

# HR 1 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

## ENERGY-RELATED FUNDING SUMMARY

UPDATED APRIL 10, 2009

CALIFORNIA ENERGY COMMISSION • WWW.ENERGY.CA.GOV/RECOVERY

### ENERGY AND CLIMATE

Conference Agreement National Total	<b>\$37,150,000,000</b>	California Share (AS OF APRIL 2009)	<b>\$1,401,794,910</b>
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#### State Energy Program

Conference Agreement National Total	<b>\$3,100,000,000</b>
California Share	<b>\$226,093,000</b> (Energy Commission allocation)

##### PROGRAM COMMENTS

The California Energy Commission was allocated \$226 million on March 12, 2009 to support various programs in residential, commercial, transportation, industrial, institutional, and agricultural energy efficiency in renewable energy research and deployment and in transmission planning.

##### STATUS

State Energy Program monies awarded by the DOE to States. Guidelines available.

Application from California to the Department of Energy (DOE) due May 12, 2009. State application process **not** available yet.

#### Energy Efficiency & Conservation Block Grant Program

Conference Agreement National Total	<b>\$3,200,000,000</b> (Includes \$400 million to be awarded on a competitive basis)
California Share	<b>\$351,500,000</b> (Total California award)
	<b>\$49,600,000</b> (Energy Commission allocation)

##### PROGRAM COMMENTS

California was allocated \$351.5 million on March 26, 2009 for local governments to use for projects and programs to reduce total energy use. About \$302 million goes directly to large cities and counties. **Interested parties are encouraged to contact their local city or county directly for ways to**

**partner for the Block grant funding and assist local governments meet these goals.** The Energy Commission has been allocated \$49.6 million and will make 60 percent of these funds (\$29.7 million) available to small cities and counties through a competitive grant program. The remaining 40 percent can be expended at the Energy Commission's discretion for Energy Independence Security Act-related (EISA) activities. The DOE allocations for individual cities and counties block grants and the program guidelines are available at this website.

##### STATUS

Block Grant Program monies awarded to large local governments and state agencies on March 26, 2009. Guidelines available here. State application process **not** available yet.

#### Transportation electrification

Conference Agreement National Total	<b>\$400,000,000</b>
California Share	<b>COMPETITIVE</b>

These competitive grants could be used for a variety of infrastructure electrification efforts.

##### PROGRAM COMMENTS

Funds could be used by ports for portside electric power for ships and electrification of drayage trucks, truck-stop electrification, and airport support equipment electrification. Includes plug-in electric drive program as authorized in Section 131 of the EISA.

Recipients likely to be states, local governments, port authorities and metropolitan transportation authorities.

##### STATUS

Solicitations released March 19, 2009. Applications to DOE due May 13 and 19, 2009.

## Smart Grid

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Conference Agreement National Total	<b>\$4,500,000,000</b>
California Share	COMPETITIVE

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For research and development of smart grid technologies.

### PROGRAM COMMENTS

Proposed 50% cost match for private smart grid demonstration projects.

Expect release of the solicitation soon to support regional demonstrations, utility-scale energy storage demonstration and synchrophaser demonstrations.

### STATUS

Notice of Intention (NOI) originally released and then pulled. No new information on when NOI will be re-issued.

## Diesel Emissions Reduction Act

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Conference Agreement National Total	<b>\$300,000,000</b>
California Share	COMPETITIVE

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For diesel truck and equipment owners to retrofit or replace equipment, school bus replacement, marine engines and locomotives.

### PROGRAM COMMENTS

Increases funding for an existing program through the U.S. EPA's National Clean Diesel Funding Assistance Program. Funding split 70% (National) – 30% (State). National program (\$206 million) is allocated among three national programs areas. State program funding is \$88 million.

### STATUS

Applications requesting EPA funding between \$500,000 to \$10 million will be accepted for Region (that includes California). Application deadlines vary between April 28 – May 5, depending on program.

