

# SPARC Phase 2 - Webinar

## Funding Tools

- **SunShot Initiative**

- **Description:** Controlled by the U.S. Department of Energy Solar Energy Technologies Office. The program provides funding for photovoltaics, concentrating solar power, systems integration, technology to market, and soft costs projects.
- **Eligibility:** The program is a competitive solicitation program open to universities, national laboratories, federal, state, and local governments and non-government agencies and advocacy groups. Collaboration projects are encouraged.
- **Sample Use Of Funds:** Request for funds can be for infrastructure, financial and technical assistance. Examples can include technology to market, cooperative research, development of new projects by private companies. All projects must drive down the cost of solar electricity to \$0.06 per kilowatt-hour or \$1 per watt (not including incentives).

- **Single Family Affordable Solar Housing (SASH)**

- **Description:** Program provides incentives to qualified low-income homeowners to help offset the costs of a solar electric system. The SASH program is overseen by the California Public Utilities Commission (CPUC) and administered by GRID Alternatives, a non-profit organization. It provides services through community partners, volunteers and job trainees to implement solar power and energy efficiency for low-income families.
- **Eligibility:** Applicants must:
  - Receive electrical service from Pacific Gas & Electric (PG&E), Southern California Edison (SCE), or San Diego Gas & Electric (SDG&E).
  - Own and live in their home.
  - Have household income that is 80% or below of the area median income based on the previous year's tax return.
  - Live in a home defined as "affordable housing" as defined by California Public Utilities. Examples include:
    - Single-family home has a resale restriction or an equity sharing agreement with a public entity or nonprofit affordable housing provider.
    - Single-family home is part of a multi-family complex supported by public funds to enable selling the home at an affordable cost to low income families. Resale is restricted to selling the home to other low income families.
    - Single-family home was purchased through a first time homebuyer program or loan program that uses state or federal HOME funding - and contains a qualifying resale restriction or equity sharing agreement.
    - Other: Implicit resale restrictions.
- **Sample Use Of Funds:** SASH provides qualifying low-income homeowners up-front rebates to defray the costs of installing a solar electric system.

Source: United States Department of Energy.

- **SB 535**

- **Description:** Disadvantaged communities in California are specifically targeted for investment of proceeds from the State cap-and-trade program. A quarter of the proceeds from the Greenhouse Gas Reduction Fund must also go to projects that provide a benefit to disadvantaged communities (DAC).
- **Eligibility:** A minimum of 10 percent of the funds must be for projects located within disadvantaged communities. Projects must meet one or more the following criteria: improve public health, quality of life and economic opportunity through qualified projects that create energy efficiency through public transit, low-carbon transportation and affordable housing.

List of eligible areas: <http://www.calepa.ca.gov/EnvJustice/GHGInvest/Documents/SB535List.xls>

- **Sample Use Of Funds:**

- An affordable housing project located in a disadvantaged community and near transit can be complemented with a clean car sharing program that improves mobility and air quality for disadvantaged community residents. **Potential administering agencies: Strategic Growth Council (SGC)**
- Low Carbon Transportation: Projects will achieve Green House Gas (GHG) reductions through the use of zero and near zero-emission passenger vehicles, buses, trucks, and freight technology. **Potential administering agencies: ARB, CalSTA/CTC, Caltrans/Local Transit Agencies**
- Project provides greater mobility and increased access to clean transportation for DAC residents by placing services that are accessible by walking within ½ mile of a DAC, including ride-sharing, car-sharing, or other advanced technology mobility options (e.g., neighborhood electric vehicles, vanpooling, shuttles, bike sharing services). **Potential administering agencies: ARB, CalSTA/CTC, Caltrans/Local Transit Agencies**
- Transit Projects: Projects will achieve GHG reductions by reducing passenger vehicle miles traveled through incentives, infrastructure, or operational improvements (e.g., providing better bus connections to intercity rail, encouraging people to shift from cars to transit). **Potential administering agencies: CalSTA/CTC, Caltrans/Local Transit Agencies, SGC**
- Waste Diversion and Utilization: Projects will achieve GHG reductions by diverting waste from landfills or agricultural operations (e.g., composting operations, dairy digesters, anaerobic digestion, and recycling). **Potential administering agencies: Cal Recycle, California Department of Food and Agriculture (CDFA)**
- Energy Efficiency and Renewable Energy: Projects will achieve GHG reductions by increasing energy efficiency or renewable energy generation (e.g., more efficient heating, ventilation and air conditioning equipment, installation of solar water heaters and photovoltaic systems, upgraded lighting systems, better building envelopes such as insulation and window shading devices, energy management systems, more efficient fans, motors, pumps and variable speed controls). **Potential administering agencies: Department of Community Services and Development (CSD) and California Energy Commission (CEC)**

