



# THE NUTS AND BOLTS OF STIMULUS FUNDING

**Overview of the ARRA**  
**June 30, 2009, Denver, Colorado**

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# The Big Picture

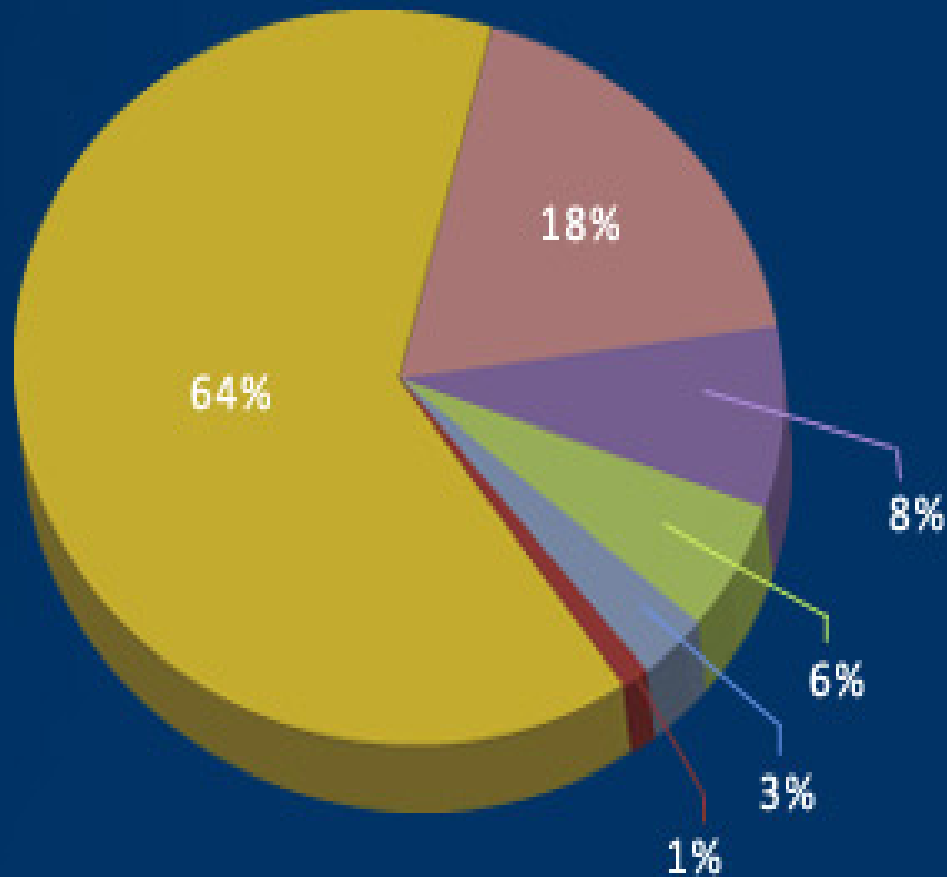
- The American Recovery & Reinvestment Act of 2009
- Signed by President Obama in Denver 2/17/09
- The Stimulus is a robust down payment on President Obama's pledge to move to a low-carbon economy
- Includes \$212 Billion in tax relief
- Includes \$575 Billion in new Federal spending
- \$42 Billion for Renewable Energy and Clean Tech (including \$21.6 Billion in tax incentives)

