The American Recovery & Reinvestment Act:

Understanding the State Energy Program

part of

A Green Recovery For All: A Green For All Series

GREEN FOR ALL

A note from Green For All's CEO

This is an exciting moment in America. Even a year ago, only a few people were calling for a clean energy economy that could fight poverty and pollution at the same time. But today, that vision is guiding some of the most ambitious and exciting federal policies and investments we've seen in generations. All of America can see the promise and potential of a green economy. Now, we must turn that promise into reality for everyday Americans. We need to turn these ideas and dreams into quality jobs, cleaner and healthier neighborhoods, and reduced energy needs and expenses for American homes and businesses. And we must ensure that our most vulnerable communities get to share in these benefits.

The American Reinvestment and Recovery Act (ARRA) is a chance to start doing that. ARRA invests $41 billion in clean-energy and energy-efficiency projects. These funds will help "green" America's cities, creating jobs and wealth in the process. But ARRA does not guarantee that low-income communities and communities of color will get to share in those jobs and that wealth.

That is why Green For All is producing this "Green Recovery For All" series of pamphlets: to give practitioners, workers, policymakers, businesses, advocates and everyday Americans the tools to bring the benefits of the green recovery to their communities. These pamphlets will help you understand key components of ARRA, including what funds are available, how the funds may be used, and how cities, states and other entities can maximize the benefit to the community. They will outline policy models that would maximize the benefits to communities, workers and business. And they will point out opportunities to influence ARRA implementation at the local level.

As helpful as I hope these pamphlets are, they merely provide some tools. The rest is up to us — and I know we are up to the challenge. Together, we can build a green economy strong enough to lift people out of poverty.

Let's get started.

- *Phaedra Ellis-Lamkins*
  Chief Executive Officer
  Green For All

ABOUT THIS GUIDE

Purpose of This Guide

Green For All has prepared this document to provide essential information to policy advocates, policy makers, employers, and residents who are interested in learning about the State Energy Program. We hope it offers a basic understanding of the State Energy Program, and helpful guidance on how readers can produce the best results possible in their areas.

Authors of This Guide

Green For All is a national organization dedicated to improving the lives of all Americans through a clean energy economy. Green For All works in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry – all while holding the most vulnerable people at the center of its agenda.

What's Inside...

PROGRAM BASICS

The State Energy Program (SEP) invests federal money to help states address their energy priorities and adopt emerging renewable-energy and energy-efficiency technologies. This year, the American Recovery and Reinvestment Act (ARRA) expanded SEP, investing $3.1 billion in the program. It also made some modifications to how the program operates.

What is the American Recovery and Reinvestment Act?

President Barack Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. ARRA is a big, bold, and historic investment intended to kick-start the United States economy and lay the foundation for long-term economic growth and stability. If invested wisely, it can also serve as a down payment on an inclusive green economy strong enough to lift people out of poverty.

All told, ARRA includes $48 billion in investments in job training and education, nearly $100 billion in funding for transportation and infrastructure, $20 billion in tax incentives for renewable energy, and more than $41 billion for energy-related programs.

Of that money, $3.1 billion goes into the State Energy Program.[1]

1 Statute: 42 USC 6321 et seq; Part D of Title III of the Energy Policy and Conservation Act. Regulations: 10 CFR 420 et seq. CFDA: 81.04.

What is the purpose of the State Energy Program?

The State Energy Program (SEP) is designed to promote energy conservation, reduce the rate of growth of energy demand, and reduce dependence on imported oil. It is the only program in the U.S. Department of Energy's Energy Efficiency and Renewable Energy Office that supports outreach for energy technologies in every sector of the economy: industry, businesses, residences, public facilities, schools, hospitals, and transportation.

Who is eligible to receive grants?

The Department of Energy (DOE) will provide SEP funding directly to states, U.S. territories, and the District of Columbia.

Businesses, public and private organizations, and local governments may be eligible to apply for competitive funding through a state's energy offices,

depending on the state's plan for subgranting.

How did the American Recovery and Reinvestment Act change the State Energy Program?

