



CITY of NOVI CITY COUNCIL

Agenda Item 3
May 18, 2009

SUBJECT: Approve the submission of an Energy Efficiency and Conservation Block Grant (EECBG) Application in the amount of \$533,100 and authorize the City Clerk and Mayor to execute Application and any related documents.

SUBMITTING DEPARTMENT: Assistant City Manager and Assistant Finance Director

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

The City of Novi is eligible to receive \$533,100 in formula grants now available to states, U.S. territories, local governments and Indian tribes under the **Energy Efficiency and Conservation Block Grant (EECBG) Program**. The EECBG Program is new in 2009 and was funded by the American Recovery and Reinvestment Act of 2009. The EECBG provides grants to U.S. local governments, states, territories, and Indian tribes, to fund projects that reduce energy use and fossil fuel emissions, and that improve in energy efficiency.

Funds can be used community wide, not only for government owned facilities and infrastructure. A list of eligible activities for use of program funds can be found in the attached Funding Opportunity Announcement as released by the U.S. Department of Energy (pages 6-8). As an applicant, the City must ensure that all funds that are awarded are obligated for authorized activities within eighteen (18) months. These funds are also subject to the "prevailing wage" requirement of the federal Davis-Bacon Act. Other requirements include any manufactured goods to be produced in the United States.

The Department of Energy has developed the following core principles to guide 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.
- 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.
- 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.

With these goals in mind, as well as taking a look at needed capital projects at City facilities, staff provided a draft list of items to the City Council on May 4th for consideration. After the attached resolution is adopted, staff will complete an RFP for consulting services to assist in the completion of the required **Energy Efficiency & Conservation Strategy** document required by the federal government to be submitted within 120 days of the award. The Department of Energy has a maximum of 120 days after receiving a proposed strategy to approve or disapprove it. The following list reflects the items that remain highest on the list (in priority order).

Eligible Activity	Description	Estimated Program Cost	Resource Requirement
<u>Development of an Energy Efficiency and Conservation Strategy</u>	Entities may use a grant to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program. All entities receiving direct formula grants from the DOE are required to submit a proposed strategy for approval.	\$ 80,000	Units of government must submit to the DOE a proposed Energy Efficiency and Conservation Strategy (EECS) no later than 120 days after the effective date of the award.
<u>Energy Efficiency Retrofits</u>	DPS Facility – mechanical needs include replacing the garage make-up air unit, the furnace and exhaust fans for the workshop, furnaces and air conditioning and exhaust fans for the Administrative offices.	\$ 225,000	Time to implement = 6-18 months
<u>Technical Consultant Services</u>	Non-Motorized Pathway/Sidewalk Master Plan – To identify through a Master Plan approach a program to link current and future pathways, sidewalks and trails in the City.	\$50,000	Time to implement = 6-12 months
<u>Energy Distribution Technologies</u>	Civic Center Campus – Use of consultant to develop Combined Heat and Power (CHP) Application for Civic Center, Library and School District (High School) and/or solar energy to select civic center campus buildings.	\$55,000	Time to implement = 12-18 months
<u>Renewable Energy Technologies on Government Buildings</u>	Multiple Civic Center Buildings – Software to capture energy efficiency data continuously to use for reporting to state and federal regulatory agencies	\$30,100	Time to implement = 12-18 months
<u>Energy Efficiency Retrofits</u>	Police Station – No-break power system; retrofit or replace existing emergency diesel generator	\$53,000	Time to implement = 6-18 months
<u>Energy Efficiency Retrofits</u>	Multiple Civic Center Buildings – Retrofitting boilers with economizers to capture the heat from boilers exhaust and use it for boiler feed water heating	\$40,000	Time to implement = 12-18 months
	Total	\$533,100	

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.

SUBJECT: Approve the submission of an Energy Efficiency and Conservation Block Grant (EECBG) Application in the amount of \$533,100 and authorize the City Clerk and Mayor to execute Application and any related documents.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

RESOLUTION

Approving the 2009 Energy Efficiency and Conservation Block Grant Application

WHEREAS, the City of Novi is eligible to receive Energy Efficiency and Conservation Block Grant (EECBG) funds in the amount of \$533,100, and

BE IT RESOLVED, that the City of Novi hereby authorizes the submission of the 2009 EECBG application to the Department of Energy requesting the total available funding to be used for the projects outlined below, pursuant to the program guidelines; and

Eligible Activity	Description	Estimated Program Cost
<u>Development of an Energy Efficiency and Conservation Strategy</u>	Energy Efficiency & Conservation Strategy – Entities may use a grant to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program. All entities receiving direct formula grants from the DOE are required to submit a proposed strategy for approval.	\$ 80,000
<u>Energy Efficiency Retrofits</u>	DPS Facility – mechanical needs include replacing the garage make-up air unit, the furnace and exhaust fans for the workshop, furnaces and air conditioning and exhaust fans for the Administrative offices.	\$ 225,000
<u>Technical Consultant Services</u>	Non-Motorized Pathway/Sidewalk Master Plan – To identify through a Master Plan approach a program to link current and future pathways, sidewalks and trails in the City.	\$50,000
<u>Energy Distribution Technologies</u>	Civic Center Campus – Use of consultant to develop Combined Heat and Power (CHP) Application for Civic Center, Library and School District (High School) and/or solar energy to select civic center campus buildings.	\$55,000
<u>Renewable Energy Technologies on Government Buildings</u>	Multiple Civic Center Buildings – Software to capture energy efficiency data continuously to use for reporting to state and federal regulatory agencies	\$30,100
<u>Energy Efficiency Retrofits</u>	Police Station – No-break power system; retrofit or replace existing emergency diesel generator	\$53,000
<u>Energy Efficiency Retrofits</u>	Multiple Civic Center Buildings – Retrofitting boilers with economizers to capture the heat from boilers exhaust and use it for boiler feed water heating	\$40,000
	Total	\$533,100

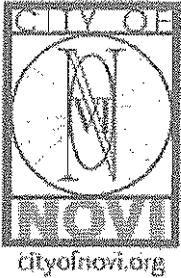
BE IT FURTHER RESOLVED that the City of Novi hereby authorizes the City Clerk and Mayor to execute said application and any related documents.

CERTIFICATION

I, Maryanne Cornelius, the duly appointed Clerk of the City of Novi, Oakland County, Michigan, hereby certify that the above is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held on May 18, 2009 at which time a quorum was present.

Maryanne Cornelius
City Clerk

David B. Landry
Mayor



CITY of NOVI CITY COUNCIL

Agenda Item 4
May 4, 2009

SUBJECT: Provide direction to staff regarding the submission of the City's Energy Efficiency and Conservation Block Grant (EECBG) Application in the amount of \$533,100.

SUBMITTING DEPARTMENT: Assistant City Manager and Assistant Finance Director

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

The City of Novi is eligible to receive \$533,100 in formula grants now available to states, U.S. territories, local governments and Indian tribes under the **Energy Efficiency and Conservation Block Grant (EECBG) Program**. The EECBG Program is new in 2009 and was funded by the American Recovery and Reinvestment Act of 2009. The EECBG provides grants to U.S. local governments, states, territories, and Indian tribes, to fund projects that reduce energy use and fossil fuel emissions, and that improve in energy efficiency.

Funds can be used community-wide, not only for government-owned facilities and infrastructure. A list of eligible activities for use of program funds can be found in the attached Funding Opportunity Announcement as released by the U.S. Department of Energy. A summary of eligible activities include:

- Development of an Energy Efficiency and Conservation Strategy and Technical Consultant Services to assist in the development of such a strategy.
- Residential and Commercial Building Energy Audits.
- Financial Incentive Programs and Mechanisms for energy efficiency improvements such as energy savings performance contracting, on-bill financing, and revolving loan funds.
- Grants to nonprofit organizations and governmental agencies for the purpose of performing Energy Efficiency Retrofits.
- Energy Efficiency and Conservation Programs for Buildings and Facilities.
- Development and Implementation of Transportation Programs to conserve energy.
- Building Codes and Inspections to promote building energy efficiency.
- Energy Distribution Technologies that significantly increase energy efficiency, including distributed resources, combined heat and power, and district heating and cooling systems.
- Material Conservation Programs including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.
- Reduction and Capture of Methane and Greenhouse Gases generated by landfills or similar waste-related sources.
- Energy efficient Traffic Signals and Street Lighting.
- Renewable Energy Technologies on Government Buildings.
- Any Other Appropriate Activity that meets the purposes of the program and is approved by DOE.

Prior to the Department of Energy's announcement about the EECBG grant program, the City engaged Novi Energy to conduct a mini-audit of the City's energy output on the Civic Center campus (along with the School District and their buildings along Taft Road). The Novi Energy draft report (attached) identified a number of projects and programs that may also qualify for funding under the federal program. In addition, staff had several city building improvement items on the City's CIP list that would

qualify for funding under the federal program. (Council will recall that there is also a state Energy Optimization Program; however the regulations for that program are not expected to be released until June 2009).

After an internal staff review, the following list of items are suggested for consideration in our funding application:

Eligible Activity	Description	Estimated Program Cost	Resource Requirement
<u>Development of an Energy Efficiency and Conservation Strategy</u>	Entities may use a grant to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program. All entities receiving direct formula grants from the DOE are required to submit a proposed strategy for approval.	\$ 80,000	Units of government <u>must</u> submit to the DOE a proposed Energy Efficiency and Conservation Strategy (EECS) no later than 120 days after the effective date of the award.
<u>Energy Efficiency Retrofits</u>	DPS Facility – mechanical needs include replacing the garage make-up air unit, the furnace and exhaust fans for the workshop, furnaces and air conditioning and exhaust fans for the Administrative offices.	\$ 225,000	Time to implement = 6-18 months
<u>Energy Efficiency Retrofits</u>	Civic Center Campus – Utilization of solar energy to select buildings (Civic Center and/or Police Station)	\$150-200,000	Time to implement = 12-18 months
<u>Energy Efficiency Retrofits</u>	Police Station – No-break power system; retrofit or replace existing emergency diesel generator	\$75-100,000	Time to implement = 6-18 months
<u>Energy Efficiency Retrofits</u>	Multiple Civic Center Buildings – Retrofitting boilers with economizers to capture the heat from boilers exhaust and use it for boiler feed water heating	\$40,000	Time to implement = 12-18 months
<u>Energy Distribution Technologies</u>	Civic Center Campus – Use of consultant to develop Combined Heat and Power Application for Civic Center, Library and School District (High School)	\$30,000	Time to implement = 12-18 months
<u>Renewable Energy Technologies on Government Buildings</u>	Multiple Civic Center Buildings – Software to capture energy efficiency data continuously to use for reporting to state and federal regulatory agencies	\$30,000	Time to implement = 6-18 months
<u>Development and Implementation of Transportation Programs</u>	Development pathways and pedestrian walkways;	\$ Cost Varies depending upon segments selected	Time to implement = 6-18 months

There are other programs that can be identified as well. This is just a snapshot of the projects staff identified in the past month. 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. The DOE will give special consideration to projects that

promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Another option for the funding is to participate in the newly formed Southeast Michigan Regional Energy Office Cooperative with other entitlement communities such as Novi, Dearborn, Farmington Hills, etc. In concept, the group seeks to use the federal funding on projects that have a regional effect on energy consumption rather than cities using the funding for individual projects such as those noted above. At this time, staff does not recommend using this approach at this time given the number of projects we can identify on our own for Novi. Materials are attached to describe this program in more detail should the Council wish to pursue this path.

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	1	2	Y	N
Mayor Landry				
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**Energy Efficiency and
Conservation Block Grant
(EECBG)**

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?

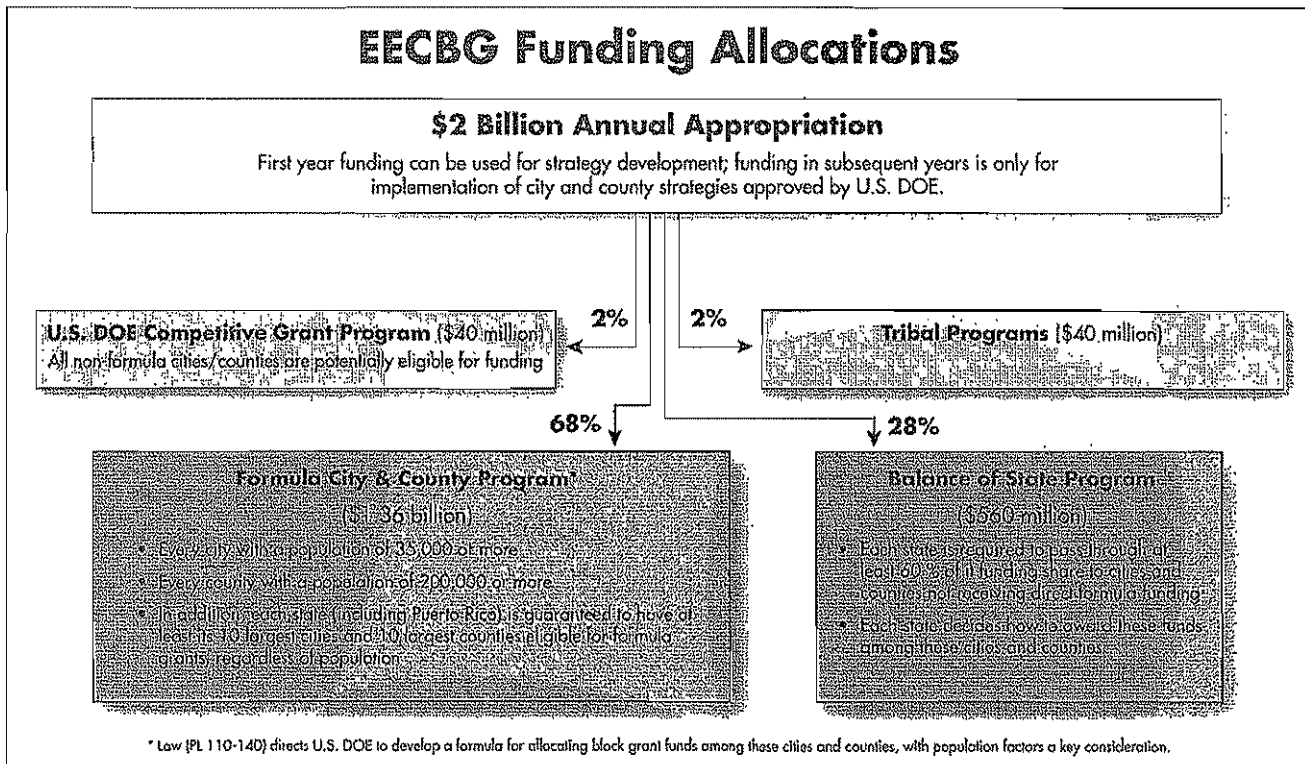
- Not later than one year after receipt of first year funding, eligible communities are required to submit to DOE Secretary a proposed Energy Efficiency and Conservation Strategy as described under eligible activities, and which includes the goals and proposed plan for the grant.
- The Strategy shall 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



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.)

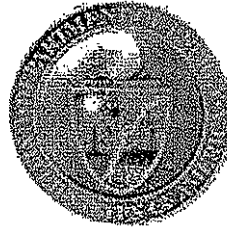
- A state may not use more than 10 percent of amounts provided for administrative expenses.
- Each state that receives a grant under the program shall submit to the DOE Secretary an annual report that describes the status of the implementation of the State's conservation strategy, the status of the subgrant 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.

10/2008

**FINANCIAL ASSISTANCE
FUNDING OPPORTUNITY ANNOUNCEMENT**



U. S. Department of Energy

National Energy Technology Laboratory

**Recovery Act – Energy Efficiency and Conservation Block Grants
– Formula Grants**

Funding Opportunity Number: DE-FOA-0000013

Announcement Type: INITIAL

**CFDA Number: 81.128 Energy Efficiency and Conservation Block Grant
Program (EECBG)**

Issue Date: March 26, 2009

**Application Due Date: For State Applicants Only: May 26, 2009
at 8:00:00 PM Eastern Time
*Applicants are encouraged to submit their
applications well before the due date.***

**For Units of Local Government and Tribal
Applicants Only: June 25, 2009 at 8:00:00
PM Eastern Time. *Applicants are encouraged
to submit their applications well before this
due date.***

NOTE: REGISTRATION/SUBMISSION REQUIREMENTS

Registration Requirements

There are several one-time actions you must complete in order to submit an application in response to this Announcement (e.g., obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number, register with the Central Contractor Registration (CCR), and register with FedConnect). Applicants who are not registered with CCR and FedConnect, should allow at least 10 days to complete these requirements. It is suggested that the process be started as soon as possible.

Applicants must obtain a DUNS number. DUNS website: http://www.dnb.com/US/duns_update/

Applicants must register with the CCR. CCR website: <http://www.ccr.gov/>

Applicants must register with FedConnect to submit their application. FedConnect website: www.fedconnect.net

Questions

Questions relating to the **system requirements or how an application form works** must be directed to Grants.gov at 1-800-518-4726 or support@grants.gov.

Questions regarding the content of the announcement must be submitted through the FedConnect portal. You must register with FedConnect to respond as an interested party to submit questions, and to view responses to questions. It is recommended that you register as soon as possible after release of the FOA to have the benefit of all responses. More information is available at <http://www.compusearch.com/products/fedconnect/fedconnect.asp>. DOE will try to respond to a question within 3 business days, unless a similar question and answer have already been posted on the website.

