









5 Winning Strategies for Securing Energy Efficiency and Conservation Block Grants

Pre-Applications are due on July 31, 2023

The Energy Efficiency and Conservation Block Grant (EECBG) is a flexible block grant designed to boost state and local government capacity to address climate change, energy efficiency and environmental resilience (see slide 13 for a list of eligible activities). The Bipartisan Infrastructure Law (BIL) authorized one-time direct formula grants under EECBG, which will be allocated in the coming months.

| Key Features of EECBG Formula Grants | |
|--------------------------------------|---|
| Total Funding | \$299 million in formula grants to local governments (see here for specific allocations) |
| Eligible Cities | Municipalities with populations greater than 35,000 or the top 10 most populous cities in a state |

Below are several strategies eligible cities can use to effectively implement and apply EECBG funding.

#1 Link EECBG Funding to Broader Climate and Energy Conservation Goals

EECBG applicants are required to complete an "Energy Efficiency and Conservation Strategy," (EECS), which details how funds will be used and should demonstrate that applicants are thinking holistically about how this grant intersects with their climate goals. Given that the funding is flexible, cities have considerable latitude to tailor the funding towards projects that help meet their needs.

Cities with existing climate action plans should reference those in their EECS, and ensure that there is synergy between the two documents. The Department of Energy has also developed <u>blueprints</u> (page 17 in the link) of eligible projects that cities can follow. Applicants that choose to follow a DOE blueprint are subject to a reduced application processing timeline and fewer reporting requirements.

EECBG Blueprint Offerings

1) Energy Planning

2) Energy Efficiency

- Building Audits and Retrofits, including grid interactivity and electrification
- Energy Savings Performance Contracts for Efficiency & Electrification in Municipal Buildings
- Building Efficiency & Electrification Campaign
- Building Performance Standards for Existing Buildings and Stretch Codes for New Construction













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EECBG Blueprint Offerings (cont.)

3) Renewables

- Solar (and battery storage) Power Purchase Agreement
- Community Solar
- 4) Transportation
 - Electric Vehicles for Municipal Fleets
- Solarize Campaign
- Renewable Resource Planning for Communities
- EV Charging Infrastructure for the Community
- 5) Unlocking Sustainable Financing Solutions for Energy Projects and Programs
- 6) Workforce Development

#2 Use EECBG as seed funding for broader projects

EECBG formula funding is flexible, which means it can be leveraged as seed funding for an array of larger projects that incorporate other sources of federal, private and/or philanthropic funding. This is important to maximize the impact of the EECBG program and to demonstrate how it can be used to leverage additional resources or invest a city's own energy efficiency funding wisely.

For example, cities can use EECBG funding <u>in tandem with</u> Inflation Reduction Act tax incentives to improve the energy efficiency of wastewater treatment plants. EECBG funding can also be used alongside funding from the <u>Charging and Fueling Infrastructure</u> <u>Discretionary Grant Program</u> to support electric vehicle charging stations.

#3 Cities can apply for grants or vouchers

EECBG applicants have the option of choosing a grant or voucher, both of which provide different benefits to applicants. In general, grants have greater flexibility in terms of eligible activities, but vouchers carry reduced processing times and fewer administrative requirements.

Grant: A wide range of energy efficiency and environmental projects are eligible for grant funding; applicants can either select an aforementioned "blueprint" or choose to use the funding for a unique project (pages 3-4 of this document list all of the eligible activities for EECBG grants). As mentioned, grant funding is held to higher reporting standards relative to vouchers, which increases administrative requirements.

Voucher: Voucher funding can be used for technical assistance services, as well as equipment purchases and installation rebates for a range of energy efficiency products and services; recipients are connected directly with experts who can assist them in using their vouchers. Vouchers are also held to lower reporting requirements and are subject to a streamlined application process, which can be particularly beneficial to resource-constrained municipalities.











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#4 Align with Justice40 Goals

Justice40 is an Administration-wide initiative that seeks to ensure that 40 percent of the benefits that stem from federal climate funding flow towards disadvantaged communities that have been disproportionately impacted by climate change. To meet this goal, applicants are encouraged to use EECBG funding to promote equity and can use the Department of Energy's <u>Disadvantaged Communities Reporter</u> to identify underserved communities. The Disadvantaged Communities Reporter is a mapping tool that incorporates economic and environmental metrics to identify disadvantaged census tracts.

#5 Consider partnering with your state or a neighboring local government

Communities who want to maximize the impact of their EECBG funding can partner on an application and pool grant resources, a strategy that can be particularly effective for regional projects and for smaller towns and cities. For example, neighboring municipalities could partner to use EECBG funds to hire an energy auditor to serve both towns and assess energy use and efficiency. At a larger scale, the Resilient Mystic Collaborative is a voluntary partnership of twenty towns and cities in Massachusetts who have joined forces to develop interventions that mitigate extreme heat. Cities can also partner with their state for larger regional projects. For example, Chattanooga, TN has partnered with the Tennessee Department of Transportation and a DOE National Laboratory to develop innovative mobility solutions to transportation to improve efficiency and safety. Ultimately, these types of partnerships can better leverage EECBG funding to improve environmental resilience and energy efficiency.