ARRA made the following changes to the State Energy Program:

- DOE expanded the types of activities eligible for SEP funding to include:
  - energy audits;
  - building retrofits;
  - education and training efforts;
  - transportation programs to increase the use of alternative fuels and hybrid vehicles; and
  - new financing mechanisms to promote energy efficiency and renewable energy investments.
- SEP no longer requires that states and territories match 20% of the federal funding.
- DOE waived the 50% limit on use of SEP funds for capital construction.

How do states apply for funds?[2]

States must submit energy conservation plans that describe their proposed uses of SEP funds. Those plans must explain how the states will accomplish SEP's goals, stimulate the economy, and create and retain jobs. Governors had to notify DOE that they obtained assurances that:

- their states' utility regulatory authorities will implement policies to help customers use energy more efficiently;
- their states (or applicable units of local government that have the authority to adopt building codes) will update building and energy codes, and ensure compliance with those codes; and
- their states will prioritize and expand energy-efficiency programs.

States must also commit not to use SEP funds to supplant ratepayer or other state funding for energy programs.

State energy offices must submit an application detailing the specifics of the plans as described in the governor's assurance letter.

Find every governor's letter of assurance on the DOE website: http://www.energy.gov/InYourState.htm.

How can grantees use State Energy Program funds?

States may use funds for a wide range of activities and programs that promote energy efficiency. This includes energy-efficiency retrofits of residential, commercial and government buildings. As part of its State Energy Plan, each state must:

- establish mandatory lighting-efficiency standards for public buildings throughout the state;

2 U.S. Department of Energy, State Energy Program, *2009 Recovery Act—Frequently Asked Questions about State Funding*. Retrieved from http://apps1.eere.energy.gov/state_energy_program/recovery_act_faqs.cfm on September 14, 2009.

- promote carpools, vanpools, and public transportation;
- incorporate energy efficiency criteria into procurement procedures; and
- implement mandatory thermal efficiency standards for all new and renovated buildings.

States may also use funds for:

- public education to promote energy efficiency and renewable energy;
- transportation energy efficiency;
- energy audits of buildings and industrial facilities;
- promoting energy efficiency as an integral component of economic development planning;
- providing education and training to building designers and contractors to promote energy efficiency; and
- various other activities detailed in 10 CFR 420.17[3]

States should also keep in mind that DOE strongly prefers proposals that:

1. plan to reduce per capita energy consumption by at least 25% of the state's 1990 per capita energy use by 2012; and
2. are designed to permanently transform markets.

States may not use SEP funds:

- for construction;
- to purchase real estate;
- to subsidize fares for public transportation;
- to subsidize utility-rate demonstrations or State tax credits for energy conservation or renewable-energy measures; or
- to conduct research, development or demonstration of energy-efficiency or renewable-energy technologies that are not commercially available.

In addition, SEP funds are subject to the following limitations:

1. Grantees may use only 20% of the funds to purchase office supplies, library materials, or other equipment.
2. Grantees may use loan repayments and the loan interest only for activities included in their approved plan.
3. Grantees may use funds to supplement, but not to supplant, weatherization activities under the Weatherization Assistance Program (WAP).[4]

3 Retrieved from http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=876d7af1f1bae4b4759240776bde0413&rgn=div5&view=text&node=10:3.0.1.4.15&idno=10 on September 14, 2009.

4 For more on WAP, see *The American Recovery & Reinvestment Act: Understanding the Weatherization Assistance Program* (Green For All, 2009).

TIMELINE & KEY DATES

Application

March 12, 2009

DOE issued guidelines for SEP funds to State Energy Offices.

March 23, 2009

Initial application due.

May 12, 2009

Detailed application due.

Approval

June 17, 2009

Target date for initiating activities that will collectively use 50% of ARRA funds. ARRA sets this target as part of its preference for activities that can be started and completed expeditiously.

September 30, 2009

All ARRA funds must be obligated (i.e., committed but not necessarily spent).

Disbursement

DOE initially disbursed 10% of SEP funds to states to support their planning activities. It followed that by distributing 40% of SEP funds to states on the dates detailed below. Finally, DOE will release the remaining 50% of SEP funds when states meet the reporting, oversight, and accountability milestones required by ARRA.

Disbursement Dates

June 22, 2009

DOE awarded $48 million in SEP funds to two states.

