500 West Big Beaver
Troy, MI 48084
troymi.gov

FROM THE OFFICE OF THE CITY MANAGER

Date: September 14, 2023

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Deputy City Manager
Meg Schubert, Assistant City Manager

Subject: Sustainability Update

Background

City Council held a special meeting to discuss sustainability on September 11, 2023. The purpose of this memo is to provide a brief summary of two current sustainability efforts.

Michigan Green Communities (MGC) Challenge

The Michigan Green Communities Challenge is an annual program that serves as a guide to help communities measure their progress towards sustainability. The last Challenge, for actions taken through the 2022 calendar year, was open from December 2022 through May 1, 2023. It included 127 action items in nine categories (attached).

As mentioned in the memo dated September 7, 2023 and discussed at the September 11, 2023 special City Council meeting, City staff established an internal sustainability team in August. The internal sustainability team is reviewing the 127 action items in the 2022 MGC Challenge to determine what action items the City has in progress or completed. This will allow the City to complete action items in the 2023 calendar year, join the next challenge, and earn bronze, silver, or gold certification.

The City completed one of the 15 action items in the “getting started” guide (attached) by establishing an internal sustainability team. Establishing an external sustainability team or broadening the original internal sustainability team may be considered in the 2024 calendar year. In the meantime, the sustainability team will update City Council when more information is available.

Energy Efficiency and Conservation Block Grant (EECBG) Program

The Energy Efficiency and Conservation Block Grant (EECBG) Program is designed to assist states, local governments, and Tribes in implementing strategies to reduce energy use, reduce fossil fuel emissions, and improve energy efficiency. The City of Troy was allocated a $153,850 EECBG Program Formula Grant. The U.S. Department of Energy (DOE) has published guidance for eligibility of activities including 14 eligible activity categories (attached). City staff reviewed the guidance and is pursuing a grant for development of the energy efficiency and conservation elements of a sustainability plan (see Category (1) Strategy Development and Implementation). The application portal will open December 1. In the meantime, City staff will update City Council when more information is available.

Last Updated/Reviewed: November 2022

MICHIGAN GREEN COMMUNITIES CHALLENGE

ACTION ITEMS AND METRICS

www.migreencommunities.com

MICHIGAN GREEN COMMUNITIES

Planning for Inclusive & Lasting Impacts

Embed Sustainability in Planning Processes

1. Incorporate measurable sustainability targets and indicators into an existing community master plan OR create a community sustainability plan with measurable sustainability targets and indicators.
2. Incorporate sustainability, energy use, green building standards, and/or climate metrics into capital improvements planning.
3. Begin implementing climate mitigation and adaptation measures in capital improvement projects.

Leverage Local Expertise

4. Establish an internal sustainability team, made up of staff from different departments as relevant, to coordinate municipal sustainability initiatives.
5. Establish an external sustainability team (or broaden the original internal sustainability team) to include participation from community members, especially underserved and/or traditionally marginalized residents, who will identify and make recommendations on actions the municipality and community can take to reduce environmental impacts and improve overall sustainability.

Integrate Equity into Community Sustainability

6. Staff, municipal commission/council members, and/or volunteer board members attend regular diversity, equity, and inclusion (DEI) training as part of their service/employment.
7. Pass a policy or resolution affirming the community's commitment to equity as a key component of sustainability and the municipality's mission, work, or actions.
8. Ensure diversity on volunteer boards and commissions using the existing demographic makeup of the community as a target.
9. Incorporate environmental justice implications and opportunities in planning and zoning documents OR in a community sustainability plan.
10. Require an environmental justice assessment for any new municipal policies or infrastructure projects.

Leverage Partnerships

11. Participate in the Michigan Green Communities Network and share your community's successes and/or lessons learned.
12. Partner with other public, private, or nonprofit partners on regional sustainability initiatives.

MICHIGAN GREEN COMMUNITIES

Climate Resilience & Adaptation

Greenhouse Gas (GHG) Emissions

1. Develop a municipal operations GHG inventory.
2. Develop a community wide GHG inventory and set GHG reduction goal.
3. Set goal for GHG neutrality by 2030 or earlier in all municipal operations.

Climate Adaptation & Resiliency Planning

4. Perform a climate vulnerability assessment that considers health and equity impacts.
5. Develop a climate adaptation and resiliency plan in collaboration with the community.
6. Provide incentives, support programs, and/or educational resources for businesses, households, and landlords to make improvements to properties that reduce GHG emissions and/or improve household-level resiliency to climate change (e.g., screens on windows & porches, improved insulation, tree planting, home gardening, bioswales, improved drainage & pervious surfaces).

Hazard Mitigation

7. Integrate hazard mitigation considerations and investments into community infrastructure plans.
8. Develop a hazard mitigation plan with climate projections included.
9. Implement hazard mitigation projects to address identified risks in the hazard mitigation plan (e.g., flood mitigation, tree planting for heat reduction).

Green Buildings

10. Develop a green building policy for municipal facilities.
11. Achieve green building certification for a municipal building.
12. Achieve green building certifications for at least 75% of municipal buildings.

MICHIGAN GREEN COMMUNITIES

Energy Efficiency & Renewable Energy

Benchmark & Track

1. Conduct energy audits on municipal facilities.
2. Adopt decarbonization targets for municipal operations and facilities.
3. Track energy use for all municipal buildings using ENERGY STAR Portfolio Manager.

