

**NORTHEAST AND MID-ATLANTIC STATE ENERGY OFFICES  
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)  
INITIAL STATE ENERGY PROGRAM (SEP) PLANS**

**SUMMARY**

**Compiled by Chuck Guinn and Chuck Clinton  
Prepared for the Coalition of Northeastern Governors (CONEG) and the National  
Association of State Energy Officials (NASEO)  
April 24, 2009**

**Expansion of Current System Benefit Charge (SBC) Programs**

Northeast States: States with electricity-only focused SBC programs plan to use the ARRA SEP funds to either expand such programs or add additional programs to provide energy efficiency programs for all fuels including audits and rebates. This significant hole in the region's energy efficiency network appears to be a significant target for the SEP funds.

Mid-Atlantic States: Two states indicate plans to either expand these electricity or natural gas programs, or extend them to other energy sources and to customers who do not presently qualify for existing programs. Where separate electricity and natural gas system benefit charge programs exist, some states envision using ARRA funds to break down these barriers and meet the customers' needs in a holistic way, regardless of energy source.

**Energy Efficiency Programs for State Agencies, School Districts, Institutions**

Northeast States: A number of states have targeted the institutional sector with program enhancements or new programs. One state plans a new major (15 MW-30MW) solar program for state and quasi-state authority facilities based on a prior study of the solar potential at such facilities. The same state plans a major comprehensive energy efficiency retrofit program for state and quasi-state facilities. These retrofits could include biomass-based heating and solar hot water. The state plans to leverage the SEP funds with performance contracts financed with either private capital, Clean Renewable Energy Bonds, Energy Conservation or tax-exempt bonds. Another state plans a major new energy efficiency retrofit program in municipal, university, schools and hospital facilities; this program would feature an RFP to select the projects. One state plans energy efficiency improvements in state buildings and more efficient vehicle purchases by state agencies. Another state plans to support energy performance contract activities in the institutional sector.

Mid-Atlantic States: One state proposes a loan program for these categories of buildings, another wants to launch a grant program. Another state intends to expand current performance contracting efforts in this end use sector, and to capture available savings to seed a fund for future such initiatives. At least one state envisions offering solar grants to schools.

**Commercial Sector Programs**

Northeast States: Expansions of grant programs and/or revolving loan programs are planned by some states. One state plans to provide grants for energy efficiency engineering studies, audit services and 50 percent grants to business. This state also plans to increase its business loan fund

and lower the interest rate. Another state plans to operate an energy efficiency upgrades loan fund through the state business finance authority.

Mid-Atlantic States: Most states intend to either expand current programs or launch new ones that will aid small businesses, larger firms, and industrial customers. Offerings will include grants as well as loans for both audits and retrofits. Proposed loans and grants range from \$50 thousand to \$1.5 million. As with the plans mentioned above for state agencies, in many cases the goal is to make these opportunities available to commercial entities that do not presently qualify for existing system benefit charge programs. At least one state intends to offer solar grants to small businesses in particular.

### **Residential Programs**

Northeast States: Some states are planning to use a portion of the ARRA SEP funds to target energy efficiency assistance for moderate-income households that would not be eligible for weatherization funding assistance. Also, many states plan to move to an all fuels energy efficiency approach for households. For example, Home Performance with Energy Star programs could be expanded to cover all heating fuels.

Mid-Atlantic States: Most states also intend to either expand current residential programs or launch new ones for those households not qualifying for current offerings. A common theme is developing programs that build upon previous efforts to develop Home Performance with Energy Star programs. Consistent references are made to both energy audits and retrofits being offered in the form of grants. At least one state intends to expand audit and retrofit services not just for low income households, but moderate income ones as well. Another proposes offering solar grants to residential customers.

### **Transportation Sector Programs**

Northeast States: Some states included transportation measures under new institutional programs. For example, one state included energy efficient vehicle purchase under its state agency program. Another state plans to use ARRA SEP funds to support clean cities coordinators to effectively utilize clean cities funds. Another state plans to use the Clean City Coalitions to identify transportation projects.

Mid-Atlantic States: At least two states intend to use ARRA SEP funds (using grants) to expand the alternative fuels infrastructure, to increase the use of biofuels, electric hybrids, and other alternative fuels in the transportation sector.

### **Green Jobs Training and Technical Assistance**

Northeast States: Some states plan to use a portion of the funding for green jobs training activities. For example, one state plans to assist a green jobs training program through its Department of Resources and Economic Development. Another state would use funds to establish a nationally certified energy industry curriculum for its high school technical centers, community colleges and universities.

Mid-Atlantic States: Most states say they intend to use significant portions of their ARRA SEP dollars to support creation of green jobs, and training of both energy auditors and installers. One

or more indicate they intend to build upon what is already happening in the region with the Home Performance with Energy Star program.

### **Renewable Energy Programs**

Northeast States: Most states plan to either expand existing renewable energy grant programs or add a new program. The largest two states in the region plan to add new solar incentive programs administered by the energy office. At least three states plan to use ARRA SEP funds to add geothermal measures to existing renewable energy rebate programs. Some states plan to use a portion of the ARRA SEP funds to support development of specific renewable energy sources in their states.

Mid-Atlantic States: Plans for renewable energy programs in the mid-Atlantic states are presented by end use sector above.

### **Building Codes**

Northeast States: Many states in the region plan to use a portion of the ARRA SEP funds to enhance compliance with the building energy code. Training of municipal code officials is a common theme.

### **Other Ideas**

Mid-Atlantic States: One state proposes to use ARRA SEP funds creatively in order to attract both clean energy manufacturers and generators to the state.

### **Differences between the Mid-Atlantic and NE ARRA SEP Patterns**

Mid-Atlantic States: No mid-Atlantic state proposed expanding programs currently funded by RGGI proceeds (or at least RGGI was not mentioned in any of the mid-Atlantic submissions). No mid-Atlantic state talked about geothermal initiatives using ARRA SEP funding. No specific reference to Clean Cities Coalitions was detected.

### **Observations**

Northeast States (by Chuck Guinn): Northeast states are either expanding existing programs or adding new programs with an emphasis on new programs. The states appear to be avoiding any appearance of supplanting other funds.

The building code enhanced enforcement target is an area which would benefit from regional coordination and exchanges. The Northeast Energy Efficiency Partnership's Building Code Program could be helpful in this area.

Leveraging the ARRA SEP funding through energy performance contracting, state bonding funds, tax-exempt bonds, Clean Renewable Energy Bonds and Energy Conservation Bonds is under consideration for most of the states. This is another area that might benefit from a regional exchange.

Mid-Atlantic States (by Chuck Clinton): Each mid-Atlantic state seemed keenly aware of the "supplement, don't supplant" statutory obligation and guidance for these funds. References are often made to how a particular proposal does indeed supplement, not supplant current activities.

Submissions to explain a state's ARRA SEP plans tended to be two pages in length. One state required three pages, another only part of one page.

No mid-Atlantic state, at least in these initial ARRA SEP plan submissions, made any reference to coordinating with adjoining jurisdictions. This pattern seemed especially glaring in regard to offering training in the area of green jobs. Regional coordination, facilitated by NASEO and its developing network of regional coordinators, should be able to assist effectively in this regard.