

# State Energy Efficiency Investment – Market Transformation Beyond ARRA

National Association of State  
Energy Officials



*NASEO—Transforming America's Energy Future*

# Overall State Energy Program (SEP) Funding and State Leverage - ARRA

- \$3.1 billion provided for State Energy Program (SEP)
  - \$4.7 billion in leveraged funds from the States/Private Sector
  - Funding for a variety of programs, projects and policies, including:
    - energy efficiency; renewable energy
- \$122 million – Transportation
  - \$137 million – Planning and Energy Reliability
  - \$217 million – Industrial
  - \$104 million – Energy Education
  - \$886 million – Electric Power/Renewables
  - \$1.6 billion – Buildings

# State Energy Offices and SEP

- 56 State and Territory Energy Offices are a vital resource for delivering energy benefits, addressing energy goals, developing policy, and coordinating energy-related emergency preparedness
- SEP Funded at \$50 million in FY'10 (1/2 by formula and 1/2 competitive) and authorized by Congress at \$125 million
- States provide a 20% match under SEP annual formula allocations
- Provides resources directly to States for allocation by the governor-designated State Energy Office
- NASEO supports funding at the authorized level, all through base funding formula

## **\$1 in Federal SEP Funding Yields \$7.22 in Annual Energy Cost Savings**

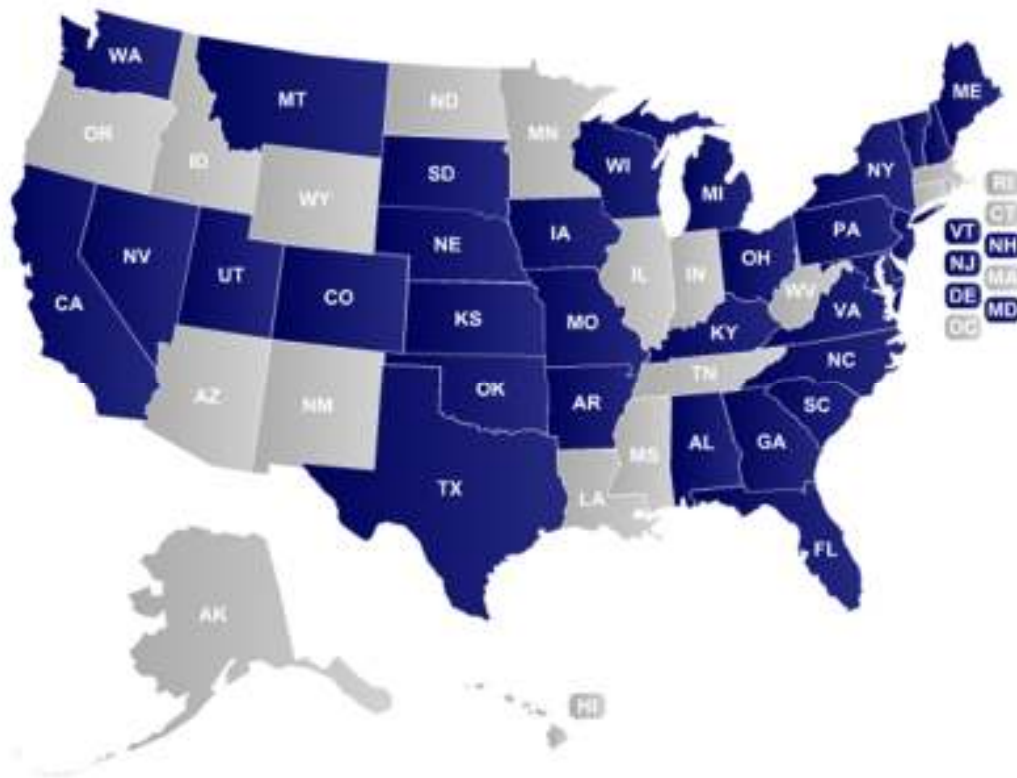
- Each \$1 of SEP funding associated with annual savings of 1.03 million source BTUs and a cost savings of \$7.22, and leveraged by \$10.71 of state and private funds
- In only one year, utilizing regular SEP funds, states perform the following:
  - 15,264 building energy audits performed
  - 6,434 alt. fuel vehicles purchased or converted
  - \$30,403,388 of loans made; \$12,345,608 grants given
  - 12,896 building retrofits completed
  - 604,050 students educated on efficiency
  - 78 energy emergency plan elements developed
  - 92,488 traffic signals and controls installed

# SEO Role Going Forward

- Fostering greater energy efficiency in manufacturing to retain jobs and expand opportunities
- Supporting private sector energy innovations through business incubators and job training
- Advancing cost-effective energy efficiency retrofits in public buildings
- Delivering public energy efficiency education
- Conducting statewide energy planning
- Piloting innovative energy projects with the private sector and universities

Visit [www.naseo.org](http://www.naseo.org) for Success Stories and State Energy Office Contacts

# \$1 Billion in Financing Programs



- Started in Fall 2010
- \$900 million - \$1.1 billion in SEP and EECBG Recovery Act funds allocated for financing programs
- Further leverage and innovation existing RLFs
- NASEO [State Energy Loan Fund \(SELF\) Database](#)

## **Buildings Activities**

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- Public buildings (ESPC)
  - Best Practices, self-funded programs
- Multi-state residential labeling initiative
- Building Codes adoption and support
- Commercial Buildings Consortium
- Residential secondary market financing initiative

# State Public Buildings Snapshot

## Massachusetts Energy Office ESPC Program

- In 2007 an Executive Order, *Clean Energy and Efficient Buildings – Leading by Example*, set a high bar to reduce greenhouse gas by 25% by 2012, reduce energy consumption by 20% by 2012, increase renewable capacity by 15%, and reduce water use by 10%, with escalated goals for 2020. It requires energy performance contracting for all state facilities over 100,000 square feet.
- State put up \$237 million in general obligation bond funds to augment private sector project financing.
- 65 performance contracting projects totaling \$458 million have been completed with many more underway

## Industrial Efficiency

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- Of the 56 SEOs in the U.S., 30 administer energy programs for manufacturers and the industrial sector.
- Total current energy efficiency investment available to the industrial sector via states is over \$671 million.
- \$217 million in State Energy Program funds from ARRA were invested in programs in the industrial sector.

## State Industrial Program Snapshots

- The **Alabama Energy Office** operates an industrial revolving loan fund program: *Alabama Saves* is a State Energy Program funded \$25 million Energy RLF for Industry. The loan funds may be used to purchase and install equipment for renewable-energy systems and energy-efficient fixtures and retrofits.  
[www.alabamasaves.com](http://www.alabamasaves.com)
- The **Arizona Energy Office** used State Energy Program ARRA funds to establish the Manufacturers' EE Grant Assistance (MEGA) Program (\$2.735m) and the 21<sup>st</sup> Century Energy Demonstration Projects Grant Program (\$3.4m with \$1.2m private leveraging) targeting EE and RE technology and product manufacturers to spur clean energy development and job creation in Arizona.

## Lessons Learned

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- Financing programs – future innovation of existing loan funds
- State-local coordination
- States facilitating “bridge” in technology innovation and advancement to commercialization (RDD&D)
- Piloting ESPC-like concepts in commercial and industrial sectors
- Policy innovation

# NASEO Contact Information

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