# ARRA Mission Statement

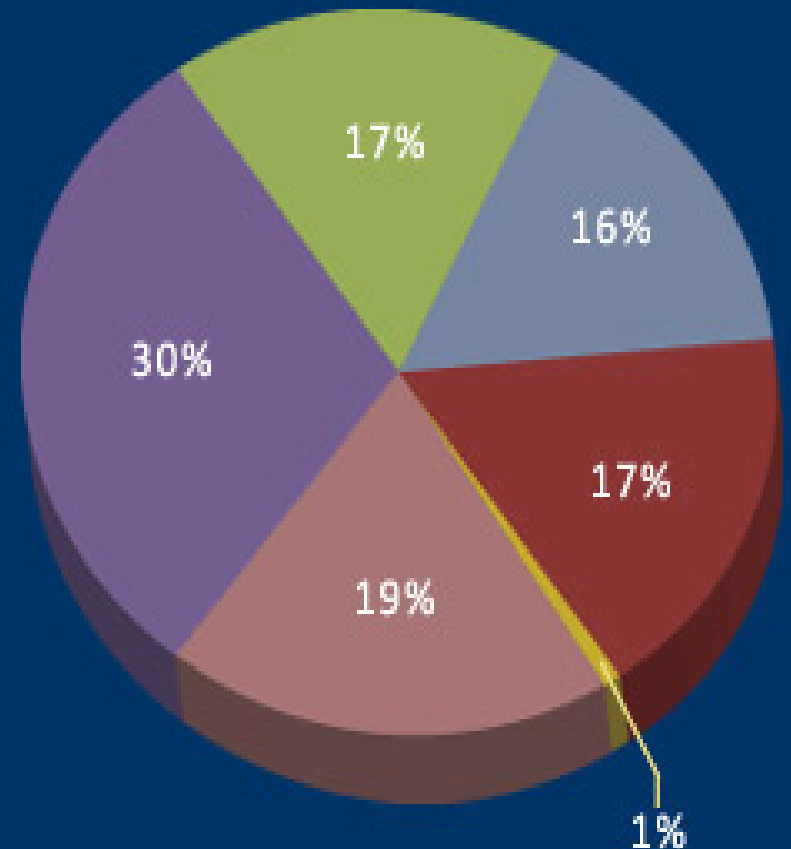
- \$787 Billion legislation
- Create or protect 3.5 million jobs over the next two years
- Lift America out of the current economic crisis
- Reduce America's dependence on foreign oil
- Foster development and deployment of renewable energy technologies

# Composition of State and Local Recovery Act Funding

FISCAL YEAR 2009



FISCAL YEAR 2012



- Health
- Education and Training
- Transportation
- Income Security
- Community Development
- Energy and Environment

Source: U.S. Government Accountability Office (GAO)

# TRANSFORMING FEDERAL BUILDINGS INTO HIGH-PERFORMANCE GREEN BUILDINGS



Source: U.S. General Services Administration

# Relief For America's Working Families

Families Affected: 112 Million | Total Benefit: \$55.5 Billion |  
Individual Tax Credit: \$400 | Married Joint Filer Tax Credit: \$800



Source: Office of Management and Budget

## Energy Appropriations - Selected Departments

<u>Department/Agency Funding</u>	<u>(\$ billions)</u>
Department of Defense	0.3
Department of Energy	36.0
General Services Administration	4.8
Department of the Interior	n.s.
Environmental Protection Agency	0.3
Department of Labor	0.5
Department of Veterans Affairs	n.s.
Department of Transportation	0.1
Department of Housing and Urban Development	n.s.
Department of Education	n.s.
<b>Total, Energy Programs in Selected Departments</b>	<b>\$42.0</b>

# Selected Energy Tax Incentives

<b><u>Tax Incentive Provision</u></b>	<b><u>Estimated Budget Effect (\$ billions)</u></b>
<b>Renewable Energy Tax Credits</b>	
Renewable Energy Electricity Production Tax Credit (PTC)	13.1
Investment Tax Credit (ITC) in Place of the PTC	0.3
Grants in Place of Tax Credits	n.s.
Business ITC, Repeal of Limit & Credit Caps	0.6
<b>Clean Renewable Energy Bonds (CREBs)</b>	0.6
<b>Energy Conservation Bonds (ECBs)</b>	0.8
<b>Energy Efficiency Tax Credits</b>	n.s.
Efficiency Improvements to Existing Homes	2.0
Efficiency and Renewables Equipment, Credit Limit	0.3
Advanced Energy Manufacturing Facility	1.6
Parity for Transportation Fringe Benefits	0.2
<b>Alternative Fuels &amp; Vehicles Tax Credits</b>	
Alternative Fuel Refueling Infrastructure Tax Credit	n.s.
Plug-In Vehicle Tax Credit	2.0
<b>Total, Selected Energy Tax Incentives</b>	<b>\$21.6</b>

# Quick Overview: Loan Guarantees from DOE

\$6.0 B for temporary rapid deployment

- Renewable energy
- Electric power transmission
- Advanced Biofuels
- To leverage \$60 B in loan guarantees
- Complements \$4.5 B for smart grid R&P & deployment
- Construction must start by Sept. 30, 2011
- Objective – double renewable energy in 4 years

# Renewable Energy Tax Credits (\$13.4 B)

## •Production Tax Credits

- placed in service date extended to 2012 for wind and 2013 for resource facilities (closed & open loop biomass, geothermal, incremental hydro, landfill gas, muni waste, marine/hydrokinetic)