- Iowa: $16 million
- Michigan: $32 million

June 24, 2009

DOE awarded more than $204 million in SEP funds to ten states.

- Arizona: $22.2 million
- Connecticut: $15.4 million
- Florida: $50.4 million
- Idaho: $11.4 million
- Kansas: $15.3 million
- Minnesota: $21.7 million
- South Carolina: $22.2 million
- South Dakota: $9.5 million
- Utah: $14.1 million
- Washington State: $24.3 million

June 25, 2009

DOE awarded more than $154 million in SEP funds to four states.

- California: $90.4 million
- Missouri: $22.9 million
- New Hampshire: $10.3 million
- North Carolina: $30.4 million

July 6, 2009

DOE awarded more than $153 million in SEP funds to seven states and territories.

- Arkansas: $15.7 million
- Georgia: $32.9 million
- Kentucky: $21 million
- Mississippi: $16.1 million
- Montana: $10.3 million
- New York: $49.2 million
- Virgin Islands: $8.2 million

July 10, 2009

DOE awarded more than $141 million in SEP funds to six states and territories.

- Hawaii: $10.37 million
- Maine: $10.9 million
- Nebraska: $12.4 million
- New Mexico: $12.7 million
- Northern Mariana Islands: $7.5 million
- Texas: $87.5 million

July 29, 2009

DOE awarded more than $54 million in SEP funds to four states.

- Nevada: $13.9 million
- Rhode Island: 9.58 million
- Vermont: $8.8 million
- Wisconsin: $22.2 million

August 14, 2009

DOE awarded more than $119 million in SEP funds to seven states and territories.

- Alabama: $22.2 million
- America Samoa: $7.4 million
- District of Columbia: $8.8 million
- Illinois: $40.5 million
- Maryland: $20.7 million
- North Dakota: $9.8 million
- Wyoming: $10 million

August 25, 2009

DOE awarded more than $51 million in SEP funds to three states and territories.

- Alaska: $14.1 million
- Guam: $7.6 million
- New Jersey: $29.5 million

All SEP funds must be spent by April 30, 2012.

PROGRAM FUNDING

How much money is Congress investing in SEP?

Congress has allocated $3.1 billion to the State Energy Program and will distribute that money by formula:

- 1/3 equally among all states and territories
- 1/3 according to population
- 1/3 according to energy consumption

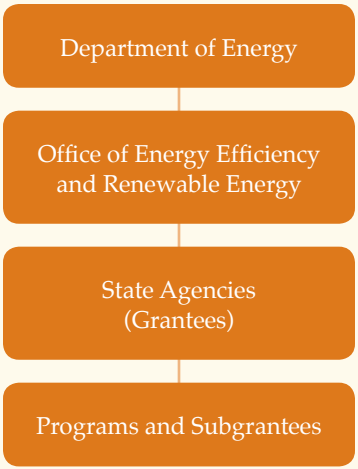
Each grantee will receive its funds according to the following schedule:

- Grantee will receive 10% of total allocation upon DOE approval of initial state applications. This amount is support the grantee in developing its SEP plan.
- Grantee will receive 40% of total allocation upon DOE approval of the grantee's State Plan.
- Grantee will receive 20% of total allocation upon demonstration that:
  - it has, under its procurement system, obligated (i.e., committed, but not necessarily spent) at least 50% of the previously awarded ARRA funds, and
  - it is complying with all reporting requirements, and jobs are being created.
- Grantee will receive the remainder upon demonstration that it is making continued progress in obligating the funds previously provided, complying with all reporting requirements, and creating jobs.
- If progress reviews reveal deficiencies, such as funds not obligated, failure to create jobs, insufficient project progress, or failure to meet reporting requirements, DOE will not provide further funds until these deficiencies are corrected.

Who is in charge of administering SEP funds?

Federal

At the federal level, the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE) is responsible for administering SEP funds to state energy offices. EERE sets the general guidelines for the program and provides technical assistance to state and local officials for their program activities. More information on EERE is available on its website: http://www.eere.energy.gov.



State

State energy offices manage the funds, setting guidelines for subgrant applicants. These offices also manage all work to deploy new renewable-energy and energy-efficiency technologies under SEP. Each state energy office can be found on the SEP page of DOE's website: http://apps1.eere.energy.gov/state_energy_program/seo_contacts.cfm.