Fund Energy Efficiency & Renewable Energy

4. Implement an internal revolving loan fund, or similar financing tool, for municipal energy projects. *
5. Implement a public financing or grant program to support community energy efficiency and renewable energy projects. *
6. Ensure equitable access to any/all energy efficiency and renewable energy financing and grant program(s). *

Renewable Energy Deployment

7. Update Capital Improvements Plan (CIP) or Asset Management Plans to include current or future municipal renewable energy project(s).
8. Adopt policies and/or ordinances that support renewable energy projects on private property (e.g., solar/wind ordinance, renewable energy overlay zones, expedited permitting).
9. Implement at least one new renewable energy project (e.g., solar thermal, solar photovoltaic, geothermal, wind, district heating/cooling systems, biodigesters, biomass, or energy storage system) on public buildings/property in the last year.

Energy Efficiency Improvements

10. Develop a plan to upgrade/retrofit municipal buildings to improve energy efficiency.
11. Upgrade/retrofit at least one municipal building in the last year to increase energy efficiency.
12. Complete upgrades/retrofits of all municipal buildings to increase energy efficiency and help meet decarbonization targets.
13. Develop a plan to upgrade/retrofit publicly owned affordable housing to improve energy efficiency. *
14. Upgrade/retrofit at least one publicly owned affordable housing structure to improve energy efficiency. *

Efficient Street Lighting

15. Create an inventory of municipal owned street lighting. *

16. Develop a plan to replace municipal traffic signals, street lighting, and/or parking illumination with energy efficient lighting technologies (e.g., LEDs and other technologies of equal or greater efficiency). *
17. Replace most municipal owned traffic signals, street lighting, and/or parking illumination with energy efficient lighting technologies (e.g., LEDs and other technologies of equal or greater efficiency). *
Community Energy Use
18. Work with local utility providers to ensure that energy and water bills include household energy and water use statistics over time.
19. Develop community wide programs that promote energy efficiency among homeowners, landlords, and businesses.
20. Provide (or partner with other community organizations to provide) programs for low-income homeowners and/or renters and privately-owned affordable housing owners to make energy efficiency improvements to their properties.
21. Create and offer residents and/or businesses an opportunity to participate in a community renewable energy project (e.g., community solar park). *
Fleet Management
22. Adopt and enforce an anti-idling policy for the municipal vehicle fleet.
23. Audit the inventory and energy intensity of the municipal vehicle fleet and set a decarbonization target for the fleet.
24. Meet the decarbonization target set for the municipal vehicle fleet.

MICHIGAN GREEN COMMUNITIES

Responsibly Managing Materials

Benchmark & Track

1. Perform an annual community wide recycling, organics (yard and/or food waste), and solid waste audit which includes quantities and information on materials content.
2. Set a community waste diversion goal.
3. Complete the Emerge Municipal Measurement Program database annually.

Support the Circular Economy & Eliminate Toxics

4. Develop or adopt a municipal sustainable purchasing policy that eliminates toxics, increases the use of recycled content, and builds or supports the low-carbon circular economy.

Recycling

5. Develop or update a community recycling, organics, and waste management plan that includes scrap, bulky waste, electronics, hard-to-recycle materials, and other miscellaneous wastes.
6. Provide access to information about community recycling programs through the municipal website, local media, social media, or other outreach mechanisms.
7. Collect traditional recycle materials from single family homes:
   - for communities over 5,000 people, provide/allow for single hauler (municipal, contract, or franchise) curbside collection of traditional materials. Recycling program should be opt-out.
   - for communities under 5,000 people, provide convenient recycling drop-off centers for traditional and non-traditional materials.
8. Provide and/or require collection of traditional recycling materials at all multi-family housing, commercial properties, and public spaces/parks, as applicable.

Household Hazardous Waste

9. For communities of all sizes, provide comprehensive drop-off center for collection of non-traditional materials (such as household hazardous waste, electronics, polystyrene foam, textiles) OR offer at least two dedicated collection events per year.

Composting

10. For communities of all sizes, provide regular information and resources on how to compost at home and/or businesses.
11. For communities over 5,000 people, provide on-site organics (food and/or yard waste) collection for single-family residents (at a minimum) and collection at drop-off site(s). *

MICHIGAN GREEN COMMUNITIES

Sustainable Land Use & Economic Development

Smart Growth

1. Incorporate smart growth principles in community planning, policies, and zoning ordinances.
2. Audit zoning, subdivision, and related development codes to remove barriers to sustainable land use (e.g., barriers to increased density).
3. Adopt zoning ordinances that allow for infill housing development.

Resource Protection

4. Implement low impact development practices, habitat protection, and native species preservation on public properties/lands.
5. Update ordinances to include specific sustainability measures such as natural features protection, wetlands preservation, green building practices, or other relevant resource protections.
6. Acquire or provide support for private purchase of ecologically valuable parcels and habitat in your community.

Economic Development Tools

7. Update economic development incentive policies to encourage green buildings, green infrastructure, low impact design, and density.
8. Participate in the MEDC Redevelopment Ready Community program.

Brownfields

9. Conduct a community wide brownfield audit of public- and privately-owned properties. *
10. Use brownfield clean-up and redevelopment processes to further community sustainability goals. *
11. Redevelop or remediate at least one brownfield site. *

Green Jobs

12. Train relevant municipal staff (e.g., public works, grounds and building maintenance) in principles of sustainability.
13. Implement a green jobs initiative with your regional/local economic development agency, downtown development authority, corridor improvement authority, and/or local businesses.
14. Prioritize economic development incentives/programs to support the attraction and retention of green industries.

