles to guide eligible entities during the program and project planning process:

- Prioritize energy efficiency and conservation first as the cheapest, cleanest, and fastest ways to meet energy demand.
- To maximize benefits over the longest possible terms, entities should look for ways to link their energy efficiency efforts to long-term priorities (especially community economic development, community stabilization and poverty reduction efforts).
- Invest funds in programs and projects that create and/or retain jobs and stimulate the economy while meeting long term energy goals.
- Target programs and projects that will provide substantial, sustainable and measurable energy savings, job creation and economic stimulus effects.
- Give priority to programs and projects that leverage federal funds with other public and private resources, including coordinated efforts involving other Federal programs targeting community development funded through the Recovery Act such as the Community Development Block Grant program, HOME, and job training programs.
- To the extent possible, develop programs and strategies that will continue beyond the funding period.
- Ensure oversight, transparency, and accountability for all program activities.
- Enact policies that transform markets, increase investments, and support program goals.
- Develop comprehensive plans that benchmark current performance and set aggressive goals.

These core principles complement key elements of the County's Fresh AIRE program. After careful consideration of these DOE guidelines and Fresh AIRE objectives, staff recommends investing the County's EECBG funds in comprehensive improvements in buildings and infrastructure, County facilities, single- and multi-family housing, and commercial buildings in Arlington. According to Arlington's energy use and greenhouse gas emissions inventory, buildings and infrastructure are responsible for over two-thirds of County GHG emissions. Therefore, meaningful investments in efficiency improvements will likely yield significant reductions in the County's energy consumption.

The following projects and programs are presented as illustrative examples of the comprehensive building and infrastructure improvements that may be undertaken with County EECBG funds.

Solar Photovoltaics on County Buildings

Deployment of renewable energy systems on government buildings is one of the explicit aims of the EECBG funds, and the AIRE program has embraced use of alternative sources of energy in County operations as one of the key strategies to meet our carbon emission reduction goals. The Central Library is the most attractive site for a deployment, as the site is highly visible, heavily patronized, and electricity use has already been cut over 30% in the past 8 years through steady improvements in energy efficiency.

LED Traffic Signal and Streetlight Retrofits

Arlington County has embraced energy-efficient LED traffic signal technology, with 170 (of 270) intersections converted to LED technology over the past 9 years. EECBG funding could be used to complete the remaining 100 intersection retrofits. The proposed retrofits would create large, persistent operating and cost savings (approximately 1 million kWh per year, yielding approximately \$100,000 per year in savings), and carbon emission reductions (550 tons per year) from electricity savings. In addition, latest generation LED streetlight technology could be deployed along certain corridors.

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Comprehensive Engagement with the Residential and Business Sectors

Staff envisions a multifaceted approach for programs to stimulate energy efficiency in the residential and commercial building sectors. Programming will offer comprehensive information on recommended improvements, maximizing the impacts of such improvements, and selecting appropriate contractor(s).

Program elements may include:

- Development of innovative energy efficiency financing mechanisms, such as a revolving loan fund. This may involve coordination with other localities and/or public-private partnerships to maximize program cost-effectiveness and program results.
- Subsidizing home energy audits and/or implementation of recommended audit measures by certified professionals.
- Partnering with local utilities and others to provide enhanced customer feedback on monthly energy use as compared with a group of neighboring customers.
- Developing a trade ally network of trained, certified vendors to provide competent services to large multifamily building owners and managers, which are significant energy users in Arlington. This segment of the market is traditionally underserved by energy programming and there is significant interest in such programming at the regional level.
- Directly engaging with multifamily housing and small business sectors on energy use and environmental programming, using a web-based interactive information and guidance system. The system addresses buildings energy use, water use, solid waste, and transportation energy use.
- Partnering with EPA, DOE, Commonwealth of Virginia, and Dominion Virginia Power on the Home Performance with Energy Star program in Arlington's and Northern Virginia's single family housing market. The program includes the development of trained energy auditors and retrofitters, a key "green jobs" segment currently

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undersupplied in this region. A strong “green” workforce is vital to any energy efficiency improvements throughout the County.

- Partnering with community colleges, universities, and trade schools, as well as other innovative re-entry workforce development groups (such as veterans’ groups), to further enhance the energy-efficiency building trades.
- Partnering with non-profit, youth-related organizations, as well as Arlington Public Schools, to further heighten energy awareness among young people to further “grow” the energy efficiency market.
- Coordinating with the Commonwealth of Virginia to market ENERGY STAR appliance rebate programs.
- Partnering with lending institutions to buy-down interest rates for energy efficiency-related home improvements.
- Continuing the County’s strategic energy planning and climate action planning effort.

FISCAL IMPACT: After the County’s EECBG grant agreement is executed, staff will return to the Board for appropriation of EECBG funds and approval of any EECBG-related activities. Specific fiscal impact (if any) will be addressed at that time.

ENVIRONMENTAL IMPACT: The proposed projects would result in reduced countywide greenhouse emissions, to be quantified as the projects are developed and installed. The proposed County projects will reduce County government electricity expenditures over the long term. Businesses and residents would also benefit from lower utility bills as a result of implemented energy efficiency retrofits.