## Clean Cities

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Conference Agreement National Total	<b>\$300,000,000</b>
California Share	COMPETITIVE

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Acquisition of alternative fuel or fuel-cell vehicles.

### PROGRAM COMMENTS

Competitive grant program for state and local governments to purchase energy efficient alternative fuel vehicles. Authorized under Section 721 of the EPAct of 2005. Anticipated award size is \$5 million minimum to \$15 million maximum for Alternative Fuel and Advanced Technology Vehicles Pilot Program (Funding Area of Interest 4).

### STATUS

Solicitation released March 10, 2009.

Applications to DOE due May 29, 2009 (Round 1) and Sept 30, 2009 (Round 2).

## GSA Federal Buildings and Vehicle Fleet

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Conference Agreement National Total	<b>\$5,000,000,000</b>
California Share	COMPETITIVE

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Energy efficiency upgrades for ready-to-go building projects and fleet upgrades.

### PROGRAM COMMENTS

No determination on which federal buildings in which states might be eligible for funding.

\$300 million for replacing Federal fleet with more efficient vehicles.

\$4.5 billion to convert General Services Administration facilities to high-performance green buildings.

## Renewable Energy Loan Guarantees

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Conference Agreement National Total	<b>\$6,000,000,000</b>
California Share	COMPETITIVE

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For loans and renewable power generation and transmission projects.

### PROGRAM COMMENTS

Competitive grants for projects that avoid and lower air pollutants and green house gas emissions as authorized under Title XVII of EPCA 2005.

## Clean Fossil Energy

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Conference Agreement National Total	<b>\$3,400,000,000</b>
California Share	COMPETITIVE

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Carbon capture and sequestration technology projects.

### PROGRAM COMMENTS

Competitive grants. Recipients are to be determined, but likely will include states, utilities and private entities and partnerships.

### STATUS

Notice of Intention (NOI) released in late February. DOE laboratories will likely receive direct allocations.

## Bonneville and Western Power Administration

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Conference Agreement National Total	<b>\$6,500,000,000</b>
California Share	N/A

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Increased loan and borrowing authority for new construction and upgrading of electric power transmission lines and related facilities.

### PROGRAM COMMENTS

\$3.25 billion in loans to Western Power Administration.

\$3.25 billion in borrowing authority to Bonneville Power Administration.

## Energy Efficiency and Renewable Energy Research and Advanced Battery Research

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Conference Agreement National Total	<b>\$3,400,000,000</b> (includes \$2 billion for advanced battery system and vehicle batteries)
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California Share	COMPETITIVE
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### PROGRAM COMMENTS

Competitive grants for energy efficiency and renewable energy research, development, demonstration and deployment to universities, business and national laboratories.

No less than \$800 million for biomass projects and \$400 million for geothermal projects, leaving about \$1.2 billion for other energy efficiency and renewable energy research.

# OTHER ENERGY-RELATED PROGRAMS

## Energy Efficient Appliance Rebate Program and Energy Star Recovery Funding

Conference Agreement National Total	<b>\$300,000,000</b>
California Share	COMPETITIVE

### PROGRAM COMMENTS

Created in Section 124 of the EPCA of 2005. States may receive funding if they have a rebate program for Energy Star products and submit an application to DOE.

### STATUS

DOE guidelines have not been released.

## Research, Development, Demonstration, and Deployment (ARPA-Energy)

Conference Agreement National Total	<b>\$400,000,000</b>
California Share	COMPETITIVE

### PROGRAM COMMENTS

Authorized under Section 5012 of the America Competes Act.

### STATUS

No funding opportunity notices have been released, but DOE National Laboratories are receiving direct allocations. California national laboratories have received \$1.2 billion to date.

