



FEDERAL STIMULUS FUNDING FOR COLORADO ENERGY CONSERVATION AND EFFICIENCY PROJECTS

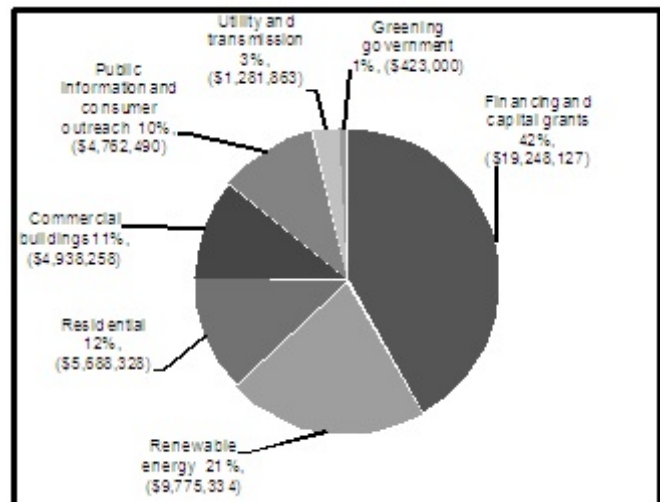
by Lauren Ris

The American Recovery and Reinvestment Act (AARA) was signed into law on February 17, 2009. The act appropriated \$787 billion for domestic spending and tax relief. Of this amount, Colorado is expected to receive \$5.48 billion in tax relief and a variety of grants, and direct funding. This issue brief specifically addresses funds appropriated for energy conservation and efficiency projects in Colorado, excluding tax relief provisions for individuals and businesses. In total, it is estimated that Colorado will receive approximately \$173 million for energy conservation and efficiency efforts.

State Energy Program. The U.S. Department of Energy's State Energy Program (SEP) received \$3.1 billion from the American Recovery and Reinvestment Act (ARRA) and is in turn providing funding to state energy offices. Colorado will receive about \$50 million in SEP funding over the next three years to invest in energy efficiency and renewable energy projects. The Governor's Energy Office (GEO), Colorado's state energy office, will receive this funding to implement its SEP strategic plan. The GEO received approval for the plan in July 2009. With this approval, the GEO received what is estimated to be a 40 percent (\$19.6 million) allocation of its SEP funds. The remainder of the expected funding will be allocated over the next three years. Figure 1 indicates GEO's planned distribution of SEP funds.

Figure 1

GEO Distribution of State Energy Program Funds



Source: Colorado Governor's Energy Office

These program areas will focus on the following activities:

- *Financing and capital grants* funding will be used to provide a suite of products (such as debt financing, loans, and grants) and to reduce financial barriers to using renewable energy and energy conservation measures.
- *Renewable energy* funding will be used to expand GEO's Renewable Energy Rebate and Grants programs, hold renewable energy workforce trainings, and develop a Renewable Energy Development Team to review and

shepherd renewable energy projects through the development process.

- *Residential funding* will be used to promote advanced energy codes and energy efficiency in new home construction and existing homes.
- *Commercial buildings* funding will focus on improving the energy efficiency of existing and new commercial buildings.
- *Public information and consumer outreach* funding will be used to provide information about energy efficiency and renewable energy measures available to consumers.
- *Utility and transmission education and outreach activities* funding will be used to provide information about climate policy, electricity generation, and general energy profile data on state utilities.
- *Greening government* funding will go towards implementing Governor Ritter's Greening Government Executive Orders to reduce the environmental impact of state government.

Weatherization. The U.S. Department of Energy's Weatherization Assistance Program received \$5 billion from the ARRA to expedite the weatherization of low-income homes. It is estimated that Colorado will receive about \$80 million of this funding over the next three years. The GEO will use this funding to expand the delivery of weatherization services to the homes of Colorado's low-income residents through its existing Weatherization Program and to strengthen the network of service delivery providers.

GEO's Weatherization Program, in partnership with local agencies and the U.S. Department of Energy, offers Colorado's low-income residents the opportunity to access free cost-effective energy efficiency services. Residents are automatically eligible for these free energy efficiency services if they are receiving financial assistance from Temporary Assistance for Needy Families, Old Age Pension, Supplemental Security Income, medicaid, or the Low Income Energy Assistance Program (LEAP).

Eligibility can also be determined by annual household income. Residents interested in applying for services through this program should contact their local utility.

Energy Efficiency and Conservation Block Grants. The U.S. Department of Energy was appropriated \$2.7 billion under AARA to provide funding to local and state government, Indian tribes, and territories to develop and implement projects to improve energy efficiency and energy conservation. In total, Colorado will receive approximately \$43 million in Energy Efficiency and Conservation Block Grants funding.

The U.S. Department of Energy will automatically distribute 78 percent (\$33.5 million) of this amount to 20 Colorado cities, 10 counties, and 2 Native American Tribes based on a population-related formula. The GEO is responsible for allocating the remaining \$9.5 million for statewide energy efficiency programs and projects. At least 60 percent of this funding (\$5.7 million) must be distributed to cities and counties that did not receive a direct allocation of the block grant funding from the department.

The GEO plans to use the funding to provide energy efficiency services to local communities including code training, assistance with establishing local building standards, and local incentive-based programs for homeowners and businesses. The GEO submitted its plan for the funding to the U.S. Department of Energy in June of 2009 and expects to receive plan approval by November 2009.

Additional information. More information about GEO programs and the funding Colorado is expected to receive through ARRA is available through the following resources:

- Colorado Governor's Energy Office
www.colorado.gov/energy
- Colorado Governor's Office
www.colorado.gov/recovery