Questions pertaining to the **submission** of applications through FedConnect should be directed by e-mail to support@FedConnect.net or by phone to FedConnect Support at 800-899-6665.

Application Preparation and Submission

Applicants must download the application package, application forms and instructions from Grants.gov. Grants.gov website: <http://www.grants.gov/>
(Additional instructions are provided in Section IV A of this FOA.)

Applicants must submit their application through the FedConnect portal. FedConnect website: www.fedconnect.net (additional instructions are provided in Section IV H of this FOA).

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PART I – FUNDING OPPORTUNITY DESCRIPTION

SUMMARY

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program. DOE's authorization for this program is set forth in Title V, Subtitle E of the Energy Independence and Security Act (EISA) of 2007.

Projects under this announcement will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009. Accordingly, special consideration will be given to projects that promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Be advised that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. These Special Provisions are located at http://management.energy.gov/business_doe/business_forms.htm.

The Office of Management and Budget (OMB) has issued Initial Implementing Guidance for the Recovery Act. See [M-09-10, Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009](#). OMB will be issuing additional guidance concerning the Act in the near future. Applicants should consult the DOE website, www.energy.gov, the OMB website <http://www.whitehouse.gov/omb/>, and the Recovery website, www.recovery.gov regularly to keep abreast of guidance and information as it evolves.

Recipients of funding appropriated by the Act shall comply with requirements of applicable Federal, State, Tribal and local laws, regulations, DOE policy and guidance, and instructions in this announcement, unless relief has been granted by DOE. Recipients shall flow down the requirements of applicable Federal, State, Tribal and local laws, regulations DOE policy and guidance, and instructions in this announcement to subrecipients at any tier to the extent necessary to ensure the recipient's compliance with the requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to

complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related OMB Guidance. Applicants for projects funded by sources other than the Recovery Act should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act. Funding provided through the Recovery Act that is supplemental to an existing grant is one-time funding.

Applicants should begin planning activities for their first tier subawardees, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration (CCR). The extent to which subawardees will be required to register in CCR will be determined by OMB at a later date.

This announcement includes program guidance on the implementation and administration of the EECBG Program.

PURPOSE

The purpose of the EECBG Program is to assist eligible entities 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.

These stated purposes describe the overall intent of the EECBG Program. Entities 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. DOE encourages entities to develop many different new and innovative approaches within the framework of the legislation and the guidance to serve these purposes. However, each entity is required to use the funds in a cost-effective manner that is of maximum benefit to the population of that entity and in a manner that will yield continuous benefits over time in terms of energy and emission reductions.

The period of performance for these grants 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.

PROGRAM PRINCIPLES

DOE has developed the following core principles to guide 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.

PROGRAM OUTCOMES

The EECBG Program is a crosscutting program. There are many possible outcomes that could result from successfully implementing programs, projects and activities at the state and local level. These desired outcomes help clarify the broad purposes stated in the legislation and can assist implementation, including overall development and administration of state and local programs. They can be used to help evaluate potential programs and projects, as well as understand the factors that affect the success of different activities, programs and projects.

Desired outcomes of the EECBG Program include:

- Increased energy efficiency, reduced energy consumption and reduced energy costs through efficiency improvements in the building, transportation and other appropriate sectors;
- New jobs and increased productivity to spur economic growth and community development;
- Accelerated deployment of market-ready distributed renewable energy technologies, including wind, solar, geothermal, hydropower, biomass and hydrogen technologies;
- Improved air quality and related environmental and health indicators associated with the reduction of fossil fuel emissions;
- Improved coordination of energy-related policies and programs across jurisdictional levels of governance and with other local and community level programs in order to maximize the impact of this program on long-term local priorities;
- Increased security, resilience, and reliability of energy generation and transmission infrastructure;
- Leveraging of the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits; and
- Widespread use of innovative financial mechanisms that transform markets.

ELIGIBLE ACTIVITIES

A list of eligible activities for use of program funds is contained in Sec. 544 of EISA. Additional activities may be eligible pending approval by the DOE. The activities below are therefore not an exhaustive list and should be used as a guide to the intent of the program. DOE encourages each entity to develop a strategy, including its component activities, that is likely to result in maximum energy efficiency improvements, fossil-fuel emission reductions, economic benefits and total energy use reduction.

1. Development of an Energy Efficiency and Conservation Strategy: Entities may use a grant received under this part to develop and/or implement a strategy for energy efficiency and conservation and to carry out activities to achieve the purposes of the program. All entities receiving direct formula grants from the DOE are required to submit a proposed strategy for approval.

2. Technical Consultant Services: Entities may retain technical consultant services to assist the eligible entity in the development of such a strategy, including formulation of energy efficiency, energy conservation, and energy usage goals; identification of strategies to achieve those goals through efforts to increase energy efficiency, reduce fossil fuel emissions or reduce energy consumption through investments or by encouraging behavioral changes. Entities may develop methods to measure progress in achieving the goals. Entities may develop and publish annual reports to the population served by the eligible entity describing the strategies and goals and the progress made in achieving them during the preceding calendar year.

3. Residential and Commercial Building Energy Audits: Entities may support the conduct of residential and commercial building energy audits.

4. Financial Incentive Programs: Entities may establish financial incentive programs and mechanisms for energy efficiency improvements such as energy saving performance contracting, on-bill financing, and revolving loan funds.

5. Energy Efficiency Retrofits: Grants may be made to nonprofit organizations and governmental agencies for the purpose of retrofitting existing facilities to improve energy efficiency.

6. Energy Efficiency and Conservation Programs for Buildings and Facilities: Entities may develop and implement energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the entity. The range of activities includes the design and operation of the programs; the identification of the most effective methods for achieving maximum participation and efficiency rates; public education; measurement and verification protocols; and identification of energy efficient technologies.

7. Development and Implementation of Transportation Programs: Entities may develop and implement programs to conserve energy used in transportation, including but not limited to:

- Employee flex time programs;
- Promoting use of satellite work centers;
- Development and promotion of zoning guidelines or requirements that promote energy efficient development;
- Development of infrastructure such as bike lanes and pathways and pedestrian walkways;
- Synchronization of traffic signals;
- State/locals/regional integrated planning activities (i.e. transportation, housing, environmental, energy, land use) with the goal of reducing greenhouse gas emissions and vehicle miles traveled;
- Incentive programs to reduce commutes by single occupancy vehicles;
- Improvements in operational and system efficiency of the transportation system such as implementation of intelligent transportation system (ITS) strategies;
- Idle-reduction technologies and/or facilities to conserve energy, reduce harmful air pollutants, and greenhouse gas emissions from freight movement; and
- Installation of solar panels on interstate rights-of-way to conserve energy in highway operations and maintenance activities.

8. Building Codes and Inspections: Entities may develop and implement building codes and inspection services to promote building energy efficiency.

9. Energy Distribution: Entities may implement distributed energy resource technologies that significantly increase energy efficiency, including:

- District heating and cooling systems

- Combined heat and power systems
- Cogeneration systems
- Energy Storage systems
- Absorption chillers
- Desiccant humidifiers
- Micro turbines
- Ground source heat pumps

10. Material Conservation Programs: Entities may implement activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency.

11. Reduction and Capture of Methane and Greenhouse Gases: Entities may use grant funds to purchase and implement technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar waste-related sources, such as wastewater treatment plants, operations producing food waste, dairy farms and other animal operations.

12. Traffic Signals and Street Lighting: Entities may use grant funds to replace traffic signals and street lighting with energy efficient lighting technologies, including light emitting diodes; and any other technology of equal or greater energy efficiency.

13. Renewable Energy Technologies on Government Buildings: Entities may use grant funds to develop, implement, and install on or in any government building of the eligible entity onsite renewable energy technology that generates electricity from renewable resources, including solar energy; wind energy; fuel cells; and biomass.

14. Any Other Appropriate Activity: Entities may submit any other appropriate activity for approval in the Energy Efficiency and Conservation Strategy.

METRICS

The results of the funding provided for the EECBG Program through the Recovery Act will be assessed according to the performance metrics contained in Attachment C Reporting Requirements.

STATES AND TERRITORIES: REVISION OF THE STATE ENERGY CONSERVATION PLAN

Each state shall modify the state energy conservation plan of the state under 42 U.S.C. 6322 to establish additional goals for increased energy efficiency and conservation in the state. This requirement will be accomplished when the State applicant submits their annual State Energy Program plan for 2009. More details will be set forth in the upcoming Program Year 2009 State Energy Program Funding Opportunity Announcement.

STATES AND TERRITORIES: ENERGY EFFICIENCY AND CONSERVATION STRATEGY

States and territories shall submit an Energy Efficiency and Conservation Strategy (EECS) with their application. The EECS shall address the following: 1) the process for providing subgrants to units of local government that are not eligible for population formula-based grants; and 2) include a strategy of the state for the use of funds received under the program to assist the state in achieving the goals established in EISA, in accordance with 42 U.S.C. sections 17152(b) and 17154. The format for the EECS is contained in Attachment E.

Approval By the Secretary: The Secretary has a maximum of 120 days after receiving a proposed strategy to approve or disapprove it. If the Secretary disapproves a proposed strategy the Secretary shall provide to the state the reasons for the disapproval; and the state may revise and resubmit the proposed strategy as many times as necessary until the Secretary approves a proposed strategy.

STATES AND TERRITORIES: DISTRIBUTION OF SUBGRANTS

Each state that receives a grant under the program shall use not less than 60 percent of the amount received to provide subgrants to units of local government in the state that are not eligible for direct formula grants. The state shall provide the subgrants not later than 180 days after the date on which the Secretary approves the proposed energy efficiency and conservation strategy.

States are required to develop a sub-granting process that expeditiously allocates funding, prevents fraudulent spending, generates robust reporting, and promotes the EECBG Program principles stated above.

Washington, D.C. is explicitly defined as a state according to Section 541(6)(B) of EISA (42 U.S.C. 17151(6)(B)). Because the District of Columbia is a consolidated city-state government, it is not subject to the requirement applicable to states that not less than 60% of state funding must be subgranted to local units of government.

Hawaii, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands have no ineligible entities; these entities are exempt from having to provide subgrants.

ELIGIBLE UNITS OF LOCAL GOVERNMENTS AND INDIAN TRIBES: PROPOSED STRATEGY

Units of local government and Indian tribes must submit to the DOE a proposed Energy Efficiency and Conservation Strategy (EECS). This can be done through one of two methods: a) submit the EECS with the application utilizing the suggested format contained in Attachment D to this announcement; or b) submit the EECS not later than 120 days after the effective date of the award as Activity Area 1 on the EECBG Activity Worksheet (Attachment B1). If the latter option is chosen, the EECS shall be a comprehensive strategy that covers, at a minimum, all items detailed in Attachment D.

Approval by the Secretary: The Secretary has a maximum of 120 days after receiving a proposed strategy to approve or disapprove it. If the Secretary disapproves a proposed strategy, the Secretary shall provide to the grantee the reasons for the disapproval; and the grantee may revise and resubmit the proposed strategy as many times as necessary until the Secretary approves a proposed strategy.

EECBG FUNDING

Funding allocations for the formula-based grants are included as Attachment A to this announcement.

The statute established a number of parameters with regard to the funds made available for the EECBG program. Funds are apportioned under a series of formulas specified by EISA and formulas as determined by DOE. All funds must be obligated/committed within 18 months of the effective date of the award and expended within 36 months of the effective date of the award.

- Set-Aside for Training and Technical Assistance Expenses: Prior to distributing funding to grantees, DOE may deduct funds for administrative expenses to administer the EECBG Program.

STAGED DISBURSEMENT FOR EECBG AWARDS

Obligation of funds under the EECBG awards will vary based on the following: (1) the award amount, and (2) acceptance of an approved Energy Efficiency and Conservation Strategy (EECS). The EECBG staged disbursements are as follows:

- Awards up to \$250,000 – 100% of allocation will be obligated at time of award. No EECS is required prior to award, but the EECS must be submitted within 120 days.
- Awards above \$250,000 but less than \$2M – applicants may receive up to \$250,000 for development of the EECS and approved activities. If not submitted with the application, the EECS is required within 120 days of the effective date of the award. The balance of the allocation will be obligated upon DOE approval of the recipient's EECS.
- Awards above \$2M – applicants may receive up to \$250,000 at award for development of an EECS and approved activities, or 50% of the total allocation if an acceptable EECS has been submitted with the application and has been approved by DOE. The balance of funding will be obligated after one or more progress reviews in which the recipient must demonstrate that it has obligated funds appropriately, complied with reporting requirements and created jobs.

Project performance will be monitored and corrective action taken, as necessary, to ensure acceptable performance for all awards.

QUESTIONS

Specific questions relating to the application and award process should be directed to EECBG@netl.doe.gov.

For general questions regarding the EECBG Program, please contact the EERE'S Information Center at <http://www1.eere.energy.gov/informationcenter/> or call toll-free at 1-877-EERE-INFO (1-877-337-3463) between 9 a.m. and 7 p.m. EST, Monday-Friday.

PART II – AWARD INFORMATION

A. TYPE OF AWARD INSTRUMENT

- DOE anticipates awarding grants under this announcement.

B. ESTIMATED FUNDING

- The American Recovery and Reinvestment Act of 2009 appropriated \$3.2 Billion (\$3,200,000,000) for EECBG for fiscal year 2009. DOE will retain \$59 million to provide technical assistance and training for grantees under the program. The amounts available for grants are as follows:
 - \$1,863,881,000 for formula grants to eligible cities and counties
 - \$767,480,000 for formula grants to states
 - \$54,819,900 for formula grants to eligible Indian tribes

The EECBG funding allocations are included as Attachment A to this announcement.

Each state is required to pass not less than 60 percent of its allocation through to cities and counties within the state that are ineligible for direct formula grants from the DOE.

C. PERIOD OF PERFORMANCE

- DOE anticipates making awards with a thirty-six (36) month period of performance. Applicants must ensure that all funds are obligated for authorized activities within eighteen (18) months.

D. TYPE OF APPLICATION

- DOE will only accept new applications under this announcement.

E. METHOD OF PAYMENT

- Payment under the resulting awards will be made as advance through the Department of Treasury's Automated Standard Application for Payment (ASAP) System
<http://www.fms.treas.gov/asap/index.html>.

PART III - ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANTS

In accordance with Section 541 of EISA, only the following entities may apply for financial assistance under the EECBG Program: States, U.S. Territories, Indian tribes, and units of local governments (cities and counties and their equivalents). The DOE uses the most recent and accurate population data from the U.S. Census to determine eligibility. Specific definitions for eligibility are as follows:

STATES AND TERRITORIES

For the purposes of the EECBG Program, an "eligible state" includes the 50 United States, the District of Columbia and the following Territories of the United States: Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

LOCAL GOVERNMENTS

A local government is eligible for funds if the following conditions are met:

1. The government is included in the latest available Census of Governments as a currently incorporated government;
2. The government has a governance structure with an elected official and governing body;
3. The government has the authority to implement the eligible activities under this program; and
4. The government meets the population thresholds in EISA as further defined in the Federal Register.

CITIES

For the purposes of the EECBG Program, "city" includes a city-equivalent unit of local government as defined by the US Census of Governments. For example, a city-equivalent unit of local government such as a town, village or other municipality shall be considered eligible if it meets the required population thresholds. Consolidated city-county governments will be considered as cities.

Cities that are eligible for direct formula grants from the DOE are those that have a population of at least 35,000, or that are one of the 10 highest populated cities of the state in which the city is located.

In states that have incorporated eligible municipalities (villages) within the boundaries of other incorporated eligible municipalities (towns), the village population will be subtracted from the town's population.

Cities that do not meet the eligibility requirements described above for direct formula grants from DOE may be eligible for program funds through subgrants through the state in which they are located.

COUNTIES

For the purposes of the EECBG Program, "county" includes county-equivalent units of local government as defined by the US Census of Governments.

Counties are eligible for direct formula grants from the DOE if the county population is at least 200,000 or if the county is one of the 10 highest populated counties of the state in which it is located. County populations calculated for eligibility for direct formula grants from the DOE do not include the

populations of any and all cities within them that are eligible for direct formula grants from the DOE. Counties that do not meet the eligibility requirements described above for direct formula grants from the DOE may be eligible for program funds through subgrants through the state in which they are located.

A group of eligible units of local governments may choose to submit a single application provided that the application is submitted by a single eligible unit of local government representing the group. The required assurances from the duly authorized official or highest elected official representing each of the units of local government must be provided.

INDIAN TRIBES

As defined by section 541(4) of Title V, Subtitle E of EISA, "'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act." The Indian Self-Determination and Education Assistance Act states that, "'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians" (25 U.S.C. 450b).

The Tribal Allocation for the EECBG Program will be distributed among the 562 federally recognized Indian tribes, listed in *Indian Entities Recognized and Eligible to Receive Services from the United States Bureau of Indian Affairs* published by Department of Interior's Bureau of Indian Affairs in the **Federal Register** on April 4, 2008, 73 FR 18553; and the 12 Alaska Native regional corporations established pursuant to the Alaska Native Claims Settlement Act (33 U.S.C. 1601 *et seq.*).

All Indian tribes as defined above are eligible for direct formula grants from DOE.

A group of eligible Indian tribes may choose to submit a single application provided that the application is submitted by a single Indian tribe representing the group. The Tribal Council Resolution from each participating Tribe must be included with the application (see Part IV.C.3. for more information).