## •Investment Tax Credits

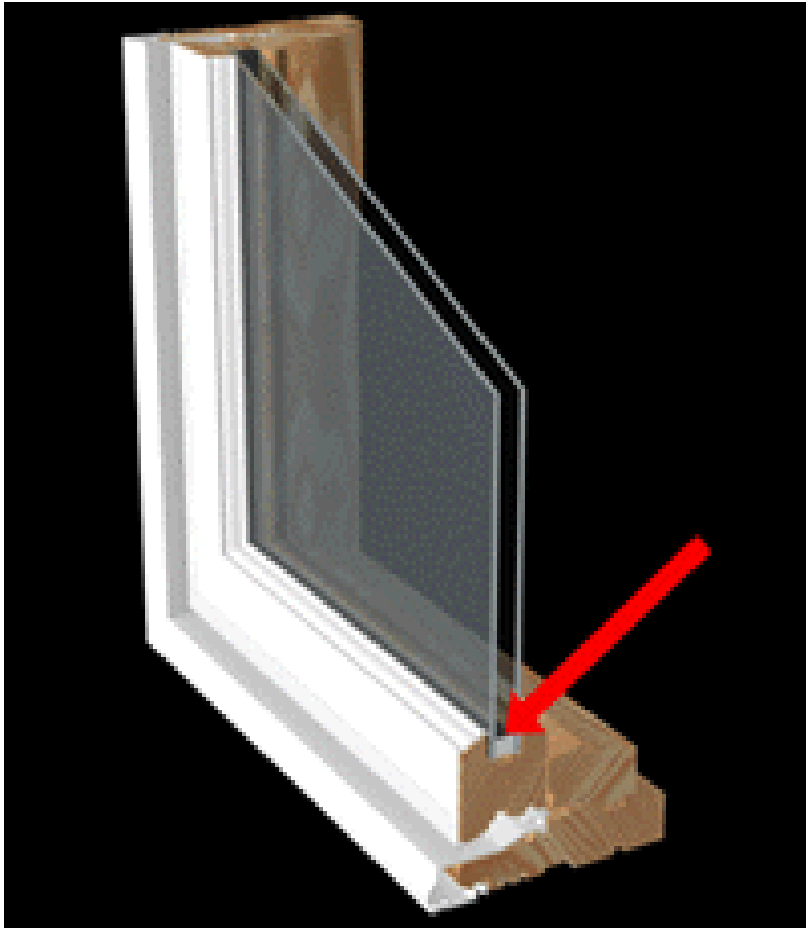
- For facilities placed in service in '09 and '10
- A 30% ITC available instead of PTC

## •Grants in lieu of Tax Credits

- Cash in lieu of tax credit



# Energy Efficiency and Conservation Block Grant Program



- \$3.2 Billion available for states, counties, cities
- Via formula grants
- For projects to reduce energy use and emissions
- Distribution through States, Counties, Cities
- For residential and commercial buildings

# How Will Money Be Distributed?

- Federal agencies
  - Grants
  - Competitive bids
  - Procurement
- State and local governments
  - Grants
  - Competitive bids
  - Procurement

# DOE - Selected Offices & Programs

<u>DOE Office or Program</u>	<u>Funding (\$billions)</u>
<b>Office of Energy Efficiency and Renewable Energy (EERE)</b>	
R&D (includes Biomass [\$800 million] and Geothermal [\$400 million])	2.5
Energy Efficiency and Conservation Block Grants	3.2
Weatherization Assistance Grant Program	5.0
State Energy Grant Program	3.1
Grants for Advanced Battery/Battery Component Manufacturing Facilities	2.0
Grants for Electric Vehicle Technologies	0.4
<b>Total for EERE (including programs not shown above)</b>	<b>16.8</b>
<b>Office of Electricity Reliability and Energy Delivery (OE)</b>	
Grid Modernization/Smart Grid/Electricity Storage	4.5
<b>Office of Chief Financial Officer</b>	
Loan Guarantee Program for Renewable Energy and Transmission	6.0
<b>Advanced Research Projects Agency (ARPA-E)</b>	<b>0.4</b>

# DOE - EERE Details

- \$16.8 B in grant funding
- \$2.5 B for applied R &D, demonstration
  - \$800 M for biomass energy
  - \$400 M for geothermal
- Some is funneled through States and local governments
- Most is for housing/buildings
- \$2.4B is for vehicle advancements
  - \$2.0 Advanced battery & battery manufacturing
  - \$0.4 Electric vehicle technologies