- **CalEPA Environmental Justice Small Grants and Funding Opportunities**

- **Description:** A minimum \$1 million in grant funds is available for the 2016 grant cycle. The maximum amount of a grant provided is \$50,000. The grant term is 12 months. (2016 closed)
- **Eligibility:** Applicants are limited to non-profit entities 501 (c)(3), or federally recognized Tribal governments (501(c)(4) are not eligible to apply for this funding).
- **Sample Use Of Funds:** Grant applicants were asked to demonstrate in their applications how their projects will address one or more of the following goals in communities that are disproportionately affected by environmental pollution or are especially sensitive to environmental pollution due to socio-economic factors:
  - Improve Access To Safe and Clean Water.
  - Address Climate Change Impacts Through Community Led Solutions - projects may include saving money and improving community resilience through energy efficiency, greening communities, water conservation and increased biking and walking.
  - Reduce The Potential For Exposure To Pesticides And Toxic Chemicals - before they are generated and may also include measures to minimize or prevent exposure where chemicals and pesticides are used legally.
  - Promote Community Capacity Building - Improve communities and tribes understanding of the technical and procedural aspects of environmental decision making - examples of these efforts include training and educational programs on governance and regulatory processes.
  - Promote Development of Community-Based Research That Protects and Enhances Public Health and The Environment. Collaborative efforts between academic researchers and community based organizations encouraged.
  - Address Cumulative Impacts Through Collaboration Between Community-Based Organizations and Local Government.

- **Energy Savings Performance Contracting (ESPC)**

- **Description:** Energy Savings Performance Contracting is a budget-neutral approach to make building improvements that reduce energy and water use and increase operational efficiency. By partnering with an energy service company (ESCO), a facility owner can use an ESPC to pay for today's facility upgrades with tomorrow's energy savings without tapping into capital budgets. State and local governments can implement ESPC projects in their own facilities, as well as promote and support ESPC projects through ESPC programs.
- **Eligibility:** Ideal candidates for ESPC projects include any large building or group of buildings such as city, county, and state buildings, schools, hospitals, commercial office buildings, and multi-family buildings. The size and scope of projects are governed by the savings opportunities in facilities, the types of funding sources that can be applied, the minimum size project an ESCO is willing to manage, and the financing capability. Government facilities are generally good candidates for ESPC projects, because with long-term ownership of the facilities, governments allow for 10- to 20-year financing terms. In contrast, commercial facilities often have a 3-year payback threshold and may reject a comprehensive ESPC.
- **Sample Use Of Funds:** The basic ESPC process is as follows:
  - Facility owner decides to utilize the ESPC process and competitively selects an ESCO.
  - Owner issues a contract to the ESCO, to conduct energy audit of the facilities and develop an implementation proposal, which identifies potential energy conservation measures (ECMs). A wide variety of measures can be part of an ESPC project. State legislation is often open-ended on the types of measures that may be included, but legislation may restrict the budget categories that can be used to pay for such measures. The ESCO will identify each potential measure and estimate the itemized cost and saving, but the bottom line is what determines which bundle of measures can be included in the ESPC project. That is, some measures with short payback periods (e.g., lighting) can offset the longer payback periods of boiler and chiller replacements or renewable energy systems, if they're bundled under one contract.
  - Owner and ESCO negotiate and finance ESPC and arrange for up-front financing. To date, one of the most common financing mechanisms for a government ESPC project is a municipal tax-exempt lease-purchase agreement. A number of national-level financing companies are knowledgeable about this ESPC approach, seek out such financing opportunities, and provide this type of agreement. Also, consider internal financing or bonds and compare the rates and benefits.
  - ESCO implements agreed-upon ECMs, then monitors energy savings success through measurement and verification.

## Bonds for Financing Energy Projects

Type of Bond	Private Use Allowed?	Allocation Process	Expiration Date
<b>Public Bonds</b>	Yes	Varies by state and locality	Ongoing issuances
<b>Qualified Energy Conservation Bonds</b>	Yes, up to 30% of allocation. No limit for "Green Community Programs."	\$3.2 billion allocated by population to states and large localities (100,000+)	No expiration date
<b>New Clean Renewable Energy Bonds</b>	No	\$1.6 billion allocated to governmental bodies, municipal utilities, and cooperative electric companies	Valid for 3 years after allocation received
<b>Tax-Exempt Bond Financing for Nonprofit Organizations and Industries</b>	Yes	Varies by state and locality	Ongoing issuances

Source: United States Department of Energy.

- **Resources to Pay for Clean Energy**

- **State And Local Solution Center Resources** provides information on tools, resources, and best practices to help state and local governments plan for and implement clean energy projects.

**Resource Guide:** <http://energy.gov/eere/slsc/all-state-local-solution-center-resources>

- **Department of Commerce Economic Development Administration**

- **Eligibility:** Non-profits, cities, counties, States and institutions of higher education.

- **Types Of Grants:**

- **Public Works:** Commonly referred to as the bricks and mortar grant. Funds can be used to build infrastructure, such as, skill-training facilities, energy efficient infrastructure, brownfields redevelopment and land purchases.
- **Economic Adjustment Assistance (EAA):** DA most flexible program. EAA can fund market and environmental studies, construction grants, capitalize or recapitalize revolving loan funds and planning grants. There are two types of planning grants: *Strategy Grants*, development, updating or refinement of a Comprehensive Economic Development Strategy (CEDS) and *Implementation Grants* that support activities identified in a CEDS, such as infrastructure improvements, including site acquisition, site preparation, construction, rehabilitation and equipping of facilities.
- The project MUST meet **Economic Distress Criteria:**
  - **Unemployment rate** for the most recent 24-month period at least one percentage point greater than the national average unemployment rate;
  - **Per capita income** that is 80% or less of the national average per capita income; or
  - **“Special Need”**, as determined by EDA. For example, loss of significant number of jobs in last 24 month period or presidentially declared disaster areas.

website: [www.eda.gov](http://www.eda.gov)