PLEASE NOTE: Only one application may be submitted by an eligible unit of local government or Indian tribe. If the unit of local government or Indian tribe intends to use Recovery Act funding to support projects performed by different parts of the eligible unit of local government or Indian tribe, the projects must be consolidated into a single application.

OFFICIAL LIST OF ELIGIBLE ENTITIES

The DOE official list of entities eligible for direct formula grants under EECBG Program is contained as Attachment A to this announcement.

B. COST SHARING

- Cost sharing is not required. However, leveraging of funds by grantees is encouraged in order to maximize the total additional energy-related benefits resulting from the program.

PART IV – APPLICATION AND SUBMISSION INFORMATION

A. ADDRESS TO REQUEST APPLICATION PACKAGE

- Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Apply for Grants,” and then select “Download Application Package.” Enter the CFDA number of the funding opportunity number located on the cover of this announcement and then follow the prompts to save the application package. Once you have SAVED the application package and completed all the required documentation, you will submit your application via the Fedconnect portal. See Section C. below for specific instructions as to the naming of your application package. **DO NOT use the Save & Submit selection in Grants.gov.**

B. LETTER OF INTENT AND PRE-APPLICATION

1. Letter of Intent.

- Letters of Intent are not required. However, if you are an eligible entity in accordance with Section 541, Subtitle E of EISA of 2007 and DO NOT intend to apply for these funds, please submit the following message to EECBG@netl.doe.gov:

Subject: DE-FOA-0000013 - No intention of applying for funding

The following entity: [State / City, State / County, State / Indian Tribe / State] will not be applying for their formula-based funding available under the Energy Efficiency and Conservation Block Grant Program.

Please include the signature, name and contact information of the authorized individual responsible for this decision.

2. Pre-application

- Pre-applications are not required.

C. CONTENT AND FORM OF APPLICATION – SF 424

You must complete the mandatory forms and any applicable optional forms (e.g., SF-LLL-Disclosure of Lobbying Activities) in accordance with the instructions on the forms and the additional instructions below. **Files that are attached to the forms must be in Adobe Portable Document Format (PDF) unless otherwise specified in this announcement.**

IMPORTANT: Your complete application package must be saved with a **unique identification code (UIC)**. The UIC varies for each type of applicant and will be used by the DOE to help distinguish and organize the applications received under this announcement. As noted below, the UIC will also be used in the naming of certain files. The format for the UIC is as follows:

For State applicants, the UIC consists of the following:

1 (State code)

For units of local government, the UIC consists of the following:

1 (State code) – 2 (Type of Local Government) – 3 (Name of Local Government)

For Indian Tribes, the UIC consists of the following:

1 (State code) – 2 (Tribal Name)

The "State code" is the two-letter state identifier. The "type of local government" should be identified as "City" for City governments, "County" for County governments, and "Other" for other types of local governments such as boroughs, townships, and villages.

Examples of the various filename formats are shown below:

State applicant: FL-SF424.pdf
Unit of local government: OH-CITY-COLUMBUS.pdf
Indian Tribe: AZ-NAVAJO NATION.pdf

1. SF 424 - Application for Federal Assistance

Complete this form first to populate data in other forms. Complete all required fields in accordance with the pop-up instructions on the form. To activate the instructions, turn on the "Help Mode" (Icon with the pointer and question mark at the top of the form). The list of certifications and assurances referenced in Field 21 can be found on the DOE Financial Assistance Forms Page at http://management.energy.gov/business_doe/business_forms.htm under Certifications and Assurances.

PLEASE NOTE: by signing the SF 424, Applicants are providing their written assurance that they will comply with ALL requirements set forth in the American Reinvestment and Recovery Act.

2. Project/Performance Site Location(s)

Indicate the primary site where the work will be performed. If a portion of the project will be performed at any other site(s), identify the site location(s) in the blocks provided.

Note that the Project/Performance Site Congressional District is entered in the format of the 2 digit state code followed by a dash and a 3 digit Congressional district code, for example VA-001. Hover over this field for additional instructions.

Use the Next Site button to expand the form to add additional Project/Performance Site Locations.

3. Other Attachments Form

Submit the following files with your application and attach them to the Other Attachments Form. Click on "Add Mandatory Other Attachment" to attach the Project Activity File. Click on "Add Optional Other Attachment," to attach the other files.

- **Project Activity File - Mandatory Other Attachment**

The format for the Project Activity File is contained in Attachment B1. The project activity file must contain a brief description of each activity the Applicant will undertake with the allocated funding. Applicants may propose more than one (1) activity. For each activity, Applicants should identify the market sectors being served, the anticipated number of jobs to be created, the anticipated number of jobs retained, the anticipated amount of energy saved and/or renewable energy generated, the anticipated reduction in emissions, and anticipated funds to be leveraged. Applicants should also identify the overall cost of the proposed project. The budgets for all activity

sheets should sum to the total allocation for the applicant. Save the information in a single file named "UIC-Project Activity.pdf," and click on "Add Mandatory Other Attachment" to attach.

ADMINISTRATIVE COSTS: State applicants may not use more than 10 percent of amounts provided under the program for administrative expenses (EISA Sec 545 (c)(4)). Units of local government and Indian tribes may not use more than 10 percent or \$75,000, whichever is greater (EISA Sec 545 (b)(3)(A)). These costs should be captured and summarized for each activity under the Projected Costs Within Budget: Administration.

REVOLVING LOAN FUNDS: Units of local government and Indian tribes may not use more than 20 percent or \$250,000, whichever is greater, for the establishment of revolving loan funds (EISA Sec 545 (b)(3)(B)). These costs should be captured and summarized for each activity under the Projected Costs Within Budget: Revolving Loans.

SUBGRANTS: State applicants may not use less than 60 percent of their allocation to provide subgrants to units of local government in the State that are not eligible for direct grants (EISA Sec 545 (c)(1)(A)). Units of local government and Indian tribes may not use more than 20 percent or \$250,000, whichever is greater, for the provision of subgrants to non-governmental organizations for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the applicant (EISA Sect 545 (b)(3)(C)). These costs should be captured and summarized for each activity under the Projected Costs Within Budget: Subgrants.

- **SF 424 A Excel, Budget Information – Non-Construction Programs File**

You must provide a budget for the total project period/total allocation amount. Use the SF 424 A Excel, "Budget Information – Non Construction Programs" form on the DOE Financial Assistance Forms Page at http://management.energy.gov/business_doe/business_forms.htm.

You may request funds under any of the Object Class Categories as long as the item and amount are necessary to perform the proposed work, meet all the criteria for allowability under the applicable Federal cost principles, and are not prohibited by the funding restrictions in this announcement (See PART IV, G). Save the information in a single file named "UIC-SF424A.xls," and click on "Add Optional Other Attachment" to attach.

- **Budget Justification File – For Awards Less than \$250,000**

For applications seeking \$250,000 or less, DOE intends to issue fixed obligation grants when the Applicant provides sufficient budgetary documentation for DOE to ascertain that actual project costs would be at least the amount sought in the application.

Such documentation may include:

- Competitive bids or quotes for equipment, materials and/or services.
- Catalogue pricing for equipment and/or materials.
- Published labor rates for services on a labor hour or time and materials basis.
- Audited labor rates for work performed on a cost-reimbursable basis.

Please note: In the event a fixed obligation grant is awarded, Recipients must certify in writing to the contracting officer at the end of the project that the activity was completed or the level of effort was expended, however should the activity or effort not be carried out, the recipient would be expected to make appropriate reimbursements.

For Awards Greater than \$250,000

You must justify the costs proposed in each Object Class Category/Cost Classification category (e.g., identify key persons and personnel categories and the estimated costs for each person or category; provide a list of equipment and cost of each item; identify proposed subaward/consultant work and cost of each subaward/consultant; describe purpose of proposed travel, number of travelers, and number of travel days; list general categories of supplies and amount for each category; and provide any other information you wish to support your budget). Provide the name of your cognizant/oversight agency, if you have one, and the name and phone number of the individual responsible for negotiating your indirect rates. Save the budget justification information in a single file named "UIC-Budget.pdf," and click on "Add Optional Other Attachment" to attach.

ARRA 2009 Additional Budget Justification Information

Proposals shall provide written assurance that all laborers and mechanics on projects funded directly by or assisted in whole or in part by and through funding appropriated by the Act are paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by subchapter IV of Chapter 31 of title 40, United States Code (Davis-Bacon Act). For guidance on how to comply with this provision, see <http://www.dol.gov/esa/whd/contracts/dbra.htm>.

- **Subaward Budget File(s) – Required for Awards Greater than \$250,000**
You must provide a separate budget as well as budget justification for each subaward that has an estimated cost greater than 25% of the total allocation or \$1,000,000, whichever is less. Save each Subaward budget in a separate file. Use up to 10 letters of the subawardee's name (plus .xls) as the file name (e.g., ucla.xls or energyres.xls), and click on "Add Optional Other Attachment" to attach.
- **Financial Management Assessment**
The format for the Financial Management Assessment is contained in Attachment B2. In order to evaluate the viability of the Applicant's financial management system, the Financial Management Assessment should be completed, signed and certified by the Applicant's Financial Officer. This form should be saved in a file named "UIC-Financial Assessment.pdf" and click on "Add Optional Other Attachment" to attach.
- **EECS Strategy Format - For units of local government and Indian tribes only**
The format for the Energy Efficiency and Conservation Strategy to be used by units of local government and Indian tribes is contained in Attachment D. As detailed in Part I of this announcement, all applicants must submit an Energy Efficiency and Conservation Strategy (EECS). Units of local government and Indian tribes have the option of submitting the EECS no later than 120 days after the effective date of the award or at the time of application. Units of local government and Indian tribes who chose to submit the EECS at the time of application shall use the format contained in Attachment D. This form should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.
- **EECS Strategy - For States only**
The format for the Energy Efficiency and Conservation Strategy for use by States is contained in Attachment E. State applicants must submit the EECS at the time of applications. The EECS should address the following: 1) the process for providing subgrants to units of local government that are not eligible for population formula-based

grants; and 2) include a strategy for the use of funds received under the program to assist the state in achieving the goals established in EISA, in accordance with 42 U.S.C. Sections 17152(b) and 17154. The EECS should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.

- **Assurances**

REQUIREMENT FOR UNITS OF LOCAL GOVERNMENT: All units of local government, such as cities, towns, municipalities, counties or other, must designate the proper authority to apply for and receive funding based on Title V, Subtitle E, Energy Efficiency and Conservation Block Grants, Sections 541(3)(A) or 541(3)(B) of EISA 2007, Public Law 110-140. The duly authorized official or highest elected official within the unit of local government, in consultation with the energy or sustainability department of that entity, if one exists, must certify the name and contact information for the part of the eligible government that is authorized to receive funds and implement the EECBG Program.

REQUIREMENT FOR TRIBAL APPLICANTS: A Tribal Council Resolution, or other evidence of the applicant's authority to submit the application on behalf of the Tribe, must be submitted as part of the application. The Tribal Council Resolution or other evidence must verify that the entity submitting the application has or has been given the authority to submit on behalf of the Tribe. If an eligible Tribe is submitting the application on behalf of a team of eligible Tribes, a Tribal Council Resolution or other evidence from each of the entities must be submitted, as stated above.

Save each certification in a separate file named "UIC-Assurances.pdf" and click on "Add Optional Other Attachment" to attach.

3. **SF-LLL Disclosure of Lobbying Activities**

If applicable, complete SF- LLL. Applicability: If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the grant/cooperative agreement, you must complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying."

4. **NEPA**

All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act (NEPA) of 1969 – 42 U.S.C. Section 4321 et seq.

Based on DOE's review of the list of activities that funds can be utilized for under the EECBG Program, DOE has determined that projects in support of activities 1-3, 6, 7A, 7B, 7C, 7E, 7F, 8-10, and 12 (shown in the table in regular text) will likely be classified as categorical exclusions. Therefore, Applicants proposing projects in support of activities 1-3, 6, 7A, 7B, 7C, 7E, 7F, 8-10, and 12 are not required to submit any NEPA documentation at this time. However, DOE reserves the right to request NEPA documentation if during the review process it is determined necessary.

Applicants proposing projects in support of activities 4, 5, 7D, 11, 13, and 14 (shown in the table below in **bold text**) may also qualify for categorical exclusion status. However, this determination cannot be made without NEPA review. **Therefore, all Applicants proposing projects in support of activities 4, 5, 7D, 11, 13, and 14 must supply the environmental information contained in NETL F 451.1-1/3-EECBG contained in Attachment B3.** This form should be saved in a file named "UIC-NEPA.pdf" and click on "Add Optional Other Attachment" to attach.

Applicants must know that by proposing projects in support of activities 4, 5, 7D, 11, 13, or 14, the NEPA process could delay the award process; applicants may be restricted to use of funds for planning purposes only until the NEPA process is complete.

All project activities permitted under the EECBG Program and the corresponding required NEPA actions are reflected in the table below:

Table of NEPA Requirements by EECBG Project Activities		
ACTIVITY NUMBER	ACTIVITY DESCRIPTION	NEPA ACTION REQUIRED AT THIS TIME
1.	development and implementation of an energy efficiency and conservation strategy under section 545(b);	No further action needed at this time
2.	retaining technical consultant services to assist the eligible entity in the development of such a strategy, including— A. formulation of energy efficiency, energy conservation, and energy usage goals; B. identification of strategies to achieve those goals— (i) through efforts to increase energy efficiency and reduce energy consumption; and (ii) by encouraging behavioral changes among the population served by the eligible entity; C. development of methods to measure progress in achieving the goals; D. development and publication of annual reports to the population served by the eligible entity describing— (i) the strategies and goals; and (ii) the progress made in achieving the strategies and goals during the preceding calendar year; and E. other services to assist in the implementation of the energy efficiency and conservation strategy;	No further action needed at this time
3.	residential and commercial building energy audits;	No further action needed at this time
4.	establishment of financial incentive programs for energy efficiency improvements;	Complete NETL F 451.1-1/3-EECBG and submit with application
5.	the provision of grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency retrofits;	Complete NETL F 451.1-1/3-EECBG and submit with application
6.	development and implementation of energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the eligible entity, including— A. design and operation of the programs;	

	<p>B. identifying the most effective methods for achieving maximum participation and efficiency rates;</p> <p>C. public education;</p> <p>D. measurement and verification protocols; and</p> <p>E. identification of energy efficient technologies;</p>	No further action needed at this time
7.	<p>development and implementation of programs to conserve energy used in transportation, including—</p> <p>A. use of flex time by employers;</p> <p>B. satellite work centers;</p> <p>C. development and promotion of zoning guidelines or requirements that promote energy efficient development;</p>	No further action needed at this time
	D. development of non-highway transportation infrastructure, such as bike lanes and pathways and pedestrian walkways;	Complete NETL F 451.1-1/3-EECBG and submit with application
	<p>E. synchronization of traffic signals; and</p> <p>F. other measures that increase energy efficiency and decrease energy consumption;</p>	No further action needed at this time
8.	development and implementation of building codes and inspection services to promote building energy efficiency;	No further action needed at this time
9.	<p>application and implementation of energy distribution technologies that significantly increase energy efficiency, including—</p> <p>A. distributed resources; and</p> <p>B. district heating and cooling systems;</p>	No further action needed at this time
10.	activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead increases in energy efficiency;	No further action needed at this time
11.	the purchase and implementation of technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar sources;	Complete NETL F 451.1-1/3-EECBG and submit with application
12.	<p>replacement of traffic signals and street lighting with energy efficient lighting technologies, including—</p> <p>A. light emitting diodes; and</p> <p>B. any other technology of equal or greater energy efficiency;</p>	No further action needed at this time
13.	<p>development, implementation, and installation on or in any government building of the eligible entity of onsite renewable energy technology that generates electricity from renewable resources, including—</p> <p>A. solar energy;</p>	Complete NETL F 451.1-1/3-EECBG and submit with application

	B. wind energy; C. fuel cells; and D. biomass; and	
14.	any other appropriate activity, as determined by the Secretary, in consultation with— A. the Administrator of the Environmental Protection Agency; B. the Secretary of Transportation; and C. the Secretary of Housing and Urban Development.	Complete NETL F 451.1-1/3-EECBG and submit with application

Summary of Required Forms/Files

As previously noted, the complete application package must be saved with the proper **unique identification code (UIC)**. The UIC varies for each type of applicant and will be used by DOE to help distinguish and organize the applications received under this announcement. Your application must include the following documents. Please note: some of the documents are contained in the application package that Applicants will download from grants.gov. Other documents are to be created using formats attached to this announcement and others do not have an established format and are to be created in the format of the Applicants choice:

Name of Document	Location of Document	Format	File Name
Application for Federal Assistance – SF424	In grants.gov forms package	Form	N/A
Project/Performance Site Location(s)	In grants.gov forms package	Form	N/A
Other Attachments Form: Attach the following files to this form:		Form	N/A
Project Activity File	Attachment B1	PDF	UIC-Project Activity.pdf
SF 424A File - Budget Information for Non-Construction Programs	DOE Financial Assistance Forms Page at http://management.energy.gov/business_doe/business_forms.htm .	Excel	UIC-SF424A.xls
Budget Justification File	Created by Applicant	PDF	UIC-Budget.pdf
Subaward Budget File(s) (if applicable)	Created by Applicant	Excel	See Instructions above
Financial Management Assessment	Attachment B2	PDF	UIC-Financial Assessment.pdf
EECS Strategy	Attachment D	PDF	UIC-Strategy.pdf

Format (units of local government and Indian Tribes only)			
EECS Strategy (states only)	Attachment E	PDF	UIC-Strategy.pdf
Assurances	Created by Applicant	PDF	UIC-Assurances.pdf
SF-LLL Disclosure of Lobbying Activities (if applicable)	In grants.gov forms package	Form	N/A
NEPA Information NETL F 451.1-1/3-EECBG	Attachment B3	PDF	UIC-NEPA.pdf

D. SUBMISSIONS FROM SUCCESSFUL APPLICANTS

DOE reserves the right to request additional or clarifying information for any reason deemed necessary, including, but not limited to:

- Indirect cost information
- Other budget information
- Name and phone number of the Designated Responsible Employee for complying with national policies prohibiting discrimination (See 10 CFR 1040.5)
- Additional NEPA Information
- Applicants who will be using grant money for infrastructure investments will be required to provide the following Certification prior to award:

"With respect to funds made available to State or local governments for infrastructure investments under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, the Governor, mayor, or other chief executive, as appropriate, certifies by acceptance of this award that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars. Recipient shall provide an additional certification that includes a description of the investment, the estimated total cost, and the amount of covered funds to be used for posting on the Internet. A State or local agency may not receive infrastructure investment funding from funds made available by the Act unless this certification is made and posted."