Local Sourcing
15. Adopt a policy for the municipal purchase of local goods and services as practicable.
16. Implement a “buy local” campaign that educates residents about the social, economic, and environmental impacts of buying local.
Agriculture & Food Systems
17. Update zoning ordinances to allow individuals and community groups to grow and sell food, enhancing their ability to be food self-sufficient.
18. Update zoning ordinances to meet the needs of small farm and food producers, processors, and other food businesses.
19. Create a community farmland preservation plan and/or promote farmland preservation programs. *
20. Allow for farmers market(s) or other farm-to-pantry/foodbank programs to enhance access to local food sources.
21. Adopt a local food product purchasing policy for the municipality and/or promote institutional buying of local food products and goods by anchor institutions.

MICHIGAN GREEN COMMUNITIES

Improving Health Outcomes

Integrate Health Considerations into Policies & Programs

1. Municipal staff have attended a Health in All Policies (HIAP) training.
2. Adopt a Health in All Policies (HIAP) approach to municipal programs, projects, and decision making.
3. Implement a Health in All Policies (HIAP) approach when evaluating public and private development projects.

Benchmark & Track

4. Work with county health departments/municipalities to monitor and report on environmental health conditions in your community.
5. Conduct health impact assessments as part of local policy making and project approval, and in conjunction with the local health department.

Healthy Indoor Environments

6. Evaluate municipal facilities for potential health risks (preferably in conjunction with energy and water audits) such as lead exposure, indoor air quality, mold, or other potential contaminant exposures.
7. Upgrade municipal buildings to address identified health risks.
8. Evaluate publicly owned affordable housing for potential health risks (preferably in conjunction with energy and water audits) such as lead exposure, indoor air quality, mold, and other potential contaminant exposures. *
9. Create and implement a plan to remediate/mitigate potential health risks in publicly owned affordable housing. *

Improve the Community Health Environment

10. Adopt a community wide anti-idling policy.
11. Implement a neighborhood tree canopy program to improve air quality and reduce heat impacts.
12. Provide incentives, support programs, and/or educational resources for green roofs on commercial and residential buildings to improve air quality and reduce heat impacts.

MICHIGAN GREEN COMMUNITIES

Protecting & Conserving Water Resources

Municipal Water Conservation

1. Track local water use for all municipal buildings using ENERGY STAR Portfolio Manager.
2. Develop a plan to upgrade/retrofit municipal buildings to conserve water.
3. Upgrade/retrofit at least one municipal building in the last year to reduce water use.
4. Adopt an asset management plan for municipal water systems. *
5. Improve municipal water and wastewater treatment plant efficiency. *

Nonpoint Source Protections

6. Implement nonpoint source pollution prevention measures in all municipal construction projects.
7. Adopt policies that support or incentivize nonpoint source pollution control in private development and construction projects.
8. Update zoning ordinances to require measures for controlling nonpoint source pollution.

Low Impact Development

9. Implement low impact development techniques in all municipal construction projects.
10. Adopt a policy or ordinance that encourages or incentivizes green infrastructure and low impact design in private development and construction projects.
11. Update zoning ordinances to require low impact design techniques in all new and redevelopment projects.

Flooding & Stormwater Mitigation

12. Set a limit for the total amount of imperviousness in the community in the master plan OR in the sustainability plan.
13. Adopt a stormwater ordinance to properly manage stormwater runoff.
14. Provide incentives and/or educational resources for property owners to decrease and/or disconnect impervious surfaces.
15. Implement a municipal green infrastructure project.

Managing for Fluctuating Shoreline Water Levels

16. Establish minimum shoreland setback standards along lakes and rivers. *
17. Conduct seawall inspections in coastal & waterfront communities. *

Septic System Impacts
18. Evaluate the condition of septic systems in your community with the local health department using water quality testing in lakes, rivers, and streams. *
19. Implement a local or regional education and outreach campaign on the need to maintain septic systems and replace failing septic systems. *
20. Install sewer systems in areas with septic systems in high density areas, when possible. OR work with local health department and state programs to connect residents with financing and resources to help them to replace failing systems. *

Support Clean & Inclusive Mobility

Non-Motorized Transportation

1. Adopt a non-motorized transportation plan that includes a Complete Streets policy/ordinance.
2. Incorporate non-motorized transportation elements into new municipal infrastructure projects, as relevant.
3. Adopt policies or provide incentives for developers to incorporate non-motorized transportation features into private development and construction projects.

Clean Motorized Vehicles

4. Assess needs and develop a plan for deployment of public electric vehicle (EV) charging infrastructure.
5. Install universally accessible public EV charging infrastructure in convenient locations.
6. Adopt policies that require EV infrastructure or EV-ready infrastructure in any new private development or significant redevelopment project.
7. Create incentives and/or provide educational resources for existing commercial property owners to add EV infrastructure to existing parking facilities.

Urban, Suburban, & Rural Public Transportation

8. In urban and suburban communities, promote and encourage public transit use and/or incentivize municipal staff use of public transportation. *
9. Work with regional partners to expand options and access to public and shared transportation. *

Inspire & Mobilize Residents
Communicate Best Practices
1. Create a local sustainability action website/webpage and/or social media page.
2. Implement a community outreach/education campaign around sustainability initiatives.
Meaningful Community Engagement
3. Conduct focus groups, community surveys, and/or other community activities to acquire and share information on local sustainability initiatives.
4. Proactively engage traditionally underserved populations in your community in sustainability planning/initiatives.
Inspire Action
5. Establish a "green" volunteer corps who can help plan and implement sustainability projects.
6. Provide awards or incentives to residents, organizations, or businesses who take significant steps to improve the sustainability and/or resiliency of the community.

