



State of Arizona

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Governor Brewer Announces Application for Federal Stimulus Energy Programs

PHOENIX – Governor Jan Brewer has submitted the state's application for the State Energy Program through the American Recovery and Reinvestment Act (ARRA) to the U.S. Department of Energy.

"These funds are directed by federal formula to the states. I have chosen to direct the largest portion of the funds requested in this application, approximately \$20 million, to the completion of energy efficiency and renewable energy projects for Arizona's public schools," Governor Brewer stated. "Investing in a modern and efficient infrastructure in our schools and some public buildings is the most responsible use of this significant one-time funding mechanism. Many Arizona schools still have inefficient lighting and HVAC systems, and this funding would create jobs by allowing completion of cost effective energy projects."

The State Energy Program Grants are awarded on a formula basis to state energy offices. As part of the ARRA, \$3.1 billion is dedicated to these programs nationally with \$55.447 million flowing to Arizona.

The State Energy Program is a 30 year-old program that focuses on energy efficiency and renewable energy programs and projects. These programs are the front lines of the country's efforts to use energy more efficiently and increase the use of renewable energy.

Based upon recommendations from the Arizona Department of Commerce Energy Office, the Governor submitted the following recommendations identifying programs for ARRA funding as the most significant way to create jobs and other economic benefits for Arizonans in the next six to 18 months.

- **School K-12 Grant Program and Energy Performance Contracting:** Allocates \$20 million to the School Facilities Board to complete energy efficiency and renewable energy projects in

schools. The SFB will be able to leverage both private capital through energy saving performance contracts and utility company rebate programs to make energy improvements in schools statewide. Project examples include lighting upgrades, energy control systems, air conditioning and heating upgrades, solar water heating, and solar photovoltaic.

- **State Building Energy Performance Contracting Program:** Allocates \$10 million to energy improvements in State buildings. The Arizona Department of Administration will administer the program and leverage private capital for improvements through the use of energy saving performance contracting.
- **Distributed Energy Leadership Program:** Allocates \$10 million of ARRA funds to increase or match incentives provided by the state's public utilities for distributed energy projects including solar water heating, solar PV, wind, and combined heat and power projects. These funds would benefit homeowners, small or big businesses, and governmental entities.
- **Revolving Energy Loan Program:** Allocates \$2 million to establish a Revolving Energy Loan Program to provide a sustainable source of financing for cost-effective energy efficiency and renewable energy projects in Arizona for commercial businesses and loans for manufacturers of energy efficiency and renewable energy products to expand their manufacturing facilities.
- **Agricultural Renewable Energy Conservation Incentive Program:** Allocates \$1.5 million of ARRA funds for a competitive matching grant program that would be administered through the State Land Department (Natural Resource Conservation Districts State Association) to fund renewable energy projects to reduce fossil fuel consumption for Arizona farmers and ranchers.
- **21st Century Energy Grant Program:** Allocates \$11,947,000 to the State Energy Office to establish a 21st Century Energy Grant Fund Program. The program would fund studies to develop new, significant solar, wind or other renewable energy generation systems on public lands and to fund demonstrations of renewable energy systems on public buildings and public spaces and a biofuels infrastructure grant program. The renewable grant program will also be open to non-profit organizations to install solar water heating or photovoltaic systems on their buildings. Also included will be a grant to demonstrate the use of renewable energy products manufactured in Arizona. As part of the 21st Century Energy Grant Program, the State Energy Office will identify several shovel ready solar installations on public buildings or public spaces that could be initiated quickly and provide for immediate job creation.

The application for the Weatherization Assistance Program was submitted to the U.S. Department of Energy on April 28. The program helps low-income families and individuals decrease their monthly heating and cooling bills. The income requirement to receive funding from this program includes households at or below 200% of the federal poverty guidelines. The maximum allowed per household has been increased from \$2,500 to \$6,500 through the Economic Recovery Bill. DOE estimates that processing applications may take 60-90 days.

The Energy Efficiency and Conservation Block Grant (EECBG) Program provides local governments, Indian tribes, and other entities with funding to implement energy efficiency projects designed to reduce energy usage. Eligible projects include renewable energy installations on public buildings, improved traffic signals and street lighting, and other public improvement projects. The State's application for the funds is due May 26.

*****See the following page for State of Arizona Energy Funding flow chart

State of Arizona Energy Funding

American Recovery & Reinvestment Act (ARRA)