E. SUBMISSION DATES AND TIMES

Application Due Date

For State Applications Only: This announcement will remain open until May 26, 2009 8:00:00 pm Eastern Standard Time. Applications may be submitted at any time before the specified due date and time. Applicants are encouraged to submit their applications as soon practicable.

For Units of Local Government and Tribal Applicants Only: a second closing date of June 25, 2009 at 8:00:00 PM Eastern Time will apply. Tribal Applicants are encouraged to submit their applications well before this due date if possible.

F. INTERGOVERNMENTAL REVIEW

This program is not subject to Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations at 10 CFR Part 1005.

G. FUNDING RESTRICTIONS

Cost Principles Costs must be allowable in accordance with the applicable Federal cost principles referenced in 10 CFR part 600.

LIMITATIONS ON THE USE OF FUNDS

STATES AND TERRITORIES

States must subgrant at least 60 percent of their allocation to units of local government in the State that are not eligible for direct grants.

State applicants may expend for payment of reasonable administrative and planning costs not more than 10 percent of amounts provided under the program including the cost of reporting.

LOCAL GOVERNMENTS AND INDIAN TRIBES

Up to 10 percent or \$75,000, whichever is greater, of grant funds may be used for administrative expenses, excluding the cost of meeting the reporting requirements of the Program. Administrative costs are the allowable, reasonable, and allocable direct and indirect costs related to overall management of the awarded grant.

Up to 20 percent or \$250,000, whichever is greater, of the grant funds may be used for the establishment of revolving loan funds.

Up to 20 percent or \$250,000, whichever is greater, of grant funds may be used for the provision of subgrants to nongovernmental organizations for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the eligible unit of local government or Indian tribe.

H. OTHER SUBMISSION AND REGISTRATION REQUIREMENTS

1. Where to Submit

APPLICATIONS MUST BE SUBMITTED THROUGH FEDCONNECT TO BE CONSIDERED FOR AWARD. Information regarding how to submit applications via Fed Connect can be found at

https://www.fedconnect.net/FedConnect/PublicPages/FedConnect_Ready_Set_Go.pdf

Further, it is the responsibility of the applicant, prior to the offer due date and time, to verify successful transmission.

2. Registration Requirements

There are several one-time actions you must complete prior to submitting an application through FedConnect (e.g., obtain a Dun and Bradstreet Data Universal Numbering System (DUNS)

number, register with the Central Contract Registry (CCR), and register in FedConnect). Please allow 10 days for completing the registration process. Registration for these systems is not controlled by the Department of Energy. Therefore, questions relating to the registration process and system requirements must be directed to the individual help centers for DUNS, CCR, and FedConnect identified on the respective web sites.

DUNS Number

If your organization does not have a DUNS number, go to the Dun & Bradstreet (D&B) online registration located at <http://fedgov.dnb.com/webform/displayHomePage.do> to receive a number free of charge or call 1-866-705-5711.

CCR Registration

The Central Contractor Registration (CCR) collects, validates, stores, and disseminates business information about the Federal Government's trading partners in support of the contract award, grants, and the electronic payment processes.

To see if your organization is already registered with CCR, check the CCR website located at <http://www.bpn.gov/ccring/scripts/search.asp>. You will be able to search CCR by using either your organization's DUNS Number or legal business name. If your organization is already registered, take note of who is listed as the organization's E-Business Point of Contact (E-Business POC). This person will be responsible for registering in FedConnect.

If your organization is not registered in CCR, go to the CCR Website at www.ccr.gov and select the "Start New Registration" option to begin the registration process. Please allow up to 7 days for processing of your registration which includes the IRS validating your Employer identification Number (Taxpayer Identification Number or Social Security Number). The organization's E-Business POC will be designated during the CCR registrations process. A special Marketing Partner ID Number (MPIN) is established as a password to verify the E-Business POC. This MPIN is needed for the initial FedConnect Registration.

FedConnect Registration

FedConnect is a web portal that bridges the gap between agencies and vendors to streamline the process of doing business with the federal government. Through this portal, you will be able to review opportunities, submit applications and receive awards. To register with FedConnect, go to <https://www.fedconnect.net>

If you are the first person from your company to register, FedConnect will need to create a company account. This is done by the E-Business POC indentified in CCR using the organization's CCR MPIN. After the initial FedConnect account is created, employees can register themselves without the MPIN.

Part V - APPLICATION REVIEW INFORMATION

A. PRELIMINARY REVIEW

Applications will initially be reviewed to determine that (1) the applicant is eligible for an award; and (2) the information required by the announcement has been submitted; (3) all mandatory requirements are satisfied; and (4) the proposed project is responsive to the objectives of the funding opportunity announcement.

B. REVIEW AND AWARD PROCESS

Applications will be reviewed to determine that the activities proposed are in accordance with Section 544 of EISA 2007. Awards will be made in accordance with the final EECBG Formula Allocations. These allocations are contained in Attachment A to this announcement.

Part VI - AWARD ADMINISTRATION INFORMATION

A. AWARD NOTICES

Notice of Award

- An Assistance Agreement issued by the contracting officer is the authorizing award document. It normally includes either as an attachment or by reference: (1) Special Terms and Conditions; (2) Applicable program regulations, if any; (3) Application as approved by DOE/NNSA; (4) DOE assistance regulations at 10 CFR part 600, or if the award is for research and to a university or non-profit, the Research Terms and Conditions; (5) National Policy Assurances To Be Incorporated As Award Terms; (6) Budget Summary; and (7) Federal Assistance Reporting Checklist, which identifies the reporting requirements.

B. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

1. Administrative Requirements

The administrative requirements for DOE grants and cooperative agreements are contained in 10 CFR part 600 (See: <http://ecfr.gpoaccess.gov>) and, if the award is for research and to a university or non-profit, the Research Terms & Conditions and the DOE Agency Specific Requirements located at <http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp>

Recovery Act 2009 Award Administration Information

Special Provisions relating to work funded under American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 shall apply. Also, the Office of Management and Budget may be promulgating additional provisions or modifying existing provisions. Those additions and modifications will be incorporated into the Special Provisions as they become available. These Special Provisions are located at http://management.energy.gov/business_doe/business_forms.htm

2. Special Terms and Conditions and National Policy Requirements

Special Terms and Conditions and National Policy Requirements

The DOE Special Terms and Conditions for Use in Most Grants and Cooperative Agreements are located at http://management.energy.gov/business_doe/business_forms.htm.

The National Policy Assurances To Be Incorporated As Award Terms are located at DOE http://management.energy.gov/business_doe/business_forms.htm.

Intellectual Property Provisions

The standard DOE financial assistance intellectual property provisions applicable to the various types of recipients are located at http://www.gc.doe.gov/financial_assistance_awards.htm.

C. REPORTING

Reporting requirements are identified on the Federal Assistance Reporting Checklist, DOE F 4600.2, located in Attachment C to this Announcement. The requirements include special reporting set forth under the Recovery Act.

PART VII - QUESTIONS/AGENCY CONTACTS

A. QUESTIONS

For general questions regarding the EECBG Program, please contact the EERE Information Center via phone or email at 1-877-EERE-INFO (1-877-337-3463) (Toll-free) or eereic@ee.doe.gov. Specific questions relating to the application and award process should be directed to EECBG@netl.doe.gov.

PART VIII - OTHER INFORMATION

A. MODIFICATIONS

Notices of any modifications to this announcement will be posted on FedConnect. You can receive updates through FedConnect's message center once you register interest for the opportunity.

B. GOVERNMENT RIGHT TO REJECT OR NEGOTIATE

DOE reserves the right, without qualification, to reject any or all applications received in response to this announcement and to select any application, in whole or in part, as a basis for negotiation and/or award.

C. COMMITMENT OF PUBLIC FUNDS

The Contracting Officer is the only individual who can make awards or commit the Government to the expenditure of public funds. A commitment by other than the Contracting Officer, either explicit or implied, is invalid.

APPENDICES/REFERENCE MATERIAL

- Attachment A – EECBG Program Allocations
- Attachment B1 – Project Activity File
- Attachment B2 – Financial Management Assessment
- Attachment B3 – NETL F 451.1-1/3-EECBG
- Attachment C – Reporting Requirements
- Attachment D – EECBG Strategy Format (units of local government and Indian tribes)
- Attachment E – EECBG Strategy Format (States)

Allocations For Michigan

State	Name	Government Level	Allocation
MI	Michigan	State Energy Office	\$19,599,600
MI	Ann Arbor	City	\$1,243,400
MI	Battle Creek	City	\$545,100
MI	Bloomfield, Charter Township of	City	\$169,500
MI	Canton, Charter Township of	City	\$754,100
MI	Chesterfield, Township of	City	\$181,100
MI	Clinton, Charter Township of	City	\$894,600
MI	Commerce, Charter Township of	City	\$151,000
MI	Dearborn	City	\$970,800
MI	Dearborn Heights	City	\$477,700
MI	Detroit	City	\$8,862,400
MI	East Lansing	City	\$213,200
MI	Farmington Hills	City	\$791,300
MI	Flint	City	\$1,147,900
MI	Georgetown, Charter Township of	City	\$176,100
MI	Grand Blanc, Charter Township of	City	\$143,600
MI	Grand Rapids	City	\$1,938,000
MI	Kalamazoo	City	\$762,200
MI	Kentwood	City	\$217,900
MI	Lansing	City	\$1,192,000
MI	Lincoln Park	City	\$145,500
MI	Livonia	City	\$971,100
MI	Macomb, Township of	City	\$610,200
MI	Meridian, Charter Township of	City	\$162,000
MI	Midland	City	\$195,200
MI	Muskegon	City	\$181,600
MI	Novi	City	\$533,100
MI	Pontiac	City	\$683,800
MI	Portage	City	\$204,700
MI	Redford, Charter Township of	City	\$188,000
MI	Rochester Hills	City	\$642,700
MI	Roseville	City	\$198,600
MI	Royal Oak	City	\$543,400
MI	Saginaw Charter Township of	City	\$166,800
MI	Saginaw City	City	\$566,200
MI	Shelby, Charter Township of	City	\$651,200
MI	Southfield	City	\$875,700
MI	St. Clair Shores	City	\$544,000
MI	Sterling Heights	City	\$1,203,800
MI	Taylor	City	\$596,000
MI	Troy	City	\$921,100
MI	Warren	City	\$1,358,600
MI	Waterford, Charter Township of	City	\$641,400

MI	West Bloomfield, Charter Township of	City	\$571,800
MI	Westland City	City	\$731,100
MI	Wyoming	City	\$683,100
MI	Ypsilanti, Charter Township of	City	\$484,400
MI	Genesee	County	\$2,629,000
MI	Jackson	County	\$687,500
MI	Kent	County	\$2,796,700
MI	Livingston	County	\$740,400
MI	Macomb	County	\$746,400
MI	Oakland	County	\$4,879,700
MI	Ottawa	County	\$2,052,800
MI	St. Clair	County	\$701,300
MI	Washtenaw	County	\$766,900
MI	Wayne	County	\$4,914,200

Attachment D

Energy Efficiency & Conservation Strategy for Units of Local Governments & Indian Tribes

As detailed in Part 1 of this announcement, all applicants must submit an Energy Efficiency and Conservation Strategy (EECS). Units of local government and Indian tribes have the option of submitting the EECS no later than 120 days after the effective date of the award or at the time of application. Units of local government and Indian tribes who chose to submit the EECS at the time of application shall use the format contained in Attachment D. This form should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.

Grantee: _____ Date: _____ (mm/dd/yyyy)
DUNS #: _____ Program Contact Email: _____

1. Describe your government's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measureable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits community-wide. Provide a schedule or timetable for major milestones. If your government has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.

2. Describe your government's proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy's goals/objectives.

3. Describe how your government is taking into account the proposed implementation plans and activities for use of funds by adjacent units of local government that are grant recipients under the Program (response not mandatory for Indian Tribes).

4. Describe how your government will coordinate and share information with the state in which you are located regarding activities carried out with grant funds to maximize energy efficiency and conservation benefits (response not mandatory for Indian Tribes).

5. Describe how this plan has been designed to ensure that it sustains benefits beyond the EECBG funding period.

6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

Energy Options for City of Novi Buildings Report

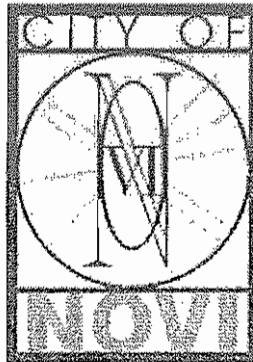
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A REVIEW REPORT OF ENERGY OPTIONS FOR CITY OF NOVI BUILDINGS

PREPARED FOR:



APRIL 15, 2009

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This Report does contain some forward-looking opinions. Certain unanticipated factors could cause actual results to differ from the opinions contained herein. Forward-looking opinions are based on historical and/or current information that relate to future operations, strategies, financial results or other developments. Some of the unanticipated factors, among others, that could cause the actual results to differ include regulatory developments, technological changes, competitive conditions, new products, general economic conditions, changes in tax laws, adequacy of reserves, credit and other risks associated with City of Novi and/or other third parties, significant changes and fluctuations in foreign currency exchange rates.

Further, certain statements, findings and conclusions in the Report are based on NOVI Energy's interpretations of various rate structures and verbal information provided by the City of Novi subject matter experts. These interpretations of information by other agencies, legal counsel or jurisdictional body could differ.

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3. CONSOLIDATION OF CAMPUS LOADS AND ANALYSIS	5
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5. POSSIBLE FINANCIAL INCENTIVES	8
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1. INTRODUCTION AND OBJECTIVE

City of Novi (the 'City') has contracted with NOVI Energy ('NE') to explore the benefits of installing a Combined Heat and Power ('CHP') facility and associated district heating system. The initial evaluation focused on the CHP evaluation since CHP provides an avenue for the City to implement energy efficiency measures and avail of grants and incentives offered by the Federal Government through The American Recovery and Reinvestment Act. This preliminary work focused on the City buildings located along 10 Mile Road, specifically Novi Civic Center Building, the Novi Police Station, the Novi High School and the Novi Public Library (the 'Campus'). This work also focused on Novi Community School District Facilities and City buildings located along Taft Road, specifically, Novi Meadows school, Novi Woods school, Preschool, Instructional Technology Center, Maintenance building and the Transportation building. Energy solutions that will result in energy cost savings, especially in light of various new grants and incentives being offered by various State and Federal agencies were explored for application in such a setting.

CHP Facility

A CHP facility is a power generating facility in which waste heat is recovered to produce thermal energy in the form of hot water, steam or chilled water. Application of CHP technology is beneficial if the end user has both electric and thermal loads that can be supplied from the CHP facility. Benefits of installing a CHP facility includes reduced overall energy costs, improvement in energy efficiency, enhanced power supply reliability and quality, and reduced environmental impact.

This report outlines the work performed as part of the Phase 1 evaluation that focused on evaluating and identifying energy savings options and defining possible project opportunities.

