



# AMERICAN RECOVERY AND REINVESTMENT FUNDS FOR LOCAL GOVERNMENT

# STIMULUS FUNDING



## Energy Efficiency & Conservation Block Grants (EECBG)

**\$75 million to help state and local governments achieve energy efficiency**

**\$61 MILLION**

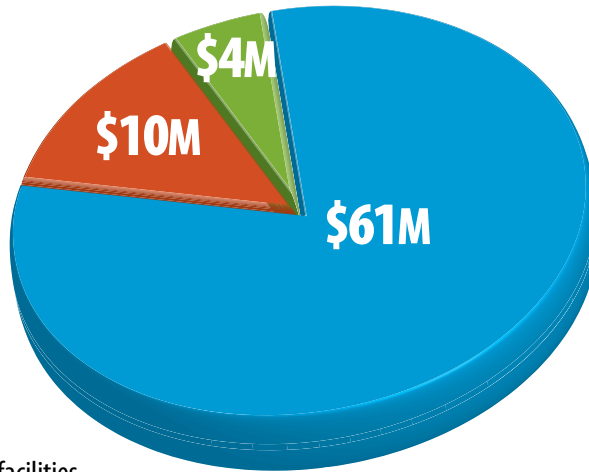
in direct grants from USDOE to 65 municipalities and 10 counties based on population and energy consumption

**\$10 MILLION**

available to all municipalities and counties not eligible for direct grants

**\$4 MILLION**

to improve energy efficiency of state facilities (in combination with \$6 million from SEP funding)



Now more than ever before, there are ways for local governments to save energy and help the environment. Most municipalities and counties can do this by participating in the Local Government Energy Audit (LGEA) Program offered through New Jersey's Clean Energy Program, which is administered by the Board of Public Utilities (BPU). Improve the energy efficiency of your municipal buildings and facilities... and get paid for it!

The American Recovery and Reinvestment Act (ARRA) allocated \$75 million for Energy Efficiency and Conservation Block Grant funds. Using a formula based on population and energy consumption, the U.S. Department of Energy designated 75 municipalities and counties for the direct grants totaling \$61 million. Another \$10 million will be available as \$20,000 rebates to assist municipalities and counties that are ineligible for the direct block grants. We'll help you identify cost-justified, qualified energy efficiency measures—and we'll subsidize the cost of the audit, up to 100%.

## 6 STEPS TO COMPLEMENT FEDERAL ENERGY EFFICIENCY EFFORTS

### ■ STEP 1 Call 866-NJSMART

The Clean Energy Program has experts available to guide you through each step of your EE project. Explain that you would like to participate in the Local Government Energy Audit (LGEA) Program, and they will work with you to complete the application process.

### ■ STEP 2 Identify Your Project

Identify buildings or facilities for an energy efficiency upgrade. A review of your energy bills can help you identify areas with particularly high electricity costs and the greatest potential savings. Older buildings or those with antiquated equipment are prime targets.

### ■ STEP 3 Select a Certified Energy Audit Firm

The LGEA Program can provide a list of certified energy auditing firms. Prior to the audit, gather energy bills, as-built drawings or any other documents that might assist the auditor. Auditing costs typically range from 15 to 75 cents/square foot, depending on the size of the building to be inspected. The LGEA program will reimburse you for at least 75% of that cost and your project can qualify for the additional 25% if you undertake recommended efficiency measures that are at least equal to that amount.

The audit process will be far more successful if you actively participate. Have the person most knowledgeable about the building on hand at the audit. It may take the auditor more than one visit to complete the audit. The completed audit will provide a baseline measurement so that future costs and performance information can be compared and progress can be measured.

### ■ STEP 4 Identify Energy Efficiency Projects and Financing

Once your audit is completed, the LGEA program representatives can assist you in determining how to make best use of the energy audit recommendations and which of them qualify for incentives. They will assist you in determining the scope of work, and explain what authorizations are required from your governing body. Technical and design help is also available from the NJBPU, which will help defray the cost of these preliminary steps.

LGEA representatives can also explain recent changes in the law that authorize performance contracting that can help cover the balance of the project costs. Under legislation signed by Governor Corzine in January, local governments are allowed to enter into long-term financing agreements for energy-related improvements. This important revision to public contracting law enables local governments to pay for energy efficiency retrofits the same way they finance construction of a road or a new building. You create an energy savings improvement plan with the assistance of either an energy services company (an ESCO) or with your own engineering professionals. The ESCO and municipality may enter into a contract that enables the municipality to finance the project cost through the value of its energy savings. Municipalities have the option of entering into the type of agreement in which the ESCO guarantees that the energy savings will cover the cost. (A similar approach can be used to cover the cost of solar panels, biomass, or wind projects that are not covered by the Clean Energy renewable energy incentives.) Once more, contact a Clean Energy Program Representative for help in making a performance contract work for you.