Michigan Green Communities Challenge Metrics

		Question/Metric	Units of Measurement
	1	What is your current population?	# of people
GHG Emissions	2	When did your community complete a GHG inventory for municipal/county operations?	year
	3	When did your community complete a community wide GHG inventory?	year
	4	How many total metric tons of CO2e were being emitted in your GHG inventory for municipal/county operations?	Metric Tons CO2e (MTCO2e)
	5	How many total metric tons of CO2e were being emitted in your GHG inventory for the entire community?	Metric Tons CO2e (MTCO2e)
	6	Percent (%) reduction in GHG emissions from municipal/county operations from baseline year supplied above.	% reduction in MTCO2e from baseline supplied in survey
	7	Percent (%) reduction in community wide GHG emissions from baseline year supplied above.	% reduction in CO2e from baseline supplied in survey
	8	Percent (%) of energy supplied by renewable sources in municipal/county operations this calendar year.	% of annual kWh
Nonmotorized Transportation	9	Miles of sidewalks.	# miles
	10	Miles of dedicated/protected bike lanes/routes and nonmotorized trails.	# miles
	11	Miles of shared bike routes (e.g., roads with 'sharrows').	# miles
	12	Total road miles. (Centerline miles, not lane miles.)	# miles
Water Use	13	Water use in municipal/county operations in the 2021 calendar year.	CCF (hundred cubic feet) per capita
	14	Percent (%) reduction in water use from municipal/county operations in the 2022 calendar year.	% Reduction in water use from 2021
	15	Community-wide water use per capita. (Consult your local water utility provider. May not be discernable if your county/municipality does not have a public water utility.)	CCF (hundred cubic feet) per capita
	16	Percent (%) of county/municipal vehicle fleet that are EV/clean fuel vehicles. (Includes public safety fleet and light-, medium-, and heavy-duty vehicles. See list of clean/alternative fuels here. Not applicable if county/municipality has no vehicles.)	% of total fleet

	17	Number of publicly accessible EV charging stations (any level).	# of EV charging stations
	18	Number of cooling centers/resilience hubs. (See definition of resilience hubs. May include spaces that have plans to provide emergency services like public schools, libraries, etc.)	# of cooling centers/resilience hubs
	19	Tree canopy cover. (Information on i-Tree Canopy tool.)	% of total community land area (acres)
	20	Public transit use. (Consult your local transit authority for total annual ridership. Not applicable if there are no public transit options in your community. Dial-a-ride services count as public transit.)	# of total annual riders
	21	Percent (%) of area that is impervious surface.	% of total community land area (acres)
Land Use	22	Total acres of public greenspace/parks. (Not applicable if there are no public greenspaces or parks.)	# acres
	23	Total acres of agricultural, rural, or natural resource land that are permanently protected.	# acres
	24	Total acres of agricultural and natural resource land. (Use zoning to determine. Complete baseline survey.)	# acres

GETTING STARTED WITH THE MICHIGAN GREEN COMMUNITIES CHALLENGE

For communities new to the MGC Challenge

Communities of all sizes can take the Michigan Green Communities Challenge. The MGC Challenge outlines actionable steps toward creating more environmentally sustainable, economically vibrant, and healthier communities. While many communities have ambitious goals, it can be difficult to identify where to get started. This guide highlights action items from the MGC Challenge that any community can take to start moving toward its sustainability goals.

Below are 15 action items that are require relatively minimal resources to complete. Completing any 10 of the action items will earn a community bronze-level certification. Points are also awarded for action items that are “in progress"!

The action items below are organized by the category that they fall under on the MGC Challenge. For a complete list of the action items, please click here. Resources and tips for completing MGC Challenge action items can be found at the Catalyst Communities site from Michigan Department of Environment, Great Lakes, and Energy.

Planning for Inclusive and Lasting Impacts

Action Item 4: Establish an internal sustainability team, made up of staff from different departments as relevant, to coordinate municipal sustainability initiatives.

Action Item 6: Staff, municipal commission/council members, and/or volunteer board members attend regular diversity, equity, and inclusion (DEI) training as part of their service/employment.

Action Item 11: Participate in the Michigan Green Communities Network and share your community's successes and/or lessons learned.

Energy Efficiency and Renewable Energy

Action Item 1: Conduct energy audits on municipal facilities.

Action Item 2: Adopt decarbonization targets for municipal operations and facilities.

Action Item 15: Create an inventory of municipal owned street lighting.

Action Item 22: Adopt and enforce an anti-idling policy for the municipal vehicle fleet.

Responsibly Managing Materials

Action Item 4: Develop or adopt a municipal sustainable purchasing policy that eliminates toxics, increases the use of recycled content, and builds or supports the low-carbon circular economy.

Sustainable Land Use and Economic Development

Action Item 12: Train relevant municipal staff (e.g., public works, grounds and building maintenance) in principles of sustainability.

Action Item 15: Adopt a policy for the municipal purchase of local goods and services as practicable.

Improving Health Outcomes

Action Item 1: Municipal staff have attended a Health in All Policies (HIAP) training.

Protecting & Conserving Water Resources

Action Item 1: Track local water use for all municipal buildings using ENERGY STAR Portfolio Manager.

Communicate Best Practices

Action Item 1: Create a local sustainability action website/webpage and/or social media page.

Action Item 4: Proactively engage traditionally underserved populations in your community in sustainability planning/initiatives.

Action Item 6: Provide awards or incentives to residents, organizations, or businesses who take significant steps to improve the sustainability and/or resiliency of the community.

EECBG PROGRAM NOTICE 23-01
EFFECTIVE DATE: April 25, 2023

SUBJECT: GUIDANCE FOR ELIGIBILITY OF ACTIVITIES UNDER THE ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM

Contents

PURPOSE

To provide guidance on the eligibility of activities under the Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG) Program.