2. ENERGY CONSUMPTION PROFILES

The energy consumption data for the Campus buildings and Novi City Schools (the 'Schools') were collected and tabulated. Novi City schools were also considered since the High school is in close proximity to the City buildings, whereby possible consolidation of loads may be beneficial to both the City and the Schools.

a. Current Energy Supply

NE team completed a walk down inspection of all large energy generation equipment in the relevant City and School buildings. Electricity to the City buildings is supplied from Detroit Edison's distribution grid. The distribution grid voltage in the area is at 13.2 kV and the voltage is stepped down to 480V or 208V by Detroit Edison transformers at each building and the electricity is metered at

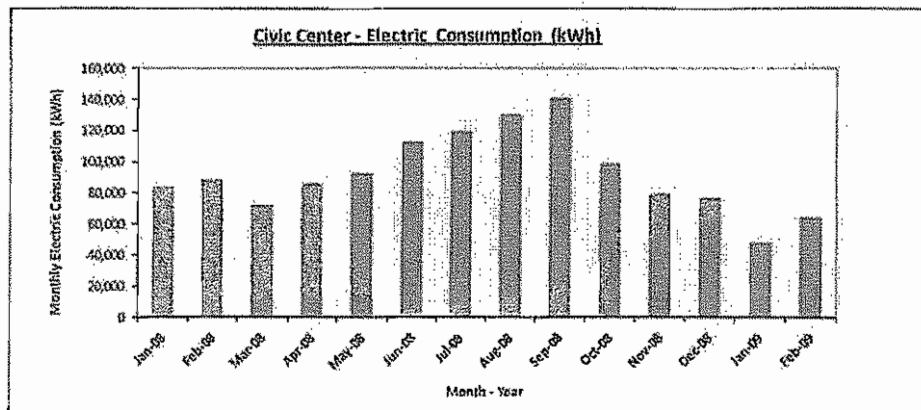
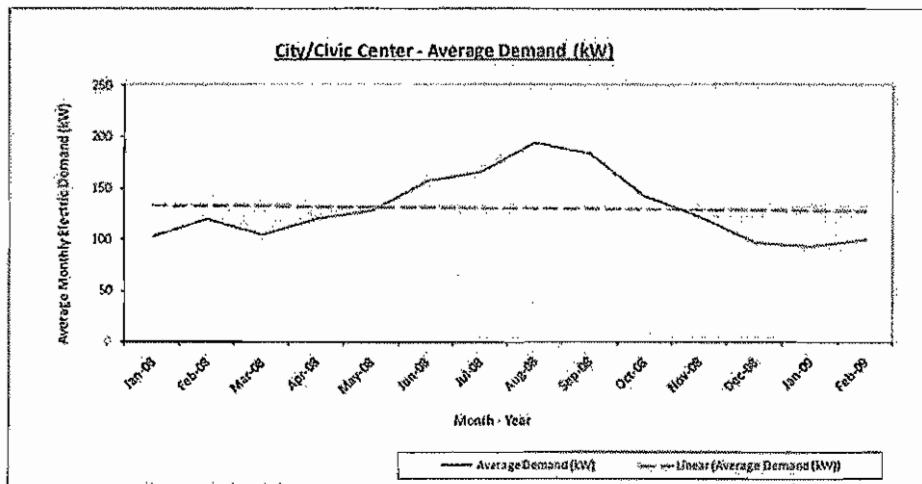
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the low side of the transformer. The heating loads are supplied from single or multiple natural gas fired boilers in each building. Natural gas is supplied by Consumers Energy which is the local gas utility.

b. The Civic Center Building

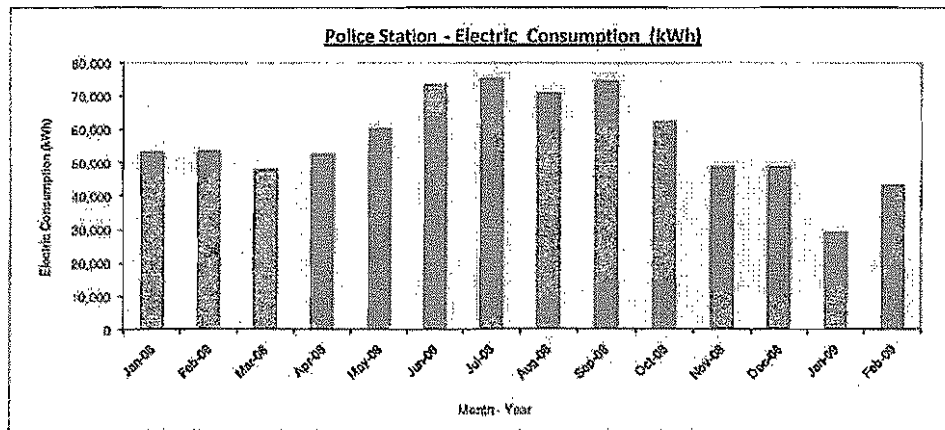
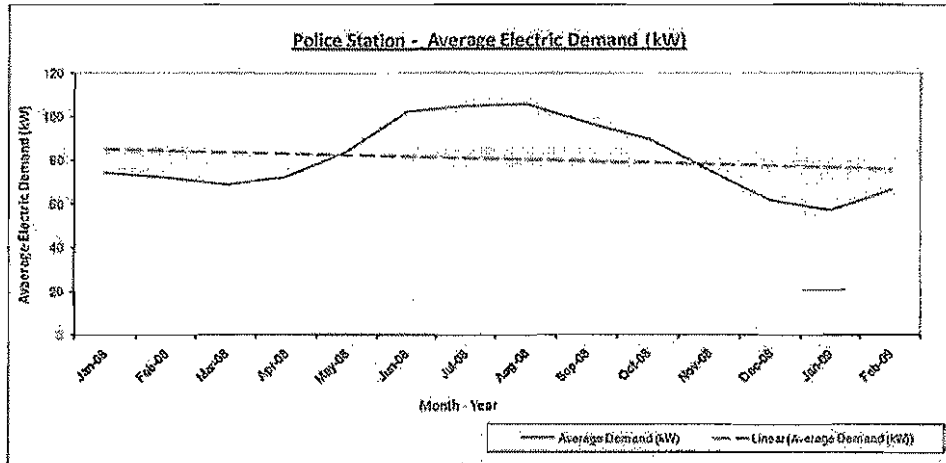
The Civic Center building (City offices and community center combined) is the City's main business building and includes the city council chamber, theatre and other community facilities. This building is usually occupied from 7 am to 11 pm at night and has reduced usage on weekends.

Average electric load for the building is approximately 130 kW and the average hourly natural gas consumption is between 1 MCF/hr and 10 MCF/hr. The following charts depict the average monthly electric consumption and average monthly electric demand for the City Center building.



c. The Police Station Building

The police station building includes administration, jail and the 911 call center. Average electric load for the building is approximately 80 kW and the average hourly natural gas consumption is between 1 MCF/hr and 5 MCF/hr. The following charts depict the average monthly electric consumption and average monthly electric demand for the Police Station building.



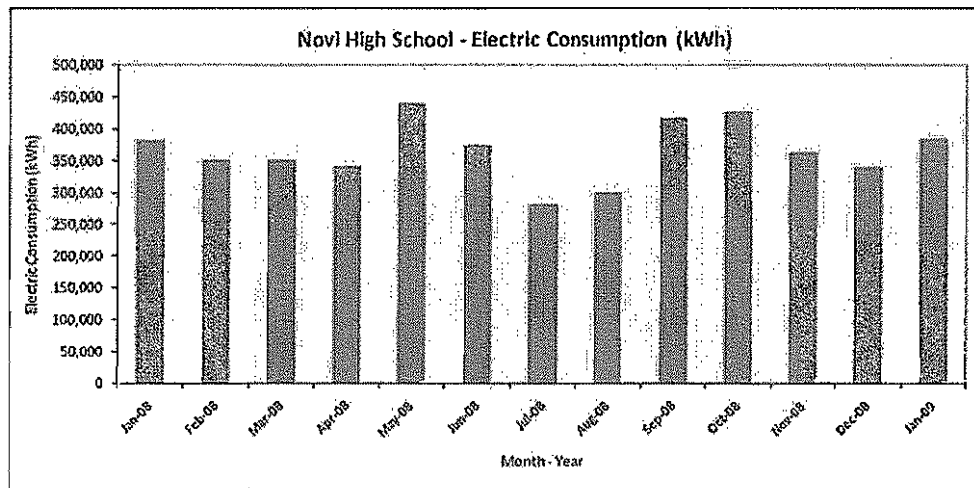
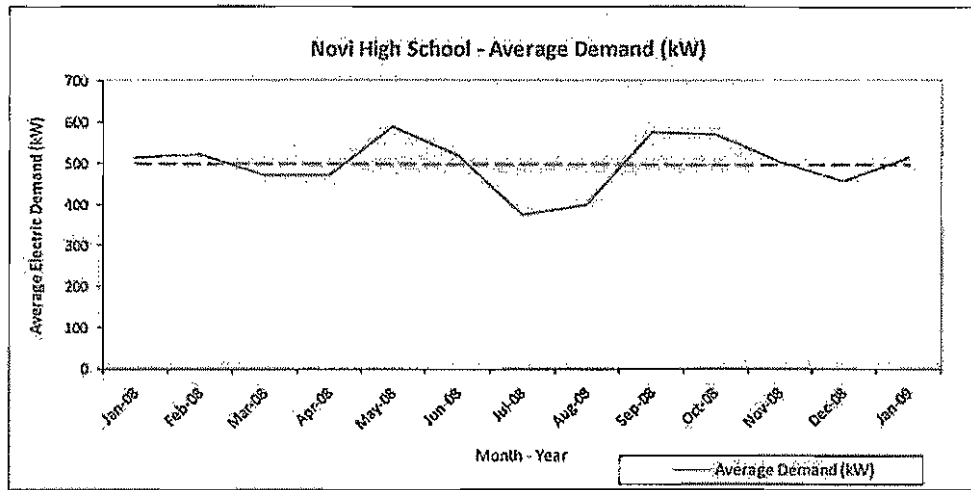
d. Novi Public Library

The existing Public Library is slated for demolition and a new Library is being developed. Existing library has an average electric demand of 60 kW with an average hourly natural gas consumption of 1 MCF/hr – 4 MCF/hr. The new library design documents have indicated that the total connected load in the new library is approximately 780 kW. Assuming a 50% average loading, the average demand for the new library is calculated to be approximately 300 kW. Expected natural gas consumption for the new library was not considered for this evaluation.

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e. Novi High School

Novi High School Building was also considered for this evaluation since it is located close to the City buildings. Novi High School has an average electric demand of approximately 500 KW with an average hourly natural gas consumption of 1 MCF/hr – 50 MCF/hr depending on the season. The following charts depict the average monthly electric consumption and average monthly electric demand for the Novi High School building.

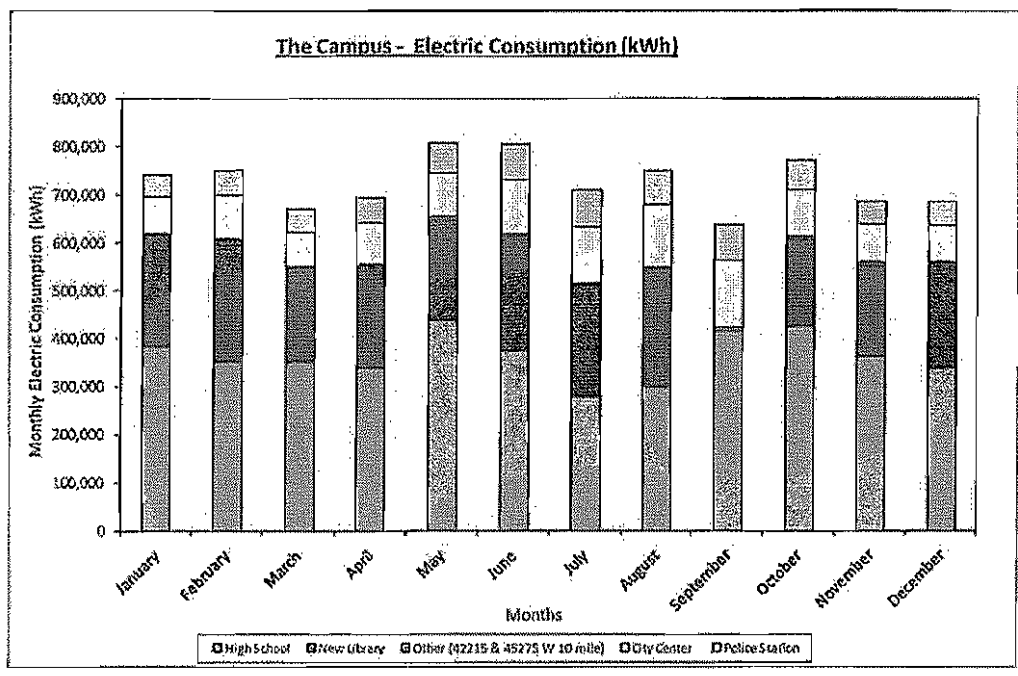
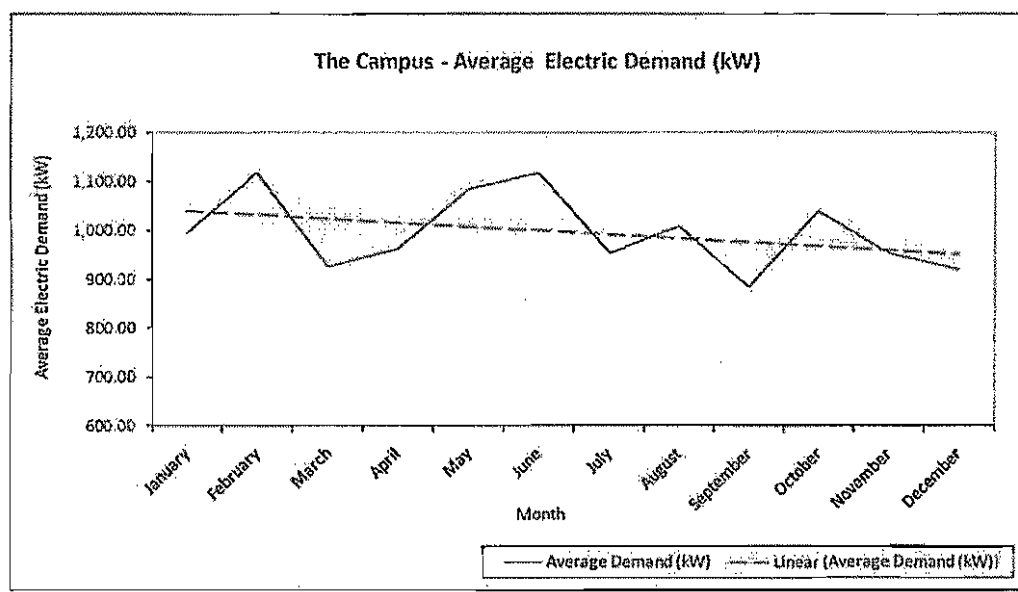


3. CONSOLIDATION OF CAMPUS LOADS AND ANALYSIS

Since the electric and thermal demand for each individual building does not support the application and efficient utilization of CHP technology, consolidation of electric and thermal loads within the Campus (Novi Civic Center Building, the Novi Police Station, the Novi High School and the Novi Public Library) was considered. A base load CHP facility operating at maximum capacity will provide electric power to the campus as a whole.

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Waste heat will be recovered to provide hot water for heating the Campus buildings. This provides maximum utilization of the CHP asset operating at maximum efficiency. The following graphs depict the consolidated electricity consumption and demand for the Campus.



The average electric demand for the Campus is approximately 1,000 kW and sufficient thermal loads exist within the campus to support a 1 MW base load CHP facility. Prime mover for the CHP facility is assumed to be a 1 MW reciprocating engine generator, and

approximately 3 MMBtu/hr of waste heat can be recovered to produce hot water. Supplemental power will be purchased from Detroit Edison when the demand is greater than 1 MW. The CHP facility can be used in a load follow mode when the load is lower than 1 MW or excess power can be exported to the grid, based on commercial negotiations with the local electric utility. Existing boilers will supplement hot water supplied from the CHP facility.

For this analysis it was assumed that the CHP facility is installed in an area adjacent to the Civic Center building very close to the incoming power supply from Detroit Edison. Power will be supplied to the different buildings at the main incoming power supply points. The location of the CHP facility and the distribution to various buildings will be finalized if the City decides to implement the Project.

The total project cost for the installation of this 1 MW CHP facility and to supply hot water to the high school is expected to be in the range of \$1.5 MM – \$1.7 MM. This is based on preliminary budget estimate and industry standard information. NE has not conducted detailed analysis or requested quotes to receive cost information for equipment or services. Such actions will be completed in the next phase of work.

4. PRELIMINARY ECONOMIC ANALYSIS RESULTS

Economic analysis was conducted on this project opportunity that utilized a CHP system to serve the electric and thermal loads of the Campus. The following inputs were used in economic analysis:

- Net generation of 1,029 MW
- Total power supplied to the city will be 8,401 MWh/year
- CHP system availability of 96%
- System will operate in a base load mode at full capacity
- Approximately 237,161 kWh will be exported to the grid
- Approximately 311,194 kWh will be purchased from the grid
- Total project capital cost of \$ 1.62 million
- Project will be financed over a 20 year period
- CHP facility will employ two operating personnel
- Total annual operating expenses of approximately \$947,642 including fuel cost
- Approximately 27,600 gallons of hot water will be sold to the Campus for heating purposes
- Natural gas fuel price of \$7.92/MMBtu (\$5.99 + \$1.9259) escalating at 1.5% annually.

DRAFT

Comparison of Energy Costs with and without CHP

Electric utility bills provided by the City indicate a current electric energy rate of \$106.5/MWh and the data provided by the Novi Community School District shows that the average electric rate for the high school was approximately \$103.9/MWh. The annual cost of purchasing power from the local utility to supply power to the Campus buildings (Novi Civic Center Building, the Novi Police Station, the Novi High School and the Novi Public Library) is approximately \$900,000 based on Year 2008 bill data, design drawings for the new library and existing library power consumption profile. The city would have to spend approximately \$323,000 based on the average natural gas price of \$7.92/MMBtu to generate approximately 27,600 gallons of hot water at 180°F. Thus the total cost to purchase 8,694 MWh of electricity and produce 27,600 gallons of hot water is approximately \$1.23 million in the current situation.