# DOE - EERE Details

- Advanced Battery manufacturing grants
  - \$2 B for manufacturing facilities
  - Lithium ion batteries for vehicles and components
- \$300 M in grants to states, local govts, metro transit agencies for alternative fuel & advanced tech vehicles & supporting infrastructure
- \$400 M for transportation electrification
- \$300 M for Energy Star appliance rebates

# DOE: Office of Electricity Delivery and Energy Reliability

- \$4.5 B for grid modernization, electricity storage, and smart grid
  - \$100 M for worker training
  - \$80 M in regional and multi-state planning
  - Smart grid demo program is to include rural, urban, suburban, tribal areas; public and private
  - Fed matching funds increased from 20 to 50%

## DOE: Other Offices

- Office of Fossil Energy R&D \$3.4 B
- \$1.52 B to support competitive bids on industrial carbon capture, CO<sub>2</sub>
- \$800 M for carbon capture & sequestration (CCS)
- Advanced Research Projects Agency – Energy (ARPA-E) \$400M
  - To support “transformational” energy research for economic and energy security

# Department of Defense

- \$3.69 B - facility infrastructure investments for EE projects, modernization & repair
  - DOD accounts for 63% of energy consumption in federal buildings @ \$3.4B/year
- \$300 M for generation, EE, transmission, storage, on military installations and for operational forces
  - \$75M each for Army, AF, Navy, Defense-wide
  - Includes R&D for fuel cells, wind, solar, biofuels, bioenergy

# General Services Administration

- \$4.5 B for converting GSA facilities to high performance green buildings
  - Reduce total energy use by 30% by 2015
  - Reduce fossil energy use by 55% by 2010
- \$300 M to buy EE vehicles for fed agency fleets, incl. hybrids, plug-in hybrids, electric
- **\$4.8 B purchasing power; key to get your product on GSA “pre-approved” list for fed agency purchases**

# Other Federal Agencies

- \$500 M at Dept. of Labor for training in EE
- \$1 B at VA for “non-recurring maintenance, incl. energy projects” available thru 2010
- \$100 M at DOT for discretionary grants to public transit agencies
- \$4 B at HUD to modernize public housing
- \$28 B to USDA for nutrition assist., forest & farm land conservation, rural utilities
- \$1 B for NASA
- \$3 B for National Science Foundation

## Other Financial Benefits

- Est. \$578 M clean renewable energy bonds
- Est. \$803 M energy conservation bonds
- \$2.03B EE existing home improvement ITC
- \$268 M EE and renewable equipment ITC
- \$192 M transportation employee fringe benefits
- Alternative fuel refueling infrastructure TC
- Plug-in vehicle TC

# Reporting Requirements

- 6/22/09 OMB published Implementing Guidance for reporting
- Implements Section 1512 of the ARRA for recipients of grants, loans, and other forms of assistance
- Requirements start in October 2009
  - Who received \$\$; how much
  - For what projects; what is status
  - See [www.FederalReporting.gov](http://www.FederalReporting.gov)

# NEPA Requirements

- ARRA Section 1609 reference NEPA, directing that sufficient funds be made available under the Act to enable NEPA compliance.
- NEPA Section 102(C), requires all federal agencies to:
  - “include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on (i) the environmental impact of the proposed action; (ii) any adverse environmental effects which cannot be avoided...(iii) alternatives to the proposed action...”
- Projects with minor federal funding should not trigger (e.g., 1% - 10%), but no hard & fast rule

# Example of State Stimulus Programs: CO

- Colorado will receive \$3.5 - \$7 Billion
  - \$7 B includes indirect benefits such as \$110 M to NREL
  - Excludes tax relief for individuals
- Education: \$760 M
- Medical: \$380 M
- Transportation: \$500 M
- Energy: \$175 M
- Broadband: competing for \$7.2 B
- Rural areas: \$81.5 M
- *See <http://www.colorado.gov/recovery/>*

# Available Information Resources

- [www.recovery.gov](http://www.recovery.gov) – federal ARRA site
- [www.grants.gov](http://www.grants.gov) – federal grant funding site
- [www.energy.gov/recovery](http://www.energy.gov/recovery) - DOE site
- [www.fbo.gov/](http://www.fbo.gov/) - federal contracts > \$25,000
- [www.govloans.gov/](http://www.govloans.gov/) - loan programs
- Federal agency specific recovery sites
- State specific recovery sites

# Conclusions

- There is something for everyone here
- If you don't have a relationship with the federal government now – get one
- If you don't have a relationship with your state government now – get one
- And if you want to commercialize a renewable energy or clean tech product

**START NOW**

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