# COMMUNITY SERVICES & DEVELOPMENT

[CSD.CA.GOV/RECOVERY/RECOVERY.ASPX](http://CSD.CA.GOV/RECOVERY/RECOVERY.ASPX)

Conference Agreement National Total	<b>\$6,000,000,000</b>	California Share	<b>\$185,811,061</b>
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## Department of Energy Weatherization Assistance Program

Conference Agreement National Total	<b>\$5,000,000,000</b>
California Share	<b>\$185,811,061</b>

### PROGRAM COMMENTS

Funds to be distributed to states through the existing DOE Weatherization Assistance Program formula to provide additional free installation of weatherization measures that increase the energy efficiency of dwellings occupied by low-income persons.

Client eligibility is increased to 200 percent of the federal poverty level and the dwelling assistance cap would be increased from \$2,500 to \$5,000.

### STATUS

Weatherization Assistance monies awarded by DOE to states March 12, 2009.

# HOUSING

HCD.CA.GOV/ECONRECOV

Conference Agreement National Total	<b>\$6,700,000,000</b>	California Share	<b>\$638,290,842</b>
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## Homeless Assistance Grants

Conference Agreement National Total	<b>\$1,500,000,000</b>
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California Share	<b>\$189,086,299</b>
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### PROGRAM COMMENTS

Grants to Emergency Shelter Programs to provide short term rental assistance, housing relocation, and stabilization services.

## Community Development Block Grant

Conference Agreement National Total	<b>\$1,000,000,000</b>
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California Share	<b>\$123,327,429</b>
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### PROGRAM COMMENTS

Programs to help distressed areas counter the economic downturn. Distributed based on 2008 formula for Entitlement areas.

## Neighborhood Stabilization

Conference Agreement National Total	<b>\$2,000,000,000</b>
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California Share	COMPETITIVE
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### PROGRAM COMMENTS

To be distributed based on competitive applications. HCD is working through a regional economic development structure to build coalitions of local governments and non-profits to apply jointly for funding to maximize leverage.

## Tax Credit Assistance Program (TCAP)

Conference Agreement National Total	<b>\$2,250,000,000</b>
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California Share	<b>\$325,877,114</b>
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### PROGRAM COMMENTS

Funds flow to the California Tax Credit Allocation Committee.

The Tax Credit Allocation Committee has indicated it is likely to partner with the State housing agencies in administering these funds.



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## ENERGY-RELATED TAX CREDITS AND FINANCIAL INCENTIVES

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### Tax Credits for Energy-Efficient Improvements to Existing Homes

Final ACT Estimates **\$2,300,000,000**

#### COMMENTS

The bill extends the tax credits for improvements to energy-efficient existing homes through 2010. Under current law, individuals are allowed a tax credit equal to 10% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements installed during the year. This tax credit is capped at \$50 for any advanced main air circulating fan, \$150 for any qualified natural gas, propane, oil furnace or hot water boiler and \$300 for any item of energy-efficient building property. For 2009 and 2010, the bill increases the amount of the tax credit to 30% of the amount paid or incurred by the taxpayer for qualified energy efficiency improvements during the year. The bill also eliminates the property-by-property dollar caps on this tax credit and provides an aggregate \$1,500 cap on all property qualifying for the credit. The bill updates the energy-efficiency standards of the property qualifying for the credit.

### Long-term Extension and Modification of Renewable Energy Production Tax Credit

Final ACT Estimates **\$13,143,000,000**

#### COMMENTS

The bill extends the placed-in-service date for wind facilities for three years (through Dec. 31, 2012). The bill also extends the placed-in-service date for three years (through Dec. 31, 2013) for certain other qualifying facilities: closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities.

### Temporary Election to Claim the Investment Tax Credit in Lieu of the Production Tax Credit

Final ACT Estimates **\$285,000,000**

#### COMMENTS

Under current law, facilities that produce electricity from solar facilities are eligible to take a 30% investment tax credit in the year that the facility is placed in service. Facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy and marine renewable facilities are eligible for a production tax credit. The production tax credit is payable over a 10-year period. Because of current market conditions, it is difficult for many renewable projects to find financing due to the uncertain future tax positions of potential investors in these projects. The bill allows facilities to elect to claim the investment tax credit in lieu of the production tax credit.