REPORTING REQUIREMENTS

Quarterly Reporting

Every quarter, states must provide DOE with data on several activities and outcomes.

Building Codes and Standards

- Name of new code adopted
- Name of old code replaced
- Number of new and existing buildings covered by new code

Building Retrofits

- Number of buildings retrofitted, by sector
- Square footage of buildings retrofitted, by sector

Clean Energy Policy

- Number of alternative energy plans developed or improved
- Number of renewable portfolio standards established or improved
- Number of interconnection standards established or improved
- Number of energy efficiency portfolio standards established or improved
- Number of other policies developed or improved

Building Energy Audits

- Number of audits performed, by sector
- Floor space audited, by sector
- Auditor's projection of energy savings, by sector

Energy Efficiency Rating and Labeling

- Types of energy-consuming devices for which the grantee endorsed energy-efficiency rating and labeling systems

Government, School, Institutional Procurement

- Number of units purchased, by type (e.g., vehicles, office equipment, HVAC equipment, streetlights, exit signs)

Industrial Process Efficiency (kwh equivalents)

- Reduction in natural gas consumption (mmcf)
- Reduction in fuel oil consumption (gallons)
- Reduction in electricity consumption (MWh)

Loans and Grants

- Number and monetary value of loans given
- Number and monetary value of grants given

Renewable Energy Market Development

- Number and size of solar energy systems installed
- Number and size of wind energy systems installed
- Number and size of other renewable energy systems installed

Financial Incentives for Energy Efficiency and Other Covered Investments

- Monetary value of financial incentive provided, by sector
- Total value of investments incentivized, by sector

Technical Assistance

- Number of information contacts (for example, webinar, site visit, media, fact sheet) in which energy-efficiency or renewable-energy measures were recommended, by sector

Transportation

- Number of alternative fuel vehicles purchased
- Number of conventional vehicles converted to alternative fuel use
- Number of new alternative refueling stations emplaced
- Number of new carpools and vanpools formed
- Number of energy-efficient traffic signals installed
- Number of street lane-miles for which synchronized traffic signals were installed

Workshops, Training, and Education

- Number of workshops, training, and education sessions held, by sector
- Number of people attending workshops, training, and education sessions, by sector

Job Creation/Retention

- Number
- Type
- Duration

Annual Reporting

Every year, states must report to DOE three sets of metrics: energy savings, renewable-energy capacity and generation, and emissions reductions.

Energy Savings (kwh equivalents)

- Annual reduction in natural gas consumption (mmcf), by sector
- Annual reduction in electricity consumption (MWh), by sector
- Annual reduction in electricity demand (MW), by sector
- Annual reduction in fuel oil consumption (gallons), by sector
- Annual reduction in propane consumption (gallons), by sector

- Annual reduction in gasoline and diesel fuel consumption (gallons), by sector

Renewable-Energy Capacity and Generation

- Amount of wind-powered electric generating capacity installed (MW)
- Amount of electricity generated from wind systems (MWh)
- Amount of photovoltaic generating capacity installed (MW)
- Amount of electricity generated from photovoltaic systems (MWh)
- Amount of electric generating capacity from other renewable sources installed (MW)
- Amount of electricity generated from other renewable sources (MWh)

Emissions Reductions

- Amount of green house gases reduced (CO_2 equivalents)
- Amount of criteria air pollutants reduced (tons)

SEP activities that do not fit well into these metrics should be reported as they have been in the past.

RECOMMENDATIONS FOR SEP IMPLEMENTATION

This section summarizes the overall principles Green For All recommends for shaping an equitable and green recovery and provides some best practices with regard to how job training programs and other grantees can:

1. insert equity into SEP implementation plans;
2. demand a transparent and accountable public process to shape how states are allocating ARRA resources;
3. use existing policy levers to push for quality jobs, especially for those who need them the most;
4. expand and develop regional partnerships that implement sectoral employment strategies; and
5. advocate for targeted and coordinated approaches to spending ARRA funds.[5]

5 Adapted from *Bringing Home the Green Recovery* (Green For All and PolicyLink, 2009), which outlines six recommendations for the equitable ARRA implementation. See *Bringing Home the Green Recovery* at 9-13. For more recommendations, see the California Green Stimulus Coalition's recommendations at http://californiagreenstimulus.org/ (retrieved on September 14, 2009).