SCOPE

The provisions of this guidance apply to recipients of Infrastructure Investment and Jobs Act (IIJA) and American Recovery and Reinvestment Act (ARRA) EECBG Program funds.

LEGAL AUTHORITY AND BACKGROUND

The EECBG Program is authorized under Title V, Subtitle E of the Energy Independence and Security Act of 2007 (EISA), as amended,[1] and signed into Public Law (PL 110-140) on December 19, 2007. All awards made under this program shall comply with applicable laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 and 2 CFR Part 910 and Section 40552 of IIJA.

GUIDANCE

The purpose of the EECBG Program is to assist eligible state, local, and tribal governments (collectively referred to as "eligible entities") in implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- Reduce the total energy use of the eligible entities;
- Improve energy efficiency in the transportation sector, the building sector, and other appropriate sectors;[2]
- Build a clean and equitable energy economy that prioritizes disadvantaged communities and promotes equity and inclusion in workforce opportunities and deployment activities, consistent with the Justice40 Initiative.

These stated purposes describe the overall intent of the EECBG Program. Entities may develop various programs and projects that address one or more of the purposes and each activity an entity undertakes is not required to meet all the stated purposes. Entities may choose from a range of eligible activities, as defined in Section 544 of EISA[3] as amended by Section 40552(a) of the IIJA (Public Law 117-58).

DOE updated this guidance from the version issued in 2011 (EECBG Program Notice 10-021) to reflect the changes Congress made to EISA when it signed IJJA into law. This updated version provides guidance to EECBG Program grantees regarding the types of eligible activities that are considered allowable use of funds under one or more of the 14 eligible activity categories for the EECBG Program.[4] Recipients of EECBG Program grants (including entities receiving sub-grants) or vouchers can use this guidance to determine eligible activities that support EECBG Program goals and implementation strategies. The

[1] 42 U.S.C. 17151 et seq.
[2] 42 U.S.C. 17152(b).
[3] 42 U.S.C. 17154
[4] This guidance only addresses categories 1-14 outlined in Section 544 of EISA. Category 15 is defined in law as "any other appropriate activity, as determined by the Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Transportation, and the Secretary of Housing and Urban Development."

guidance also identifies activities that are prohibited or where limitations on use of funds exist, as established by the EECBG statute or determined by DOE. This guidance is not intended to be exhaustive. If an eligible entity has a question regarding the eligibility of a specific activity, the eligible entity should contact the EECBG Program at eecbg@hq.doe.gov or their Project Officer.

In general, the overall objective of each eligible activity should be the attainment of, or the plan to attain, increased energy efficiency and conservation, or fossil fuel reduction. These activities should bear in mind an equitable distribution of community investment and projects serving disadvantaged communities, in line with the Justice40 Initiative.

Projects related to regular maintenance or repairs are not eligible. Eligible entities may apply their funds to one or more projects, as long as each project falls within one of the 14 categories of eligible uses of funds.

Equity and Environmental Justice

Per President Biden's Executive Order 14008, the Federal Government has established the goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities[5] ("DACs").[6] This government-wide effort is called the Justice40 Initiative. The EECBG Program is a Justice40-covered program and thus contributes to the goal that 40 percent of the overall benefits of federal investments in clean energy and climate solutions flow to DACs. DOE has released General Guidance on Justice40 Implementation designed to help eligible entities and other interested parties incorporate Justice40 Initiative goals into DOE-funded projects.[7]

DOE has identified the following benefits that can flow to DACs as a result of EECBG Program funding. Specifically, benefits include, but are not limited to measurable direct or indirect or positive project outcomes that achieve or contribute to the following in DACs:

1) a decrease in energy burden;
2) a decrease in environmental exposure and burdens;
3) an increase in access to low-cost capital;
4) an increase in job creation, the clean energy job pipeline, and job training for individuals;
5) increases in clean energy enterprise creation and contracting (e.g., minority-owned or disadvantaged business enterprises);
6) increases in energy democracy, including community ownership;
7) increased parity in clean energy technology access and adoption; and
8) an increase in energy resilience.

[5] Also referred to as underserved, overburdened, and frontline communities.
[6] Pursuant to Executive Order (EO) 14008, "Tackling the Climate Crisis at Home and Abroad," January 27, 2021, and the Office of Management and Budget's Interim Justice40 Implementation Guidance M-21-28, DOE recognizes DACs as defined and identified by the White House Council of Environmental Quality's Climate and Economic Justice Screening Tool (CEJST), which can be located at https://screeningtool.geoplatform.gov/.
[7] Final DOE Justice40 General Guidance 072522.pdf (energy.gov)

Further, the EECBG Program encourages eligible entities to include the participation of underserved communities[8] and underrepresented groups in the activities they undertake with EECBG Program funds. EECBG Program eligible entities are highly encouraged to include contractors and sub-contractors from historically underrepresented groups[9,10] in their project scoping. Further, Minority Serving Institutions,[11] Minority Business Enterprises, Minority Owned Businesses, Woman Owned Businesses, Veteran Owned Businesses, or entities located in an underserved community that meet EECBG Program eligibility requirements are encouraged to be considered as sub-recipients for proposed EECBG Program-funded projects.

Blueprints and Technical Assistance

DOE has developed or identified resources to assist EECBG Program recipients with development of their energy efficiency and conservation strategies and project implementation plans, including Blueprints and Technical Assistance available from the EECBG Program and other DOE programs. These resources are intended to supplement the award funding received through either a formula or competitive award from DOE.