### Qualified Energy Conservation Bonds

Final ACT Estimates **\$803,000,000**

#### COMMENTS

The bill authorizes an additional \$2.4 billion of qualified energy conservation loans and grants to finance state, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. The bill would also clarify that qualified energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs. The bill also clarifies that qualified energy conservation bonds may be used for programs in which utilities provide ratepayers with energy-efficient property and recoup the costs of that property over an extended period of time.

## Removal of Dollar Limitations on Certain Energy Credits

Final ACT Estimates **\$872,000,000**

### COMMENTS

Under current law, businesses are allowed to claim a 30% tax credit for qualified small wind energy property (capped at \$4,000). Individuals are allowed to claim a 30% tax credit for qualified solar water heating property (capped at \$2,000), qualified small wind energy property (capped at \$500 per kilowatt of capacity, up to \$4,000), and qualified geothermal heat pumps (capped at \$2,000). The bill repeals the individual dollar caps. As a result, each of these properties would be eligible for an uncapped 30% credit.

## Clean Renewable Energy Bonds

Final ACT Estimates **\$578,000,000**

### COMMENTS

The bill authorizes an additional \$1.6 billion of new clean renewable energy bonds to finance facilities that generate electricity from the following resources: wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, marine renewable and trash combustion facilities. This \$1.6 billion authorization will be subdivided into thirds: qualifying state/local/tribal government projects; qualifying projects of public power providers; and qualifying projects of electric cooperatives.

## Plug-in Electric Drive Vehicle Credit

Final ACT Estimates **\$2,002,000,000**

### COMMENTS

The bill modifies and increases a tax credit passed into law at the end of last Congress for plug-in electric drive vehicles placed in service during the year. The base amount of the credit is \$2,500. If the qualified vehicle draws propulsion from a battery with at least 5 kilowatt hours of capacity, the credit is increased by \$417, plus another \$417 for each kilowatt hour of battery capacity in excess of 5 kilowatt hours up to 16 kilowatt hours. Taxpayers may claim the full amount of the allowable credit up to the end of the

first calendar quarter in which the manufacturer records its 200,000th sale of a plug-in electric drive vehicle. The credit is reduced in following calendar quarters. The credit is allowed against the alternative minimum tax. The bill also restores and updates the electric vehicle credit for plug-in electric vehicles that would not otherwise qualify for the larger plug-in electric drive vehicle credit and provides a tax credit for plug-in electric drive conversion kits.

## Tax Credits for Alternative Refueling Property

Final ACT Estimates **\$54,000,000**

### COMMENTS

The alternative refueling property credit provides a tax credit to gas stations that install alternative fuel pumps, such as fuel pumps that dispense E85 fuel, electricity, hydrogen and natural gas. For 2009 and 2010, the bill increases the 30% alternative refueling property credit for businesses (capped at \$30,000) to 50% (capped at \$50,000). Hydrogen refueling pumps remain at a 30% credit percentage; however, the cap for hydrogen refueling pumps will be increased to \$200,000. In addition, the bill increases the 30% alternative refueling property credit for individuals (capped at \$1,000) to 50% (capped at \$2,000).

## Treasury Department Energy Grants in Lieu of Tax Credits

Final ACT Estimates **\$5,000,000**

### COMMENTS

Under current law, taxpayers are allowed to claim a production tax credit for electricity produced by certain renewable energy facilities and an investment tax credit for certain renewable energy property. These tax credits help attract private capital to invest in renewable energy projects. Economic conditions have undermined the effectiveness of these tax credits. As a result, the bill allows taxpayers to receive a grant from the Treasury Department in lieu of tax credits. This grant will operate like the current-law investment tax credit. The Treasury Department will issue a grant in an amount equal to 30% of the cost of the renewable energy facility within 60 days of the facility being placed in service or, if later, within 60 days of receiving an application for such grant.