1. Insert equity into SEP implementation plans

Advocates may still have a chance to shape states' SEP implementations. While all states submitted their SEP applications to DOE on May 12, 2009, many are still drafting guidelines for how to make SEP funds available for additional SEP programs or competitive grants.

Advocates can start by reviewing their states' SEP applications and State Plans. Every state's application is public and can be found through its energy office website: http://apps1.eere.energy.gov/state_energy_program/seo_contacts.cfm.

Advocates should make the case for low-income communities. Low-income homeowners live in the oldest housing stock in America, making them the most vulnerable to increases in energy prices. ARRA is a great opportunity for projects that promote equity, improve our environment, and boost the economy.

The Appendix (page 21) provides helpful talking points for talking to local officials, state officials, or potential business partners.

Advocates may also have the opportunity to directly apply for program funds through their state energy offices. Those interested should find out from their state energy offices whether or not their states plan to award subgrants.

2. Demand a transparent and accountable public process to shape how states are allocating ARRA resources

The speed with which ARRA monies are flowing to states and localities, coupled with the broad discretion those entities have, creates a significant danger of deal-cutting and funding of pet projects that will not benefit the communities most in need.

Some state energy offices have not yet developed guidelines on how they will make SEP funds available for additional SEP programs or competitive grants. In these states, advocates should push for public hearings, citizen oversight boards, and other mechanisms at the local and state level to make decision-making transparent and to create democratic fora where the public can be heard. Finding a champion such as a state legislator, mayor, or city council member to push for this can be very helpful.

Some states have already developed their guidelines and implementation plans. In these states, advocates should push for public and transparent disclosure of the quarterly and annual outcomes of SEP programs on state websites, on city websites, and in other fora. Federal guidelines require states to collect some key data, including the number of jobs created, the energy cost savings, and the overall energy saved thanks to SEP programs. Advocates should push states to also collect data that, while not federally required, are critical to tracking how equitable these ARRA implementations are:

- the race, ethnicity, socio-economic status and gender of those benefiting from SEP funds (those who received jobs, training, etc.);
- the wages and benefits of any jobs created and supported through SEP funds; and
- the environmental benefits and impacts of SEP programs, and the geographic areas most directly impacted.

Advocates can make SEP implementation more equitable by encouraging states to strengthen oversight. State agencies should require an independent third party to verify the quality of services and to maximize energy savings. They can do this, for example, by requiring third-party verification before paying subgrantees, contractors and other implementers. In addition to the existing ARRA and SEP requirements, third-party evaluators may look at how the state's SEP programs perform in the following areas:

- **HERS rating:** Evaluators may require all energy-efficiency retrofit projects to comply with the Home Energy Rating System (HERS) rating to evaluate performance of services.
- **Wages:** Evaluators may insist that all laborers and mechanics implementing SEP projects receive

wages and benefits in accordance with prevailing wage law.

- **Coordination:** Evaluators may require all weatherization projects to demonstrate how they are leveraging and coordinating with similar programs to ensure SEP projects are as impactful as possible.

3. Utilize existing policy levers to push for quality jobs, especially for those who need them the most.

Strong community-labor coalitions have developed a set of finely honed and proven tools for maximizing the benefit of construction projects to the surrounding communities. These tools link job quality standards to job access requirements in an effort to lift up low-income workers and build the middle class. Broadly speaking, these tools include:

- Standards that establish job-quality and labor-peace standards that guard against low-road employer practices and union busting — including living wages[6] (on non-construction projects) or prevailing wages[7] (on construction projects), and Project Labor Agreements.
- Standards that require targeted hiring — including policies requiring that a portion (e.g., 30% or more) of total project work hours be performed by local workers, low-income residents, apprentices, or residents with barriers to employment.
- Policies that designate resources for pre-apprenticeship and non-traditional employment programs that provide pathways into jobs and careers for African-Americans, women, and other populations underrepresented in building trades occupations. The most successful "pathways out of poverty" training programs provide access to a range of services, including basic education, soft skills, on-the-job training, and wrap-around social support services.
- Standards that establish responsible contractor policies. Responsible contractor policies typically require contractors to provide OSHA safety training, have three consecutive prior years without wage or hour violations, pay workers prevailing wages, offer health insurance, employ workers (rather than classifying workers as independent contractors), participate in labor-

6 Living wages are determined by workers' costs of living. A living wage is the hourly rate that an individual must earn to support his or her family if he or she is the sole provider and is working full-time (2080 hours per year). For the minimum estimate of the cost of living for low-wage families, see Penn State University's "Poverty in America Living Wage Calculator" at http://www.livingwage.geog.psu.edu.