### ■ STEP 5 Put an RFP Out for Bid

Your LGEA energy auditing firm will assist you in preparing a Request for Proposal document so that you can select a qualified firm to implement retrofits identified during your audit. Your energy auditors are prohibited from bidding on projects resulting from their audits.

### ■ STEP 6 Repeat

Continue to implement the energy efficiency and renewable technology recommendations identified in your energy audit and make your municipality's financial resources go further.

For additional information, visit

[NJCleanEnergy.com](http://NJCleanEnergy.com) or 866-NJSMART



# STIMULUS FUNDING



## State Energy Program (SEP)

**\$73 million to expand renewable energy & energy efficiency**

**\$15 MILLION**

to be made available for grants and loans to public and private entities for renewable energy technology and energy efficiency/alternative energy projects

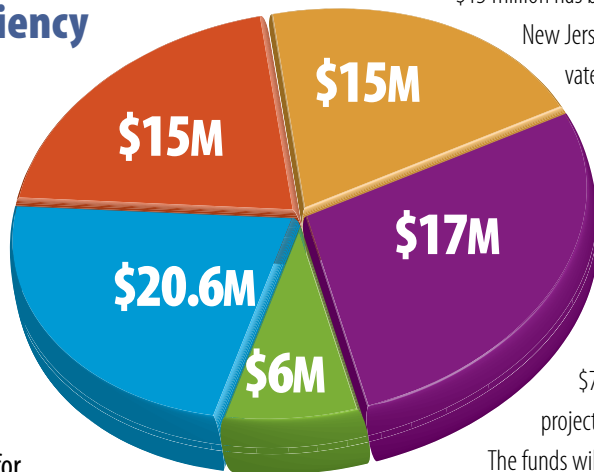
**\$15 MILLION**

to be made available for low-interest loans for energy efficiency in multifamily homes and solar for income-qualified single and multifamily homes

**\$20.6 MILLION** has been awarded to seven agencies following a competitive bidding process for renewable energy and energy efficiency projects

**\$17 MILLION** for energy efficiency for oil and propane customers and customers of municipality-owned electric utilities through New Jersey's Clean Energy Program

**\$6 MILLION** to be combined with \$4 million from the Block Grant Program to improve the energy efficiency on state facilities.



### GRANTS AND LOANS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY AND ALTERNATIVE ENERGY APPLICATIONS

\$15 million has been dedicated for a competitive grant program administered by the New Jersey Economic Development Authority (EDA) to fund public and private Class 1 or Class 2 renewable energy technology, energy efficiency and alternative energy projects. Information about applications and specifics, when available, will be posted at: [www.njeda.org](http://www.njeda.org)

### NJ HOUSING AND MORTGAGE FINANCE AGENCY (HMFA) SOLAR FINANCING PROGRAM FOR RESIDENTIAL SOLAR

\$7 million has been allocated for grants to construct solar energy projects on HMFA income-qualified single and multifamily buildings. The funds will be leveraged with existing state rebate programs and the federal investment tax credit. HMFA will own the Solar Renewable Energy Credits (SRECs) and the funds generated by the credits will be used to establish a revolving fund to finance additional solar installations. Application information, when available, will be posted at: [www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)

### NJ HOUSING AND MORTGAGE FINANCE AGENCY LOW-INTEREST LOAN PROGRAM FOR RESIDENTIAL ENERGY EFFICIENCY

\$8 million will be used for low-interest loans to finance energy efficiency upgrades at single-family and multifamily homes. Loan repayments will be used to establish a revolving loan fund to finance additional energy efficiency projects. These loans will be for households at or below 250% of Area Median Income (the higher of statewide or county median income) based on a family of four, and affordable multifamily building owners that meet HMFA affordability requirements. These loans can also benefit those ineligible for other equivalent financing programs offered by the utilities or New Jersey's Clean Energy Program. Application information, when available, will be posted at: [www.state.nj.us/dca/hmfa](http://www.state.nj.us/dca/hmfa)

## STAY TUNED!

As program details are finalized, information will be posted on the websites of the responsible agencies as well as [www.nj.gov/recovery](http://www.nj.gov/recovery).