The total cost of generating this energy in a CHP facility is approximately \$1.06 million in the first year based on the natural gas price of \$7.92/MMBtu. This results in an annual savings of \$170,000, without accounting for any additional benefits resulting from the receipt of federal or state grant funding. Separately, it will be advantageous to the City to get into negotiations with a natural gas supplier or the current utility provider to secure a long term supply arrangement. This is viewed as an attractive Project and worthy of further review and consideration.

5. POSSIBLE FINANCIAL INCENTIVES

There are a variety of possible financial incentives that can be targeted for this CHP Project. These include:

- Energy Efficiency funds from the State of Michigan Energy Office
- Department of Energy Programs for District Energy Systems using Combined Heat and Power
- Local utility programs for Renewable Energy Systems
- Attractive financing programs for such technology applications include:
 - o Clean Renewable Energy Bond Financing
 - o Renewable Energy Production Incentives
 - o Production Tax Credits

6. CONCLUSION AND FUTURE OPPORTUNITIES

Consolidation of energy loads and application of CHP increases the overall energy efficiency of the Campus and can reduce the overall energy cost. Federal and state government incentives are available that can be used to improve the opportunity further and implement the Project.

* Since the start of this project, the City has completed this type of negotiated reduced rate; as a result some #5 contained in report may change in final report.
YH

Based on the preliminary evaluation, the following opportunities can be considered by the City of Novi that can reduce energy costs, improve energy performance or increase the use of renewable energy technologies.

1. Combined Heat and Power application with waste heat recovery to supply thermal energy to select buildings. Sale of excess power to grid.
2. Utilization of solar energy to provide renewable power.
3. Consolidation of loads and development of a single contract from DTE for electric power
4. Police Station: No-Break power system, retrofit or replace existing emergency diesel generator. The No-break power system uses a spinning flywheel to provide short term ride through power during an electric power supply interruption.
5. Utilization of absorption chillers - Absorption chilling utilizes thermal energy in the form of steam or hot water to provide space chilling. Waste heat recovered from the CHP system could be utilized to produce chilled water for cooling in summer months.
6. Retrofitting boilers with economizers - An economizer is used to capture the heat from boiler exhaust and use it for boiler feedwater heating. This increases the efficiency of the boiler system, resulting in the utilization of less fuel for production of the same level of thermal energy.
7. The City can install a user friendly energy meter system to display real time energy generation from the CHP system and consumption at the various City building. This meter system can also be used to track and display the energy generated from a Solar PV installation, and energy savings due to energy efficiency improvements in the building. This can serve as a community educational tool to educate the local public on energy efficiency and utilization of renewable energy technologies.
8. Replacement or upgrade of existing heating, cooling and HVAC systems for the City buildings can improve overall energy efficiency and reduce energy cost.

Southeast Michigan Regional Energy Office Business Plan



southeast michigan regional
energy office

Business Plan

As Amended April 13, 2009

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Energy Office Business Plan

Executive Summary

The Southeast Michigan Regional Energy Office is an innovative, progressive concept to assist local governments in Michigan with addressing energy conservation and sustainability in a collaborative and expertise-driven way. The key founders and participants of the Energy Office acknowledge the tremendous need in southeast Michigan to change the perception of this region from a rust belt community to an energy efficient and green technology conscious area. All partners of the Energy Office view the establishment of this coalition as a key economic development tool for southeast Michigan to attract and retain Michigan's bright, young talent; to create a progressive, new age industry within the Michigan economy; and to develop employment opportunities within the region and across the state. The Energy Office will be a pioneer within the region, state and nation as an information resource on energy best practices. It will serve as a critical link for local governments to come together and share their energy and bring together experts in the field to educate and train local government officials on the essentials of energy efficiency and conservation. Most importantly, the Energy Office will assist local governments in evaluating their energy use, auditing their facilities and taking action on recommended projects.

The Energy Office is a partnership among the Michigan Municipal League, Michigan Suburbs Alliance, Southeast Michigan Council of Governments (SEMCOG) and WARM Training Center to establish a collaborative coalition focused on educating, enabling and promoting energy efficiency and conservation among local governments in the region. The footprint of the Energy Office's service area is the same geographic footprint as the SEMCOG's service area. The primary services offered by the Energy Office will include the following:

- Benchmarking
- Auditing
- Sustainability Planning
- Evaluating & Reporting
- Advocacy
- Education & Training
- Marketing
- Grant Researching & Writing
- Technical Assistance
- Joint Purchasing
- Loans for Energy Projects

These services will be supported by a number of Energy Office staff who will execute the operational plan, including all of the services listed above. They will do this in coordination with technical experts and through leveraging the Energy Office's founders and partners for information and service delivery.

A substantial requirement for the ongoing success of the Energy Office is the federal funding and appropriation of the Energy Efficiency and Conservation Block Grant Program. A majority of the funding for the Energy Office is predicated on receipt of these grant dollars on behalf of communities in the region. The operations of the Energy Office will be funded by an administrative fee associated with oversight and programming related to the grant dollars. We have also assumed the creation of a revolving loan fund for Energy Office participating communities as a vehicle to pool the financial resources of many communities and provide a means to fund specific energy conservation and renewable energy projects. This aggregation of local government resources provides a way for all member communities to implement significant energy efficiency programs.

The significant value proposition offered to local governments by the formation of the Energy Office is to provide a technical resource to all member communities, one that has significant expertise in energy efficiency and renewable energy, such that each community does not have to learn all about these issues to successfully make use of the Energy Efficiency and Conservation Block Grant dollars. This will create a high-impact and successful energy efficiency and conservation implementation on a regional basis in southeast Michigan. The Energy Office will also offer aggregated

purchasing opportunities for communities in the region to purchase renewable energy and related items in bulk, providing a tremendous opportunity for cost savings. The Energy Office will remove the administrative burden of handling energy-related projects for each community, which should resonate with all communities in these difficult economic times. This is especially true in the area of benchmarking and tracking of energy costs for local governments. The Energy Office has strategic partnerships with the majority of energy providers in southeast Michigan to provide streamlined and electronic data on community energy use, such that this is projected to be a highly valuable service to all communities receiving the federal grant funds. The Energy Office is also proposing to provide state-of-the-art technology and reporting capability of all required information back to the federal government on behalf of each member community, thus ensuring compliance with all federal regulations and providing accountability for appropriate use of the grant funds.

Currently non-entitlement communities, which are designated as communities with less than 35,000 in population and counties with less than 200,000 in population according to the federal legislation, are not be entitled to receive funding directly from the federal government, but rather would have to compete for grants from the state to fund their energy efficiency and renewable energy efforts. Through their membership in the Energy Office, they are projected to be more competitive for funding designated in the federal law, both through the state energy office and through competitive grants at the US Department of Energy. Without participation in the Energy Office, these communities are unlikely to enjoy the benefits of funding at the same level. Entitlement communities will be able to enjoy the benefits of the Energy Office at a level they desire, including base membership which signifies support of the regional collaboration, data membership which supplements the base membership with data tracking for communities, and full membership which gains them access to the full array of services of the Energy Office and a voting seat on the Board of Directors.

Through the formation of the Energy Office, we will have greater impact on furthering energy efficiency and sustainability in southeast Michigan, create a stronger camaraderie among communities in the region and provide superior capacity for local government to be a leader in creating a more prosperous region, greater environment stewards and brighter economy in the state of Michigan at a very critical time in our history.

Organizational Mission and Vision

Mission and Vision

The mission of the Energy Office is to convene and manage a federation of local governments and civic partners in support of efficient and sustainable energy related policies and practices in southeast Michigan. The Energy Office will improve the market for energy efficient technologies and renewable sources as part of a dynamic educational initiative targeting elected officials and staff who would like to implement energy-programming within their community. An innovative means to encourage the development of cooperative energy programming, the Energy Office will transform metro Detroit's "rust-belt" image by elevating energy efficiency and green technology as economic development tools. By helping municipal leaders understand the importance of energy conservation to today's creative class workers, we can build their capacity to create more livable communities that will attract talent and help revive Michigan's economy.

Regional Significance, Benefits and Drivers

Enthusiasm and momentum for energy efficiency and environmental conservation is growing throughout Michigan. Our municipalities are beginning to adopt best practices to improve the efficient use of energy resources, promote energy conservation and strengthen their economies through accrued cost savings. While some cities, such as Ann Arbor and Taylor, have had enormous success transforming their energy practices, overall Michigan is behind the nation in the implementation of energy efficient policies and technologies that have proven successful in other regions. Moreover, communication about our successes in Michigan is piecemeal, hindering information dissemination and the potential for collaboration. There is an urgent need to unify our collective efforts and increase our profile as a greener Michigan. As Governor Granholm's Centers for Regional Excellence program has highlighted, intergovernmental collaboration leads to the more effective and creative use of scarce government dollars. The Energy Office will offer the promise of significant cost savings for local governments as well as the elevation of energy efficiency and renewable energy in municipal programs.

In recent years, rising energy costs have strained already tight municipal budgets. Energy to operate government buildings, infrastructure and vehicles is a necessity, but its cost can be mitigated by increased efficiency. Case studies suggest that municipal energy savings can reach into the millions of dollars. While cost reduction is important, energy means much more to Michigan communities. Reducing energy use and converting to renewable sources means less reliance on imports and more money for residents to spend locally. It will also lead to a cleaner environment with reduced air pollution and greenhouse gas emissions, improving public health and slowing global warming. By taking aggressive yet achievable steps to reform energy use in cooperation with universities, community organizations and private corporations, Michigan's local governments can create an environment of growth and innovation and break away from lingering rust belt stereotypes.

Municipal leaders in the region know what can and should be done, but, especially in the smaller municipalities, they lack the staff and expertise to identify and implement initiatives. Many energy efficiency or renewable energy programs also require significant start-up investments, which smaller municipalities cannot afford alone. A few cities have had enormous success transforming their energy practices by employing a full-time energy coordinator with staff support. However, such an investment is not generally feasible for local governments with less than 100,000 residents.

At the recent Tri-County Summit (September 2008), the City of Detroit and the Counties of Macomb, Oakland and Wayne committed to a regional partnership for sustainability, citing energy efficiency as their initial focus. To demonstrate interest and support, all four regional partners passed a resolution to move forward with this partnership and utilize the Energy Office as a key vehicle to accomplish this goal.

Industry Focus - Local Units of Government

Public sector leadership around energy and environmental issues is a strong value statement that will resonate throughout the region and beyond. Innovative use and promotion of energy savings and projects will inspire additional action by citizens and corporations. Cleaning the environment, providing reliable, efficient services and promoting private sector innovation will improve the quality of life in southeast Michigan. Our communities will then be able to more effectively market themselves as a great place for families, young people, tourists and businesses to further regional economic development efforts.

Purpose and Goals

Our long-range goal is a region-wide coalition that provides strategic, educational and technical services to members seeking to enhance their use of efficiency tools or renewable sources of energy.

Coordinated and complementary efforts will ensure that our strategy is both educational and practically impactful. The Energy Office is an innovative new tool that local governments will use to cooperatively develop and implement energy programming for their communities and the citizens they serve, resulting in direct, measurable impacts on energy efficiency, municipal budgets (and hence the local and regional economy) and environmental protection.

Environmental Conservation

Like most of the state, virtually all municipal energy needs are met through fossil fuel sources: electricity from coal and heat from natural gas. Small municipalities like Melvindale, the Pointes or Lathrup Village independently don't use enough of either to warrant the kind of investment necessary to make renewable energy a cost-effective alternative. Due to Michigan's insufficient municipal finance system, the struggling economy and population loss due to urban sprawl, revenue sources such as bond ratings and tax revenues are often not sufficient to capitalize renewable energy projects in these communities. Through the Energy Office, we will first work to aggregate the buying power of the region's local governments to drive down the surcharge costs of fuels from renewable sources.

Furthermore, we will work with policy makers and the experts on our steering committee to develop financial tools and models that will allow struggling local governments to fund projects that take advantage of alternative energy sources.

Economic Prosperity

At nearly every community development event, some city official asks, "What do young people want?" As Michigan acknowledges the "brain drain" that has slowly leached talented young workers from the state, local governments are reaching almost desperately for transformational initiatives that will showcase them as hip, attractive and vibrant. One clear value that Millennials and Generation X'ers carry with them is an abiding respect for the environment and sustainability. However, one community adopting great energy practices will have a minimal impact on an overall economic development effort. In southeast Michigan, a single city can't change the reputation of the region – if we're going to overcome our rust-belt image, a majority of the region's communities need to take action, and that action needs to be publicized. The Energy Office provides the right venue for collaboration and marketing of our transformation to enhance overall economic development efforts for the region.

Energy Efficiency

The mature communities of southeast Michigan house some of the oldest building stock in the state. Much of it suffers from outdated systems for heating, cooling and lighting; the waste is extraordinary. Through the Energy Office, local governments will learn about new products – from light bulbs to HVAC systems – that can save them dollars by reducing their consumption. For each city that joins, the Office will benchmark their energy usage, monitor trends and report on the impact of efficiency programs. Several communities have found performance contracting to be an effective tool enabling infrastructure upgrades, but the capitalization of those contracts is sometimes beyond the reach of smaller communities. We will be working with our partner communities to craft multi-city contracts to leverage their purchasing power and put energy projects big and small into play throughout the region.

Coalition Development

Public-private partnerships are the hallmark of Michigan Suburbs Alliance programs. We eagerly engage diverse interests using a negotiating process known as "interest-based bargaining," which seeks to meet the goals of multiple stakeholders through ongoing trust-building, data based assessments and outcome-oriented projects.

For the purposes of this project, the Energy Office will target three primary constituencies to involve in the management and promotion of our energy efficiency projects:

Local Government Officials – Through this project we hope to develop well-informed local leaders who will serve as community spokespersons and policy champions within local government. In addition, we recognize that what we seek to accomplish is not a new or revolutionary effort – that some counties and communities already have similar efforts

underway – and we will seek to partner with existing programs to ensure that resources are maximized and the potential for inefficient overlap of services is minimized.

Energy Industry Leadership – Our partners at DTE Energy have been supportive of energy efficiency programs in our communities for many years, and they will provide crucial technical expertise to advance both efficiency and renewables programs. As Michigan dips into new energy sector industries (such as wind power) as a means to revive the state economy, we anticipate engaging NextEnergy leadership and other private-sector leaders to ensure that the full complement of energy opportunities is available to participating local governments.

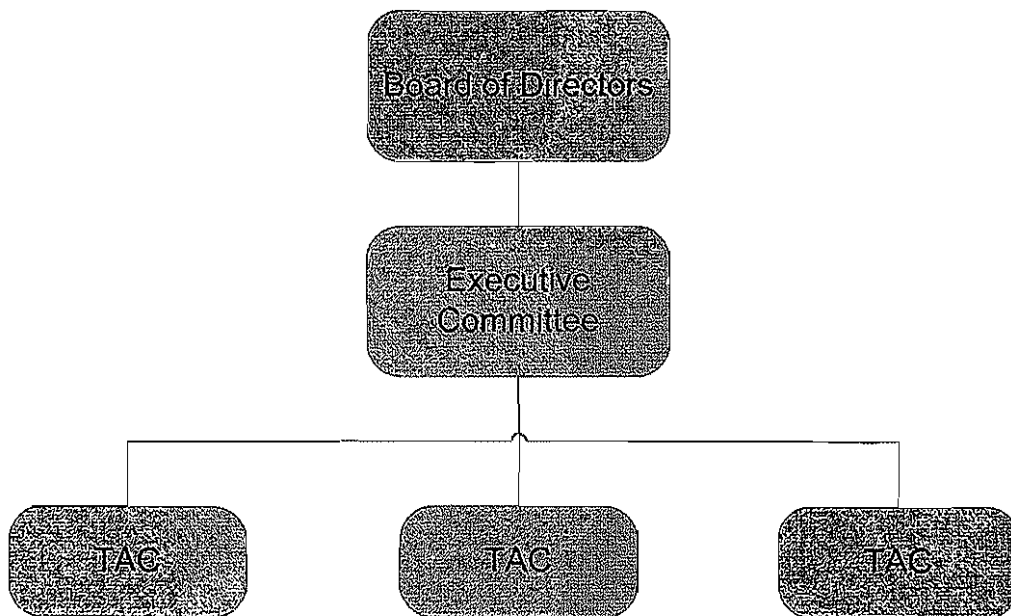
NGO/Consumer Advocacy Interests – We will seek to partner with leading community interest groups to build a citizen constituency to support efficiency and renewables programs. We have already engaged the Michigan Environmental Council and the Sierra Club, whose Cool Cities program is currently working in several Suburbs Alliance communities. In addition, several cities have adopted the U.S. Conference of Mayors' Climate Agreement, giving us the opportunity to partner with a national nonprofit to bring additional resources to our communities.

Governance Framework

Authority

The Energy Office will be constituted as a nonprofit corporation, a subsidiary operating under the auspices of the 501(c)(3) status of the Michigan Suburbs Alliance. Its authority will be derived from an interlocal agreement under the Urban Cooperation Act of 1967 (MCL 124.501 - 124.512). The Energy Office will be governed by a Board of Directors consisting of representatives of governmental units, and Executive Committee comprising governmental and nonprofit representatives, and Technical Advisory Committees made up of professionals and experts from the energy industry.