7 The Davis-Bacon Act defines prevailing wage as the hourly wage, usual benefits, and overtime paid in the largest city in each county to the majority of laborers and mechanics performing work in the same trade or occupation. The Act applies to laborers and mechanics working on construction projects. For wage determinations—which include wage rates and fringe benefit rates—for each classification of laborers and mechanics that the U.S. Department of Labor has determined to be prevailing in a given area for a particular type of construction (e.g., building, heavy, highway, or residential), see http://www.wdol.gov/index.aspx.

management certified training programs, and ensure labor peace.

4. Expand and develop regional partnerships that implement sectoral employment strategies

Just as not all industry sectors provide the same opportunity for living wage, career-track employment, not all sectors will be "stimulated" equally by Recovery Act funds. Local leaders will need to identify the industry sectors that are likely to be at the fulcrum of creating family-sustaining job on a large scale. They will also need to identify the most effective strategies for ensuring that low-income workers are prepared to compete for these new jobs. A key to meeting these needs is expanding and developing regional sectoral employment partnerships. These partnerships focus on a particular industry sector (e.g., energy efficiency) and work to link education and training to employer demand within a region. They rely on partnerships of key stakeholders—multiple firms, unions, education and training providers (such as community colleges), community organizations, and public agencies—to ensure that these linkages are strong. And they use a "dual customer" approach that satisfies the needs of both workers and employers.

5. Advocate for targeted and coordinated approaches to spending ARRA funds

ARRA uses a variety of public agencies and programs to create green jobs. Under normal circumstances, state and local governments often implement programs in silos, with too little of the coordination and alignment that could maximize effectiveness and avoid duplication. Making this mistake with an effort as multi-faceted as ARRA would be disastrous.

States can make the most of SEP investments by coordinating the funding with other ARRA-funded programs. States are already beginning to do this, combining SEP funds with investments from the Weatherization Assistance Program (WAP) and the Energy Efficiency and Conservation Block Grants (EECBG).[8]

It will be particularly important to put in place mechanisms that ensure the linkage between programs that create jobs and those that train people for jobs.

8 Arizona, Georgia, and Ohio's state energy offices support the weatherization of homes in low-income communities, and use SEP funds to leverage Weatherization Assistance Program (WAP) activities. For more information see http://apps1.eere.energy.gov/state_energy_program/topic_definition_detail.cfm/topic=109#example

CASE STUDIES

In this section, we look at how two different states are approaching the State Energy Program. Washington and Michigan have both adopted plans that multiply the impact of SEP investments by leveraging them against other funds and infrastructure. By investing intelligently, Washington and Michigan aim to create quality green jobs and measurable environmental improvements, with equal opportunity and equal protection principles underlying both.

Washington State: Neighborhood-Based Energy Efficiency Improvements

Washington State is using this new SEP funding as an opportunity to launch the Community-Wide Urban Residential and Commercial Energy Efficiency Program. This program will create neighborhood-based energy efficiency improvements in residential and commercial buildings. These improvements aim to help protect the environment, reduce energy bills, and create family-supporting jobs. This program allocates a total of $14.5 million for three or more large-scale energy-efficiency projects. The goal is to retrofit a total of 3,000 residences and 500 small commercial businesses by 2012. This will create 200-300 jobs and save an estimated 100 to 300 billion Btu in energy annually. Because the program takes a neighborhood-by-neighborhood approach to energy-efficiency retrofits as opposed to a building-by-building one, individual homes don't have to tackle the application process alone and can enjoy the benefits of energy efficiency sooner.