Blueprints are step-by-step roadmaps of energy project and programs that guide EECBG Program entities to success. While not an exclusive list, the blueprints highlight a select number high-impact projects and programs based on proven practices that entities can choose to follow. Though entities may use their EECBG Program funds for a wide array of energy-related activities, those that choose to spend their EECBG Program funds exclusively on "key activities" listed in the blueprints should expect a streamlined and expedited application review because these key activities fall within eligible uses of EECBG Program funds, and most of the blueprint activities are covered by NEPA Statements of Work.

---

[8] The Office of Management and Budget Interim Implementation Guidance for Justice40 defines a disadvantaged community as either: (1) a group of individuals living in geographic proximity (such as census tract), or (2) a geographically dispersed set of individuals (such as migrant workers or Native Americans), where either type of group experiences common conditions.

[9] According to the National Science Foundation's 2019 report titled, "Women, Minorities and Persons with Disabilities in Science and Engineering", women, persons with disabilities, and underrepresented minority groups— blacks or African Americans, Hispanics or Latinos, and American Indians or Alaska Natives—are vastly underrepresented in the STEM (science, technology, engineering, and math) fields that drive the energy sector. For example, in the U.S., Hispanics, African Americans and American Indians or Alaska Natives make up 24 percent of the overall workforce, yet only account for 9 percent of the country's science and engineering workforce. DOE seeks to inspire underrepresented Americans to pursue careers in energy and support their advancement into leadership positions. https://www.energy.gov/articles/introducing-minorities-energy-initiative

[10] Note that Congress recognized in section 305 of the American Innovation and Competitiveness Act of 2017, Public Law 114-329: "[I]t is critical to our Nation's economic leadership and global competitiveness that the United States educate, train, and retain more scientists, engineers, and computer scientists; (2) there is currently a disconnect between the availability of and growing demand for STEM-skilled workers; (3) historically, underrepresented populations are the largest untapped STEM talent pools in the United States; and (4) given the shifting demographic landscape, the United States should encourage full participation of individuals from underrepresented populations in STEM fields."

[11] Minority Serving Institutions (MSIs), including Historically Black Colleges and Universities/Other Minority Institutions as educational entities recognized by the Office of Civil Rights (OCR), U.S. Department of Education, and identified on the OCR's Department of Education U.S. accredited postsecondary minorities' institution list.

The blueprints span a wide variety of topic areas: energy planning, energy efficiency, renewable energy, transportation infrastructure, workforce development, and financing. For more information, see the Blueprints webpage.

Blueprint Topics:[12]

- Blueprint 1. Energy Planning
- Blueprint 2A. Energy Efficiency - Energy Audits and Building Upgrades
- Blueprint 2B: Energy Efficiency and Electrification in Buildings - Energy Savings Performance Contracts:
- Blueprint 2C: Building Efficiency & Electrification Campaign
- Blueprint 2D: Building Performance Standards & Stretch Codes
- Blueprint 3A: Solar + Storage Power Purchase Agreements and Direct Ownership
- Blueprint 3B: Community Solar
- Blueprint 3C: Solarize Campaign
- Blueprint 3D: Renewable Resource Planning
- Blueprint 4A: Electric Vehicles for Fleets and Fleet Electrification
- Blueprint 4B: Electric Vehicle Charging Infrastructure for the Community
- Blueprint 5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs - Revolving Loan Funds
- Blueprint 6: Workforce Development Community

National Environmental Protection Act Requirements

DOE must comply with the National Environmental Policy Act (NEPA) prior to authorizing the use of Federal funds. DOE must also consider the effects on historic properties, pursuant to Section 106 of the National Historic Preservation Act (NHPA). Additionally, DOE must consider the impacts to floodplains and wetlands, pursuant to 10 CFR Part 1022—Compliance with Floodplain and Wetland Environmental Review Requirements. To streamline these required reviews, DOE carries out each of these reviews under the umbrella of its NEPA review. Grantees should review and follow the NEPA determination (the form that DOE uses to document NEPA reviews) in their award documents for restrictions, and the list of activities that have been categorically excluded from further NEPA review.

NEPA Statements of Work (SOW) have been created and placed on the EECBG Program Formula Application Hub webpage to provide expedited reviews of blueprints and other activities. The NEPA SOWs apply to different applicants and include either ground disturbing activities or nonground disturbing activities. Applicants should review the SOWs to ensure the correct one is selected, if applicable. SOWs with ground disturbing activities require quarterly reporting for all activities. DOE staff will require submission of an Environmental Questionnaire (EQ1) for a NEPA review through the Project Management Center (PMC) if a NEPA SOW is not utilized.

[12] This list shows proposed Blueprints by topic area as of April 2023. Blueprint topic areas may be added or revised, based on grantee and stakeholder interests, and effectiveness in achieving program goals. For additional information, visit the Blueprints webpage.

ELIGIBLE ACTIVITY CATEGORIES

EISA, as revised by Section 40552 of IIJA, specifies 14 categories of eligible uses of EECBG Program funds. DOE is providing guidance below regarding the types of eligible activities that are covered by the 14 categories, including examples of eligible activities, technical assistance opportunities, and items for consideration. This guidance on eligible activities is not intended to be comprehensive. If an eligible entity has a question regarding the eligibility or allowability of a specific activity, the eligible entity should contact their Project Officer, or email the EECBG Program at eecbg@hq.doe.gov.

Category (1) Strategy Development and Implementation

STATUTORY LANGUAGE

Development and implementation of an energy efficiency and conservation strategy

PROGRAM GUIDANCE

- This category only applies to eligible local and tribal governments. State governments are ineligible to apply their EECBG Program funds to strategy development.
- The activity must be for the development, in support of the development, or in support of the implementation of either a strategy submitted pursuant to the EECBG Program or a general strategy that outlines goals for energy efficiency or conservation.