Following is a visual depiction of the Energy Office governance structure:



Membership

Local governments and counties in the SEMCOG region are eligible for membership in the Energy Office. Our initial target service area includes the City of Detroit and approximately fifty of its first-tier suburbs and surrounding communities. The population of the seven-county SEMCOG region is more than 4.8 million residents, and the area represents well over sixty percent of the state's GDP. Staff and leadership from eleven of the region's cities (Detroit, Grosse Pointe, Grosse Pointe Shores, Eastpointe, Wayne, Roseville, Dearborn, Ypsilanti, Ferndale, Lincoln Park and Southgate) currently provide essential insight into the practical realities other communities will face during the implementation phase, and their ongoing support will enable us to maximize the impact of the program.

Membership in the Energy Office is divided into four general categories:

- Founding Partners
- Entitlement Communities
- Non-Entitlement Communities
- Community Partners

Founding Partners

Michigan Suburbs Alliance –The Michigan Suburbs Alliance is a 501(c)(3) nonprofit organization representing a coalition of 32 cities surrounding Detroit. Based in Ferndale, the Suburbs Alliance unites and strengthens metropolitan Detroit's mature suburbs by elevating regional cooperation, reforming public policies and innovating redevelopment strategies. Its Board of Directors includes thirteen leaders from both the public and private sectors from Wayne, Macomb, Oakland and Washtenaw counties.

Michigan Municipal League –The Michigan Municipal League is a nonprofit membership organization for Michigan's municipalities. The League aids them in creating desirable and unique places through legislative and judicial advocacy, providing educational opportunities for elected and appointed officials and assisting municipal leaders in administering community services.

Warm Training Center –WARM Training Center, founded in 1981, promotes sustainable, affordable communities. It is a nonprofit energy and green building demonstration center for southeast Michigan. WARM serves residents through classes and consulting on energy efficiency, green building and basic home repair. WARM provides training and technical assistance to organizations and builders on creating greener buildings, better energy performance and community development. This technical assistance has included providing energy and sustainability audits for commercial buildings, residential developments and single houses. WARM also provides consulting to local governments on creating and enacting sustainability and energy improvement measures. They believe that green is for everyone.

Southeast Michigan Council of Governments –SEMCOG, the Southeast Michigan Council of Governments, is a membership organization of local governments. It works with local elected leaders to help solve regional issues that extend beyond individual governmental boundaries. The SEMCOG region includes Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne Counties. It supports local government planning on regional issues in the areas of transportation, environment, community and economic development and education. SEMCOG is also a premier resource for data about southeast Michigan.

Entitlement Communities

Communities that join the Energy Office are delineated by their status as federal entitlement communities. Generally, these communities include cities, villages and townships with day and nighttime populations of at least 35,000 and counties with day and nighttime populations of at least 200,000 (after excluding their entitlement city/township populations). A list of entitlement communities as defined by the US Department of Energy is included in the "Allowable Expenses" description on page 22.

By paying the lesser of 10% of its block grant allocation or \$250,000 to the Energy Office, local governments gain access to all services, as well as voting rights on the Board of Directors and the Executive Committee.

Non-Entitlement Communities

Non-entitlement communities are local units of government (counties, cities, villages, or townships) that do not qualify for direct block grant funding from the federal government. Non-entitlement communities joining the Energy Office delegate to the Energy Office the fiduciary responsibility for any direct or indirect allocation from the Energy Efficiency Block Grant program, whether through the state energy office or the federal department of energy. Membership will allow them access to the full range of services offered by the Energy Office as well as voting rights on the Board.

Community Partners

The Energy Office welcomes the participation and insight of community partners from the private and nonprofit sectors. There is no membership fee for community partners. In recognition of their essential role in charting a new course for energy production and use in southeast Michigan, the US Green Building Council, DTE Energy and the Michigan Environmental Council participate as nonvoting *ex officio* members of the Board and the Executive Committee.

Executive Committee

Role

The Executive Committee meets bimonthly and is the chief executive and financial control body for the Energy Office.

Responsibilities

The Executive Committee creates the annual budget and work plan, creates and evaluates the Technical Advisory Committees, reviews financial reports, monitors the operation of the Energy Office and serves as a whistle blower committee, if necessary. It implements the annual work plan and recommends the supporting policy and program agenda. It oversees staff implementation of the work plan and reports to the Board of Directors.

Composition

The complete composition of the Executive Committee includes a representative from each of the following:

- Founding partners,
- Each of the participating full membership entitlement communities,
- One non-entitlement community for every entitlement community (chosen by the Board of Directors), and
- The Tri-County Sustainability Partnership, the US Green Building Council, DTE Energy and the Michigan Environmental Council who participate as nonvoting *ex officio* members.

Each voting member has one vote as well as veto power. The Board of Directors may override an Executive Committee veto with a 2/3 majority vote of its members.

Board of Directors

Role

The Board of Directors convenes at least twice a year or on the request of five of its members. It is the main administrative and policy committee of the Energy Office. The Board oversees the Executive Committee and may override its decisions with a 2/3 vote.

Responsibilities

The Board of Directors approves the annual budget and work plan. It works closely with the Technical Advisory Committees to review and discuss national and regional policies, programs and best practices. It also determines the membership fee schedules, adopts and amends bylaws and gives final approval to any significant revisions to policy and program efforts.

Composition

The Board of Directors will comprise all full municipal entitlement community members of the Energy Office and any non-entitlement community members. Each non-entitlement local government member of the Board of Directors has a single vote; entitlement communities shall have one vote per \$50,000 or portion thereof allocated to the Energy Office, which they may subdivide on any issue.

Technical Advisory Committees

Role

The Technical Advisory Committees (TACs) provide focused expertise and research for member communities on specific issues. Initially, there will be four standing committees focusing on educational programming, energy conservation and renewable energy, policy as well as sustainability. The Executive Committee may create additional standing committees as needed. The Board of Directors or the Executive Committee may also create ad hoc committees when issues arise around urgent, focused topics with finite timeframes.

Responsibilities

The Technical Advisory Committees provide technical and programmatic advice and collaborate with staff on topic areas. The committees also recommend benchmarking indicators and metrics as well as ensure the technical and scientific rigor of the Energy Office. These committees meet as needed and report to the Board of Directors.

Composition

The Technical Advisory Committees include expert members of the Board of Directors as well as civic partners. These non-municipal members engage experts on topics as diverse as VMT reduction, municipal finance and performance contracting. The Executive Committee is responsible for reviewing recommendations and recruiting members for the committees from a wide variety of governmental, business and civic entities focusing on energy efficiency and environmental initiatives in southeast Michigan and beyond.

Operational Plan

The Energy Office will operate as a subsidiary 501(c)(3) nonprofit corporation of the Michigan Suburbs Alliance, addressing energy issues for local governments in the SEMCOG's geographic area. Core to formation of the Energy Office is presenting the operational plan to support the organization and region's local governments. Establishment of the Energy Office will provide regional leadership on the issues of energy efficiency and renewable energy and will offer a unique type of organization with a well defined mission and vision in the southeast Michigan area. The operational plan presented in this section outlines the critical success factors, key strategies, core service offerings and organizational staffing plan for the Southeast Michigan Regional Energy Office in its first five years of existence. We have also included an assessment of the Office's strengths, weaknesses, opportunities and threats for stakeholders to keep in the forefront of their minds while moving forward with this initiative. Following are the details of the Southeast Michigan Regional Energy Office Operational Plan.

Critical Success Factors

1. A 5-10% reduction in per capita energy use by 2015 compared to 2008 baselines
2. Reduction in vehicle miles traveled
3. Meet the State of Michigan's renewable portfolio standard of 10% by 2015
4. Realizing and quantifying cost savings through efficiency and aggregation
5. Membership of 35% of region's population by year 5

Key Strategies

1. Expanded intergovernmental cooperation
2. Energy conservation project implementation
3. Marketing and communications
4. Education and training
5. Technical assistance

Service Offerings

To catalyze energy efficiency and green energy programming for our region, we propose three primary activities:

- Coordinating regional marketing, technical assistance and training about "Green Cities"
- Cataloguing and monitoring energy trends in participant communities;
- Developing volunteer Technical Advisory Committees to help new practitioners meet with early success;

Via our steering committee we will coordinate the activities of agencies and entities pursuing green energy and energy efficiency initiatives. Together we will identify synergies and organizational efficiencies that could be realized via collaboration

Strategic Services

Benchmarking

Each municipality that becomes either a data or a full member of the Energy Office will be assigned a Data Analyst to assist with the collection, compilation and analysis of the community's energy use. The collection of this information creates a benchmark against which improvements can be measured.

April 2009

Auditing

Data and Full members of the energy office will be entitled to a municipal energy audit. As part of the energy review process, an auditor performs a walk-through of the targeted municipal buildings. Candidate buildings will include any structures owned and operated by the member community. In addition, other methods of energy, including fleet consumption, will be considered where appropriate. Once the audits are complete, the sustainability strategy will identify which specific buildings and areas will be targeted for improvement.

The results of the audit will allow communities to determine specific retrofit objectives, based on a case-by-case basis, and tailored to individual community needs and opportunities. Some examples that may include:

- Increased utilization of renewable or natural sources (e.g. wind power or increased natural lighting),
- Increased comfort, health, and safety for occupants,
- Extension of an asset's useful life,
- Reduced maintenance costs,
- More efficient utilization of non-renewable resources

From there, when a community makes an energy efficiency or sustainability improvement, we will monitor, evaluate and report on its impact. In the months following the implementation of an energy efficiency or green energy project in a community, we will monitor and report changes in energy use against the benchmarks.

Sustainability Planning

The energy audit provides a high-level assessment of current energy use and the municipality's basic physical structure and equipment, such as the condition of building walls and doors. It uses past energy bills to determine the amount of energy used per square foot each year and provides suggestions for general improvements. The next step, the creation of an energy efficiency and conservation strategy, takes the audit one step further by providing a comprehensive look at energy efficiency opportunities—analyzing the cost, expected savings and resulting payback for implementing energy improvements. Depending on the goals and objectives of the community, an implementation plan can also address other sustainability areas such as climate change (greenhouse gas emissions), waste reduction and recycling, toxics reduction, green building, and peak oil usage. Sustainability planning services are available to full members of the Energy Office.

Evaluating and Reporting

Communities receiving state or federal funding for energy programs are required to submit status reports to the governing agencies, which can include its implementation progress as well as any realized efficiency gains. The Energy Office will prepare the evaluation of sustainability strategies and appropriate use of funds on behalf of full members, suitable for reporting to governing agencies. Such reports also serve as interim evaluation points to allow community strategies to be adjusted against new benchmarks.

Advocacy and Policy Development

Though the Energy Office will certainly be a critical institution in the energy efficiency and renewable energy effort, the fiscal goals of the organization are only one piece of financing the overall energy efficiency and renewable energy needs of participating communities. Therefore, the Energy Office will advocate for public policies that enhance local governments' ability to meet their energy goals, for example the creation of state revolving loan funds to pay for energy upgrades in member communities. Energy Office staff and partners will also communicate best practices and develop model ordinances for use at the local level.

Marketing

Financing requires identifying and leveraging revenue sources, and the ultimate revenue source of all financing efforts is the citizens, taxpayers, ratepayers and consumers in the community. We must be sure that constituents clearly understand what is at stake and how their money will be used to create a more economically and environmentally sustainable region.

Educational Services

The Energy office, along with the community partners, will provide opportunities for educational programming and technical training for community staff, leaders, and citizens. Classes will cover best practice opportunities and energy efficiency issues, based on interest, and in alignment with the Technical Advisory Committees. Training will focus on opportunities for member communities to learn from industry experts and peers. Participants can share success stories and lessons learned and get ideas for new programs and projects. General trainings will be available for members of the Energy Office at any level. Full members may have trainings tailored to meet their community needs.

Technical Services

Grant Researching & Writing

To assist communities in enhancing their local programming the Energy Office will provide direct support to full members seeking state or federal grants. Full members will receive regular reports and analyses of grant opportunities. Depending on the complexity of the project, the extent of services will vary but may include research, grant writing, grant administration and reporting. General services include grant request monitoring, access to technical expertise and research in support of proposals.

Technical Assistance

The Energy Office offers technical assistance to full members to connect them with the resources and expertise necessary to carry out their projects. Staff has intimate knowledge of energy efficiency and sustainability efforts and offers advice and technical information for all phases of project implementation ranging from financial incentives and rebates to professional service providers.

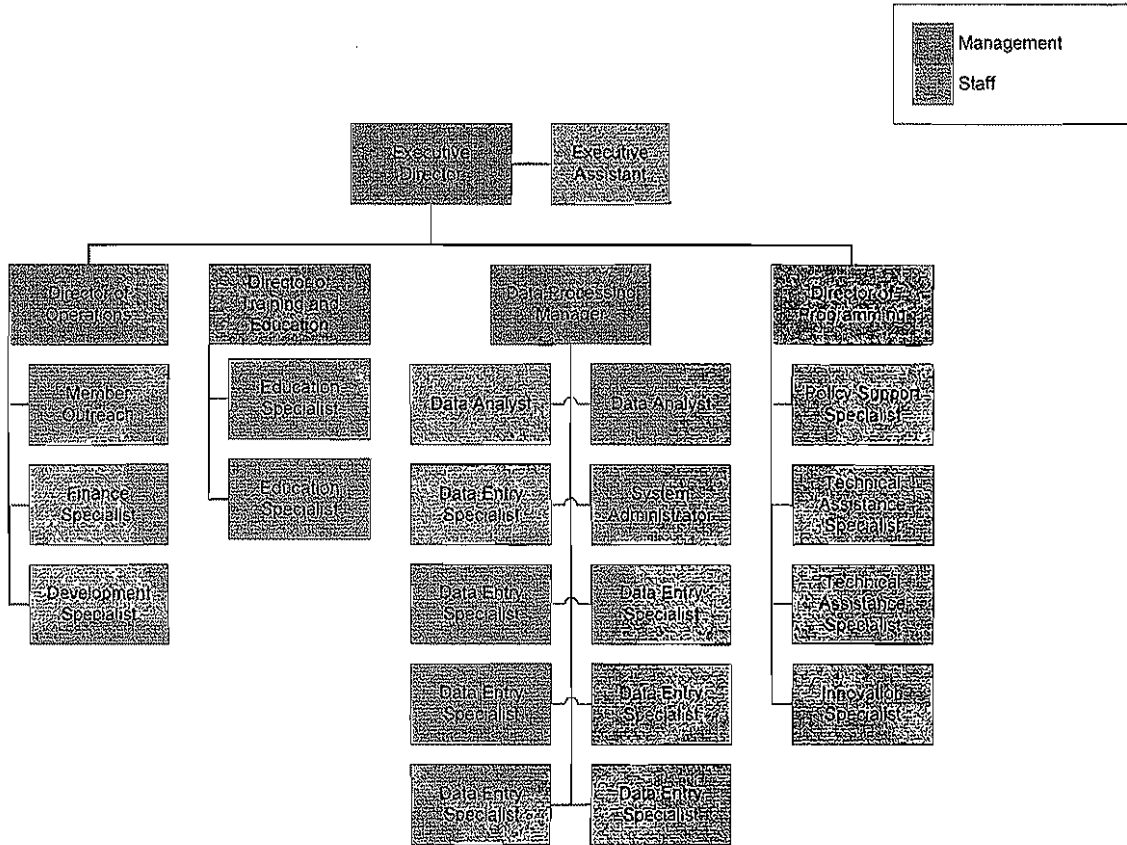
Joint Purchasing

The Energy Office offers participating communities the opportunity to save administrative time and realize cost savings when purchasing supplies, equipment and services in support of their energy efficiency and renewable energy efforts. Instead of individually managing the competitive-bid process, participating communities can take advantage of the Energy Office's procurement staff to determine specifications, evaluate bidders, check references, select the highest-quality bid and aggressively negotiate price discounts using the Energy Office's aggregated purchasing power.

Revolving Loan Fund

The Energy Office will manage a revolving loan fund that will be accessible by members that contribute to it to capitalize implementation strategies or to assist community-based initiatives. Depending on the extent of memberships and fund raising, the fund will make available loans significantly in excess of the individual contributions of members within a seven-year period.

Organizational Structure



Management Team

Executive Director

The organization's executive director will serve as liaison to the Executive Committee, Board, members and community partners. The executive director is responsible for the overall operation of the organization, including: strategic planning, development of policies and procedures, effective functioning of management, budget development and management, and general leadership.

Director of Operations

The director of operations Oversees multi-departmental functions, including human resources, finance, office systems, member outreach, fundraising, and grants.

Director of Education and Training

The director of education and training will work with the member communities to identify education and training needs. This position coordinates with the partner organizations that will be providing the training.

Director of Data Management

The director of data management will oversee the collection, entry, and analysis of all member data.

Director of Programming

The director of programming will oversee development and implementation of programs. This includes the formation of technical assistance committees, public policy efforts, and Innovation.

Staffing

Approximately 13 full-time equivalent staff will be dedicated to the Energy Office as well as seven part-time positions estimated at 3.5 FTE's.

Full-Time Equivalent

Executive Assistant

The executive assistant will provide a variety of administrative support services. Responsibilities include providing staff liaison to the various departmental divisions and programs, outside agencies, and the media. In addition, this position will work under the general supervision of the executive director and provide administrative and secretarial support to that position, and the office as a whole.

Member Outreach

This position is responsible for recruiting new members, maintaining relationships with and knowing the needs of current members, and educating local government on the opportunities available through the Energy Office.