As directed by state legislation (SB 5649), the Washington Department of Community, Trade and Economic Development (CTED) will contract with the Washington State University (WSU) Extension Energy Program to implement this program's grants. Grants will go to neighborhood-wide energy efficiency projects that will:

- create employment opportunities for disadvantaged populations;
- use workers trained from workforce-training and apprenticeship programs;
- hire from the communities in which the projects are located; and
- pay prevailing wages.

With the help of volunteers, the program will reach out to customers in urban neighborhoods to provide assistance for energy audits and energy efficiency-related improvements. The program will also help customers secure financing for their portion of the retrofit costs. Washington is investing $5 million in SEP funds to provide

low- and moderate-income households with credit enhancements that will help them access these services. The state is also encouraging local jurisdictions to use EECBG funds to do the same. All contractors and auditors must be qualified to perform cost-effective energy-efficiency and weatherization services, and will be subject to the program's oversight.

Grantees must compile and report to the state certain performance metrics, including:

- the monetary and energy savings achieved;
- the savings-investment ratio for customers;
- the wage levels of jobs created;
- the use of pre-apprenticeship and apprenticeship programs; and
- the efficiency and speed of service delivery.

WSU will ensure the accuracy of these reports and provide the legislature with a progress report on all grant pilot programs at the end of each year.

WSU will also submit a report to the legislature that includes the following data:

- the number of jobs created or maintained;
- the number and type of individuals trained through workforce training and apprenticeship programs; and
- the number of veterans, members of the national guard, and individuals from low-income and disadvantaged populations employed by pilot programs.

Recording and reporting these data will help ensure that the SEP money will produce the greatest outcomes for the people most in need.

Washington's program will give priority to proposals that match the ARRA funds granted.

For more information about this program, see Washington's application for SEP funds: http://www.commerce.wa.gov/DesktopModules/CTEDPublications/CTEDPublicationsView.aspx?tabID=0&ItemID=7348&MId=863&wversion=Staging.[9] For information regarding SB 5649 see the Washington State Legislature's website: http://apps.leg.wa.gov/billinfo/summary.aspx?bill=5649.[10]

Michigan: Energy Efficiency and Green Workforce Development

Michigan's SEP plan emphasizes coordination with other state agencies and leveraging other ARRA funds to create and retain thousands of green jobs. The plan has three primary components:

1) implementing energy-efficiency upgrades and renewable-energy generation at state facilities, with a goal of reducing energy consumption in state-owned facilities by 25% by 2012;
2) facilitating the adoption and deployment of energy-efficiency and renewable-energy technologies in the private sector by supporting

9 Retrieved on September 14, 2009.

10 Retrieved on September 14, 2009.

the manufacture of components for these technologies; and

3) creating opportunities for wind energy.

Each of these three components will create jobs. The success of Michigan's SEP plan depends on having enough trained and available workers to fill those jobs. Knowing this, the state has created a separate, complementary program to train workers through its Green Jobs Training Initiative.

Michigan's SEP and worker-training plans are part of the state's larger, coordinated approach to the climate and energy investments in ARRA and other state investments. Michigan will use the federal Weatherization Assistance Program funds for weatherizing low income homes, the Energy Efficiency and Conservation Block Grant (EECBG) funds for city and county energy savings strategies, and additional state programs to weatherize homes and businesses.

This integrated approach will weatherize thousands of homes and businesses while significantly expanding Michigan's renewable energy component manufacturing industry. This will stimulate the state's economy, creating thousands of good jobs for newly trained Michigan residents.

For Michigan's complete SEP plan, see DELEG's website: http://www.michigan.gov/dleg/0,1607,7-154-25676-217548--,00.html.[11] For more information on the Green Jobs Training Initiative, see its website: http://www.michigan.gov/nwlb/0,1607,7-242-49026---,00.html.[12]

11 Retrieved on September 14, 2009.

12 Retrieved on September 14, 2009.

RESOURCES

National

White House Guidance

- *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*

  (April 3, 2009)

  http://www.recovery.gov/sites/default/files/m09-15.pdf

- *Ensuring Responsible Spending of Recovery Act Funds*

  (March 20, 2009)

  http://www.whitehouse.gov/the_press_office/Memorandum-for-the-Heads-of-Executive-Departments-and-Agencies-3-20-09