EXAMPLE ELIGIBLE ACTIVITIES

- Development of an energy efficiency and conservation strategy if one is not submitted with application
- Development of the energy efficiency and conservation elements of an energy-related plan such as a climate action plan or local or tribal government's sustainability plan
- Expansion of an existing strategy to address new goals

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint 1: Energy Planning
- The National Renewable Energy Laboratory (NREL) is providing interested EECBG Program grantees one-on-one technical assistance and customized support to develop their Energy Efficiency and Conservation Strategies. Grantees can sign up by emailing NREL directly at: EECS_TA@nrel.gov. Funding is limited; requests will be considered based on available funding and type of support requested.

IITEMS FOR CONSIDERATION

- Develop strategies around clearly defined, measurable, and ambitious goals for advancing energy efficiency and clean energy.
- Ensure that strategies are informed by stakeholder feedback and include opportunities for continued stakeholder engagement, with a particular focus on soliciting feedback from underrepresented and disadvantaged communities. EECBG Program recipients are encouraged to actively seek participation and feedback from a diverse range of stakeholders that reflects the demographics of their community.
- Incorporate equity and environmental justice objectives in developing energy efficiency and conservation goals and associated implementation strategies.
- Take a holistic approach that incorporates a variety of technologies and addresses the needs of different populations within the community leveraging tools such as the DOE State and Local Planning for Energy (SLOPE) Platform, a free, easy-to-use online platform to support data-driven state and local energy and decarbonization planning.

Category (2) Retaining Technical Consulting Services

STATUTORY LANGUAGE

Retaining technical consultant services to assist the eligible entity in the development of such a strategy, including—

A. Formulation of energy efficiency, energy conservation, and energy usage goals;
B. Identification of strategies to achieve those goals—
    a. through efforts to increase energy efficiency and reduce energy consumption; and
    b. by encouraging behavioral changes among the population served by the eligible entity;
C. Development of methods to measure progress in achieving the goals;
D. Development and publication of annual reports to the population served by the eligible entity describing—
    a. the strategies and goals; and
    b. the progress made in achieving the strategies and goals during the preceding calendar year; and
E. Other services to assist in the implementation of the energy efficiency and conservation strategy

PROGRAM GUIDANCE

- This activity area refers to retaining technical consultant services to assist the eligible entity in the development and implementation of an energy efficiency and conservation strategy, including developing methods to measure progress in achieving the goals identified in the strategy, and developing and publishing annual reports, such as dissemination of energy plans and progress updates.
- This category is only available to eligible entities that are units of local government or tribes that received funds under the EECBG Program.
- The activity for which the eligible entity is seeking to retain technical consulting services must support one or more elements of strategy development and implementation developed under Category 1.

EXAMPLE ELIGIBLE ACTIVITIES

- Formulation of energy efficiency, energy conservation, and energy usage goals, methods to achieve those goals or measure progress, and the publication of annual reports discussing progress
- Identification and development of an equity-centered strategy to achieve 2030 carbon neutral goals through the energy efficiency and conservation strategy
- Developing a detailed roadmap, as part of the energy efficiency and conservation strategy, to reduce costs and improve energy efficiency in communities and households with high energy burdens
- Development of internal metrics and evaluation system for strategies and measures in the energy efficiency and conservation strategy that address clean energy and climate resiliency objectives in the community
- Strategic planning for electrification of government transportation fleets

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprints 1-6: Each of these blueprints can be used as a guide towards select EECBG Program activities. The key activities described in each blueprint, including planning and data analysis, can be conducted either by a member of the EECBG Program grantee's internal staff or by external contractors or consultants.
- The National Renewable Energy Laboratory can provide interested EECBG Program eligible entities with direct technical assistance and customized support around energy planning including goal development and options analysis. Eligible entities can submit a request for TA by emailing NREL directly at EECS_TA@nrel.gov. Funding is limited; requests will be considered based on available funding and type of support requested.
- The technical assistance voucher pathway may also be a good option for entities that are primarily interested in obtaining technical support services, such as planning, analysis, and strategy development related to this category.[13]
- Additional technical assistance around specific technology areas is available through various DOE offices and national laboratories. For additional information, visit the EECBG Technical Assistance webpage.

ITEMS FOR CONSIDERATION

- Consider local objectives, staff capacity, and support needs when selecting consultants. Look for firms with prior expertise and knowledge of local or tribal government energy efficiency, renewable energy, electrification or sustainability programs, including development of place-based strategies.
- Consider selecting eligible firms that reflect diversity in their business ownership and staff, understand local community needs, and are experienced in place-based approaches.
- Engage underrepresented or underserved groups to ensure that their needs are considered and addressed during technical consultant service delivery (e.g., community input sessions, equitable access to programs and financial opportunities.)

[13] For formula-eligible local governments and tribes only. Entities must select either a grant or voucher for their EECBG formula award.

Category (3) Residential and Commercial Building Audits

STATUTORY LANGUAGE

Conducting residential and commercial building energy audits

PROGRAM GUIDANCE

- The activity should be for conducting energy audits of residential and commercial buildings;[14,15]
- The activity must occur within the jurisdiction of the eligible entity; and
- Upgrades or improvements to buildings associated with the audits are an eligible use of funds.