Finance Specialist

This position is responsible a variety of advanced accounting functions. Responsibilities include; maintaining accurate and timely general and/or subsidiary ledgers, compiling monthly statements, and accounts payable and receivable functions.

Development Specialist

This position will be responsible for administering the fundraising programs for the organization. In addition, all activities relating to grant writing, for both the organization and the member communities, will be coordinated by this position.

Education Specialist

This position assists with the logistical details of the educational and training programs. Responsibilities include working with the communities and training organizations to identify needs, develop content, and schedule classes.

Data Analyst

This position is responsible for the analysis of all the data collected and maintained to identify trends, needs, and the results from efficiency efforts.

System Administrator

The primary function of this position is to support the data collection application. Additional responsibilities include: supporting computer users within the organization, assisting in identifying technological needs for the organization, installing hardware and software, and overseeing the maintenance of computer systems.

Policy Support Specialist

This position will be responsible for the coordination of public policy efforts by the partner organizations. Responsibilities will include ensuring that the interests of the Energy Office are being addressed and tracked.

Technical Assistance Specialist

This position will be responsible for the coordination of technical assistance committees. Responsibilities will include coordinating the members, and focusing efforts on the needs of the member communities.

Innovation Specialist

This position is responsible for keeping abreast of trends and opportunities, maintaining the pulse on industry developments and research, reviewing and recommending changes to services and ensuring the Energy Office is always on the cutting edge.

Data Entry Specialist

This part-time position maintains the databases of client data. Duties of this position include data entry, generating reports, and updating information.

S.W.O.T. Analysis

Strengths	<ul style="list-style-type: none"> • Money through grants (and organizations like MML) • Multiple organizations collaborating together successfully • Ability to generate regional funding • The topic has high visibility (energy) • Good timing • Access to a lot of expertise; outcomes are measurable • Direct connection to local governments • Credibility of founding organizations • Cooperation with other regional entities like MML & SEMCOG • Partnerships
Weaknesses	<ul style="list-style-type: none"> • Lack of participation • Fragmentation (difficult to compete for funding) • Lack of visibility for the Energy Office • Lack of standing (we don't qualify for some funding) • Not seen as experts • Organizational capacity -- since collaborative, no track record • Current image of Southeast Michigan as the "rust-belt" • Current track record as a region in regard to cooperation
Opportunities	<ul style="list-style-type: none"> • Communication • Spread the word about the Energy Office • Address progressive issues • Establishment of regional partnerships • Address energy & other issues for the region • Financial Savings • Change the image/outlook of the rust belt image
Threats	<ul style="list-style-type: none"> • Possible tension between large and small communities (large being able to support themselves, and small not being able to); • Lack of involvement from large communities • Incentives for large communities to join/participate

Marketing Plan

Overall Michigan is behind the nation in the implementation of energy efficient policies and technologies that have proven successful in other regions. Moreover, communication about our successes in Michigan is piecemeal, hindering information dissemination and the potential for collaboration. There is an urgent need to unify our collective efforts and increase our profile as a greener Michigan.

Marketing Strategy

The Marketing Strategy is multifold and is under the purview of the Director of Operations. The primary aim is to create a consistent message for the region, one that values cutting-edge technology, clean energy and sustainability.

The Energy Office will communicate through its website and regular press releases. The website documents the work of the Energy Office, offers an up-to-date overview of its services and upcoming events and provides best practices. The Director of Operations will send press releases to all regional media providers such as [The Detroit News](#), [Detroit Free Press](#) and [Crain's Detroit Business](#) as well as stakeholders and partners such as the State of Michigan Energy Office, SEMCOG, MML and media outlets servicing participating communities.

Simultaneously, Issue Media Group (publisher of the E-zines, *Model D* and *metromode*), facilitated by the Michigan Municipal League, will promote the project to city leaders and the public. This component of the marketing strategy seeks to educate municipal leaders, city residents and those outside southeast Michigan about opportunities, trends and successes in the region's energy conservation effort.

The Energy Office will also assist in arranging site visits for officials and media to showcase successful initiatives while also integrating its efforts into existing community promotion entities such as the Tourism Destination Districts of the Tourism and Economic Development Council.

Financial Plan

Sustainable Funding Model

This business plan focuses on those opportunities that lend themselves to sustainable, consistent revenue streams. In an effort to diversify and sustain the Energy Office's funding, we look to expand our revenue streams to include fee-based memberships, private foundation grants, state and federal contracts, and contributions from private sector supporters. Although assessing a charge based on population could provide all necessary monies for the Energy Office, these opportunities require an aggressive recruitment strategy and time to implement successfully. Governmental and private foundation grants present fewer barriers yet are a less reliable source of sustained income. We seek to strengthen our financing portfolio by balancing these risks and benefits.

Financial Projections

We believe the value of regionalizing the energy efforts for Southeast Michigan will prove beneficial to many local communities, and result in substantial interest and financial commitment to the organization. A large premise of the availability of funding relies on the passage of the Federal Energy Efficiency and Conservation Block Grant Program. Detailed revenue assumptions for the Office are presented below.

Revenue Assumptions

- The Energy Efficiency and Conservation Block Grant Federal Program is appropriated by the Obama Administration at a rate of \$3.2 billion in 2009. Entitlement communities will receive funding directly and share a portion of the funding with the Energy Office, as desired, whereas non-entitlement communities will utilize the Energy Office to compete for funds and to serve as administrator of the awarded funds. The total allocation to entitlement communities in the SEMCOG region will be approximately \$40,340,300.
- We assume projected revenues based on certain communities joining each year and multiplying their qualifying population by the following per capita allocations in the first year: \$9.13 for entitlement cities; \$7.44 for entitlement townships; \$6.35 for entitlement counties; and \$1.98 for non-entitlement communities. We anticipate funding reductions from the federal government to the EECBG program of 38 percent in year two and a cumulative 50 percent the following years. We have not projected the EECBG program being funded beyond the first term of the new administration. We have based our population assumptions on the Energy Office serving the full seven-county SEMCOG region, which is estimated to include 4,872,273 persons at the end of 2008.
- Grant dollars, both governmental and foundation, are projected to be received by the Energy Office over its five-year inception period. Grants have already been received by the Office for 2008 and are projected to be enhanced due to increasing energy costs and focus on cost savings measures and a "green" economy on both a State and National level.
- Additional supplemental revenue sources for the Energy Office are assumed in the categories of sponsorships/advertising, events and referral fees. These revenue sources are considered secondary and are derived based upon modest contribution to overall organization revenues based upon non-profits of similar size.
- We assume the creation and development of a revolving loan fund, which serves as a best practice in the field of energy efficiency, based upon a contribution by all member communities a portion of their annual allocated Energy Efficiency and Conservation Block Grant funding.

Expense Assumptions

Expense categories and assumptions have been derived based upon the organizational staffing plan presented in the Operational Plan section of this document. We assume the Energy Office will expand staffing based upon incremental

needs over the five-year inception period. Detailed expense assumptions for the Office are presented below the revenue assumptions.

- Staff will be added to the Energy Office over time, reaching full staffing by Year 5. We assume the majority of staff will be hired in Year 1, with supplemental staff being added in subsequent years for specific activities. Following is our projected hiring schedule:

Position	Year 1	Year 2	Year 3	Year 4	Year 5
Executive Director	1.0				
Director of Operations	1.0				
Director of Data Management	1.0				
Director of Education and Training	1.0				
Director of Programming	1.0				
Executive Assistant	1.0				
Education Specialist	1.0				
Finance Specialist	1.0				
Data Analyst	1.0	1.0			
System Administrator	1.0				
Development Specialist	1.0				
Technical Assistance Specialist	1.0			1.0	
Member Outreach	1.0				
Position	Year 1	Year 2	Year 3	Year 4	Year 5
Policy Support Specialist	1.0				
Innovation Specialist	1.0				
Data Entry Specialist	1.0	0.5	0.5	0.5	1.0
Total	16.0	1.5	0.5	1.5	1.0
Cumulative Total	16.0	17.5	18.0	19.5	20.5

- Salary estimates are based upon comparable positions in the 2008 Michigan Nonprofit Compensation and Benefit Survey published by the Michigan Nonprofit Association.
- Benefit costs for personnel are estimated as 35% of salaries, based upon nonprofit industry averages.
- Costs for other key expense line items are based upon comparable nonprofit agency averages, as follows:
 - Supplies – 2% of total revenues

-
- Facilities – 5% of total revenues
 - Equipment rental and maintenance – 1% of total revenues
 - Equipment purchases – 2% of total revenues
 - Travel – 2% of total revenues
 - Dues and subscriptions – 1% of total revenues
 - Other – 5% of total revenues for expenses such as insurance, capital outlay, etc.
- The financial projection assumes voluntary contributions to the revolving loan fund totaling \$1,000,000, with interest earnings on the fund's holdings of 5 percent annually and interest charged against outstanding loans of 2.5 percent annually. The fund projects a average payback period of 4.3 years based on the simple return on investment of typical energy efficiency projects. Over a five year period, the fund will be able to capitalize \$1,500,000 worth of projects.
 - Costs for Energy Office expense line items are based upon comparable nonprofit agency averages with adjustments, as follows:
 - Communications – 5% of total revenues, increased from 2% due to the high visibility nature of Office activities
 - Contracted/professional services – 13% of total revenues, decreased from 20% due to the Office serving as a facilitator of energy implementations within various communities versus being an implementer of specific programs itself. The need for professional services is assumed to be slightly less than average in the Energy Office itself.
 - Training and conferences – 5% of total revenues, increased from 1% due to the Office serving in a leadership role for the region on energy issues. Assume significant training and conferences to maintain sufficient expertise for emerging trends and issues.

Allowable Community Expenses Overview

In the SEMCOG region, six of the seven counties, 18 cities and eleven townships qualify for entitlement funding under the Energy Efficiency and Conservation Block Grant program. Population calculations by the federal government balance day-time and night-time populations. Counties must evidence populations greater than 200,000 excluding the populations of their entitlement cities and townships. Other communities must evidence populations greater than 35,000. Non-entitlement communities must compete for funding through the state energy office.

Each community's block grant allocation is subject to three major restrictions on its distributions: the greater of 10 percent or \$75,000 may be spent on administration; the greater of 20 percent or \$250,000 may be spent on grants to outside agencies; and the greater of 20 percent or \$250,000 may be spent on a revolving loan fund.

The table below describes each entitlement community's allocation and limitations.

	Total Allocation	Administration	Revolving Loans	Subgrants
Ann Arbor	\$1,243,400	\$124,340	\$250,000	\$250,000
Dearborn	\$970,800	\$97,080	\$250,000	\$250,000
Dearborn Heights	\$477,700	\$75,000	\$250,000	\$250,000
Detroit	\$8,862,400	\$886,240	\$1,772,480	\$1,772,480
Farmington Hills	\$791,300	\$79,130	\$250,000	\$250,000
Lincoln Park	\$145,500	\$75,000	\$145,500	\$145,500
Livonia	\$971,100	\$97,110	\$250,000	\$250,000
Novi	\$533,100	\$75,000	\$250,000	\$250,000
Pontiac	\$683,800	\$75,000	\$250,000	\$250,000
Rochester Hills	\$642,700	\$75,000	\$250,000	\$250,000
Roseville	\$198,600	\$75,000	\$198,600	\$198,600
Royal Oak	\$543,400	\$75,000	\$250,000	\$250,000
Southfield	\$875,700	\$87,570	\$250,000	\$250,000
St. Clair Shores	\$544,000	\$75,600	\$250,000	\$250,000
Sterling Heights	\$1,203,800	\$120,380	\$250,000	\$250,000
Taylor	\$596,000	\$75,000	\$250,000	\$250,000
Troy	\$921,100	\$92,110	\$250,000	\$250,000
Warren	\$1,358,600	\$135,860	\$271,720	\$271,720
Westland City	\$731,100	\$75,000	\$250,000	\$250,000
Bloomfield Twp	\$169,500	\$75,000	\$169,500	\$169,500
Canton Twp	\$754,100	\$75,410	\$250,000	\$250,000
Chesterfield Twp	\$181,100	\$75,000	\$181,100	\$181,100
Clinton Twp	\$894,600	\$89,460	\$250,000	\$250,000
Commerce Twp	\$151,000	\$75,000	\$151,000	\$151,000
Macomb Twp	\$610,200	\$75,000	\$250,000	\$250,000
Redford Twp	\$188,000	\$75,000	\$188,000	\$188,000

Shelby Twp	\$651,200	\$75,000	\$250,000	\$250,000
Waterford Twp	\$641,400	\$75,000	\$250,000	\$250,000
West Bloomfield Twp	\$571,800	\$75,000	\$250,000	\$250,000
Ypsilanti Twp	\$484,400	\$75,000	\$250,000	\$250,000
Livingston County	\$740,400	\$75,000	\$250,000	\$250,000
Macomb County	\$746,400	\$75,000	\$250,000	\$250,000
Oakland County	\$4,879,700	\$487,970	\$975,940	\$975,940
St. Clair County	\$701,900	\$75,000	\$250,000	\$250,000
Washtenaw County	\$766,900	\$76,690	\$250,000	\$250,000
Wayne County	\$4,914,200	\$491,420	\$982,840	\$982,840
TOTALS	\$ 40,340,300	\$ 2,143,260	\$ 5,065,080	\$ 5,065,080

The US Department of Energy has identified the following as allowable expenses for the ERCBG funding

1. Development of an Energy Efficiency and Conservation Strategy:
2. Technical Consultant Services:
3. Residential and Commercial Building Energy Audits:
4. Financial Incentive Programs:
5. Energy Efficiency Retrofits:
6. Energy Efficiency and Conservation Programs for Buildings and Facilities:
7. Development and Implementation of Transportation Programs:
8. Building Codes and Inspections:
9. Energy Distribution:
10. Material Conservation Programs:
11. Reduction and Capture of Methane and Greenhouse Gases:
12. Traffic Signals and Street Lighting:
13. Renewable Energy Technologies on Government Buildings:
14. Any Other Appropriate Activity: Entities may submit any other appropriate activity to US DOE for approval in the Energy Efficiency and Conservation Strategy.

Financial Projections

		Year				
		1	2	3	4	5
Revenues						
	Operating (Previous Year)	\$0	\$1,095,093	\$3,003,538	\$2,537,700	\$1,855,241
	Membership Fees	\$1,205,150	\$1,071,969	\$535,984	\$535,984	\$0
	Governmental Grants	\$890,362	\$2,252,101	\$526,051	\$526,051	\$0
	Foundation Grants	\$300,000	\$150,000	\$150,000	\$150,000	\$150,000
	Sponsorships/Advertising	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
	Events	\$13,000	\$32,500	\$50,000	\$50,000	\$50,000
	Referral Fees	\$10,000	\$25,000	\$50,000	\$50,000	\$50,000
	Sub-Total Operating	\$2,434,512	\$4,641,663	\$4,315,573	\$3,864,735	\$2,120,241
	Revolving Loan Fund Principal	\$500,000	\$500,000	\$0	\$0	\$0
Total Revenues		\$2,934,512	\$5,141,663	\$4,315,573	\$3,864,735	\$2,120,241

Operating Expenses						
	Salaries	\$588,735	\$686,833	\$755,303	\$825,403	\$874,328
	Fringes	\$206,057	\$240,392	\$264,356	\$288,891	\$306,015
	Supplies	\$26,567	\$34,678	\$36,986	\$43,668	\$45,211
	Facilities	\$66,418	\$86,695	\$92,465	\$109,171	\$113,027
	Equipment Rental and Maintenance	\$13,284	\$17,339	\$18,493	\$21,834	\$22,606
	Equipment Purchases	\$26,567	\$34,678	\$36,986	\$43,668	\$45,211
	Communications	\$66,418	\$86,695	\$92,465	\$109,171	\$113,027
	Contracted/Professional Services	\$172,687	\$225,408	\$240,410	\$283,844	\$293,870
	Training and Conferences	\$66,418	\$86,695	\$92,465	\$109,171	\$113,027

Travel	\$26,567	\$34,678	\$36,986	\$43,668	\$45,211
Dues and Subscriptions	\$13,284	\$17,339	\$18,493	\$21,834	\$22,606
Other	\$66,418	\$86,695	\$92,465	\$109,171	\$113,027
Total Expenditures	\$1,339,419	\$1,638,125	\$1,777,873	\$2,009,494	\$2,107,165
Excess of Operating Revenue Over (Under) Expenditures	\$1,095,093	\$3,003,538	\$2,537,700	\$1,855,241	\$13,076

Revolving Loan Fund					
Principal	\$500,000	\$775,000	\$598,343	\$140,857	\$234,166
Interest Earnings	\$25,000	\$38,750	\$29,917	\$7,043	\$11,708
Expenditures (Loans)	(\$250,000)	(\$275,000)	(\$598,343)	(\$140,857)	(\$234,166)
Repayments	\$0	\$59,593	\$110,940	\$227,123	\$206,560
Outstanding Loans	\$250,000	\$465,407	\$952,810	\$866,544	\$894,150
Closing Balance	\$275,000	\$598,343	\$140,857	\$234,166	\$218,268
Total Fund Value	\$525,000	\$1,063,750	\$1,093,667	\$1,100,710	\$1,112,418
Total Value of Loans Made	\$250,000	\$525,000	\$1,123,343	\$1,264,200	\$1,498,366