DOE and SEP Information

- Funding opportunity and application check list

  http://apps1.eere.energy.gov/state_energy_program/recovery_act.cfm

- SEP Strategic Plan

  http://apps1.eere.energy.gov/state_energy_program/strategic_implementation.cfm

- State Energy Program Fact Sheets

  http://apps1.eere.energy.gov/state_energy_program/sep_factsheets.cfm

- State Energy Office Project Briefs

  http://apps1.eere.energy.gov/state_energy_program/update/

National Organizations

- Green For All Recovery Resource Center:

  http://www.greenforall.org/get-involved/green-recovery-for-all/resources

- National Association of State Energy Officials

  http://www.naseo.org/

- Environmental Justice Stimulus Working Group

  http://ejstimulus.wordpress.com/recommendations/

State

- State Energy Office contacts

  http://apps1.eere.energy.gov/state_energy_program/seo_contacts.cfm

- Governors' letters of assurance

  http://www.energy.gov/InYourState.htm

- States for a Transparent and Accountable Recovery

  http://accountablerecovery.org/

- The DOE Golden Field Office (Golden, Colorado)

  http://www.eere.energy.gov/golden/

  The DOE Golden Field Office in Golden, Colorado, organizes the day-to-day business of the State Energy Program and interacts with energy offices and other state officials.

- National Energy Technology Laboratory (Pittsburgh, Pennsylvania)

  http://www.netl.doe.gov/

  The National Energy Technology Laboratory in Pittsburgh, Pennsylvania organizes the day-to-day business of the State Energy Program and interacts with energy offices and other state officials.

- California Green Stimulus Coalition

  http://californiagreenstimulus.org/

Local

- The DOE Technical Assistance Project

  http://apps1.eere.energy.gov/wip/tap.cfm

  The DOE Technical Assistance Project provides quick-turn-around technical assistance to state and local officials to help them with their renewable-energy and energy-efficiency programs.

APPENDIX: TALKING POINTS

1. **Older homes have higher energy bills.**
   - In the Northeast, older homes (those built prior to 1970) use 30% more energy per square foot than newer homes (those built since 1990).
   - In the South and Midwest, older homes are 20-25% less efficient than newer homes.
   - In the West, older homes are 10% less efficient than newer homes.[13]

2. **Low-income families spend four times as much of their income on energy costs as the average family — 14% vs. 3.5%.[14]**

3. **Low-income households often have to choose between energy bills, medical care, food and shelter. A survey conducted by the National Energy Assistance Director's Association[15] found that, of households that received federal home energy assistance:**
   - 47% went without medical care;
   - 25% failed to fully pay their rent or mortgage; and
   - 20% went without food for at least one day as a result of home energy costs.

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13 Enterprise Community Partners, *Bringing Home the Benefits of Energy Efficiency to Low-Income Households* (2008). Retrieved from http://www.practitionerresources.org/cache/documents/663/66381.pdf on September 14, 2009.

14 U.S. Department of Energy, http://apps1.eere.energy.gov/state_energy_program/project_brief_detail.cfm/pb_id=824.

15 National Energy Assistance Director's Association, *National Energy Assistance Survey* (2005). Retrieved from http://www.neada.org/communications/surveys/survey2005.pdf on September 14, 2009.

4. **ENERGY STAR-qualified homes save $200 to $400 every year because they use substantially less energy for heating, cooling, and water heating. This adds up to thousands of dollars in savings over the seven years the average resident lives in his or her home.[16]**

5. **According to the Department of Energy, a $1 million investment in weatherization programs in low-income communities creates 52 jobs in those communities.[17]**

16 ENERGY STAR, *Benefits for Homeowners*. Retrieved from http://www.energystar.gov/index.cfm?c=new_homes.nh_benefits on September 14, 2009.

17 Weatherization Assistance Program Technical Assistance Center, *Weatherization Assistance Program Overview*. Retrieved from http://www.waptac.org/sp.asp?id=1437 on September 14, 2009.

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Green For All is a national organization dedicated to improving the lives of all Americans through a clean energy economy. Green For All works in collaboration with the business, government, labor, and grassroots communities to create and implement programs that increase quality jobs and opportunities in green industry – all while holding the most vulnerable people at the center of its agenda.

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