EXAMPLE ELIGIBLE ACTIVITIES

- Energy assessments to understand usage patterns in a portfolio of buildings and benchmark performance, including benchmarking building energy performance in the ENERGY STAR® Portfolio Manager Tool
- Installing energy upgrades in homes or commercial businesses recommended as the result of an audit
- Any activities that support or facilitate the conduct of energy assessments of residential or commercial buildings

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint #2A: Energy Efficiency - Energy Audits and Building Upgrades
- The federal government maintains several tools to assist with building energy efficiency, which are described in the blueprint, including ENERGY STAR® Portfolio Manager, DOE Building Energy Asset Score, and Home Energy Score™, which are online platforms to collect, organize and analyze energy data for commercial and residential buildings, and identify and prioritize energy efficiency improvements. In addition, DOE developed the Energy Data Management Guide designed to support state and local governments in developing a data-driven approach to energy management.

ITEMS FOR CONSIDERATION

- Consider ensuring that energy assessments are implemented in communities that have traditionally experienced energy injustice or have disproportionate energy burdens by using

[14] Energy audits include assessments of residential and commercial buildings to evaluate the energy performance of the building, and identify and prioritize energy savings opportunities, including operational or behavioral changes. Assessments may include recommendations for installation of energy efficiency measures, renewable energy and/or grid-interactive systems, such as battery storage, and energy monitoring systems.

[15] For the purpose of eligibility under the EECBG Program, "building" generally means a usually roofed and walled structure built for permanent use. Commercial buildings include all buildings in which at least half of the of floor space is used for a purpose that is not residential (used as a dwelling for one or more households), manufacturing/industrial (used for processing or procurement of goods, merchandise, raw materials or food) or agricultural (used for the production, processing, sale, storage, or housing of agriculture process, including livestock), so they include building types that might not traditionally be considered "commercial," such as schools, correctional institutions, and building uses for religious worship.

tools such as the Climate and Economic Justice Screening Tool and Low-Income Energy Affordability Data (LEAD) Tool and partnering with relevant community stakeholders.

- Coordinate energy assessment activities with existing federal, state, local, and utility energy efficiency programs, as well as existing and anticipated sources of additional funding. Many utilities offer free or discounted energy assessments (i.e., 'audits') for residential and commercial buildings. Energy assessments can serve as a first step to further energy-saving, clean energy, and electrification measures that could be otherwise publicly funded.
- Coordinate energy assessment activities with energy efficiency and conservation elements of any existing or planned energy-related plan, such as a climate action plan or local or tribal government's sustainability plan. Factor in the energy impacts of long-lifetime building upgrades, and their implications for existing climate or sustainability plans.
- Consider conducting an initial energy assessment to better understand energy usage patterns across a given portfolio of buildings and identify and prioritize buildings for further assessment.

Category (4) Financial Incentives for Energy Efficiency

STATUTORY LANGUAGE

Establishment of financial incentive programs for energy efficiency improvements

PROGRAM GUIDANCE

- The activity must be for a financial incentive program, such as a rebate, loan, energy savings performance contracts, or other financing program.
- The financial incentive program must be for the purpose of improving energy efficiency; and
- The financial incentives must be limited to resident, non-profits, government entities, or businesses within the jurisdiction of the eligible entity.
- The activity may include financial incentive programs established by states, including sub-grants from states to local governments or tribes, such as a revolving loan fund.
- For local governments and Indian tribes only: there is a limitation on utilizing EECBG Program formula grant funds for the development and capitalization of a Revolving Loan Fund of the greater of 20% of the award allocation or $250,000. Eligible entities may contribute grant funding to an existing revolving loan fund – they need not establish a new one.
- EECBG Program funds used for financing programs must be tracked and reported separately from non-EECBG Program funds, including other federal financing programs, such as the Energy Efficiency Revolving Loan Fund Capitalization Grant Program available to States.
- While this Category addresses financial incentives specifically for energy efficiency, financing for renewable energy systems may be an eligible activity under Category 14.

EXAMPLE ELIGIBLE ACTIVITIES

- Energy Savings Performance Contracts (ESPCs)
- Loan programs such as: revolving loan funds, loan guarantees, loan-loss reserves or credit enhancements, on-bill financing, and energy efficient mortgage programs
- Non-loan financial assistance programs such as: grants, rebates, tax credits, tax exemptions, fee waivers, interest rate buydowns, bonds
- Other financial incentive program for energy efficiency improvements, such as formulation of 501(c)3 Green Bank Entities

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint #2B: Energy Efficiency and Electrification in Buildings - Energy Savings Performance Contracts
- Blueprint #2C: Building Electrification Campaign
- Blueprint #5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs – Revolving Loan Funds

ITEMS TO CONSIDER

- Financial incentive programs should be designed to be self-sustaining.
- Consider opportunities to leverage or coordinate EECBG formula funds with rebates, financial incentives and financing programs funded by the IIJA or Inflation Reduction Act (IRA), such as

SEP Revolving Loan Funds, Home Energy Rebates, and the U.S. EPA's Greenhouse Gas Pollution Reduction Fund.

- Leverage private capital to achieve greater impact by partnering with non-profit Green Banks or other sources of private capital.
- Coordinate financial incentive activities with energy efficiency and conservation elements of any existing energy-related plan, such as a climate action plan or local or tribal government's sustainability plan. Factor in the energy impacts of long-lifetime building upgrades, and their implications for existing climate or sustainability plans.
- Seek to design programs to mitigate historical inequities in access to capital and financing to further environmental justice by addressing barriers to accessing capital, such as credit score and debt-to-income ratios. See the State and Local Solution Center for program design resources and examples, such as:
    - Clean Energy for Low-Income Communities Accelerator (CELICA) Toolkit;
    - State and Local Planning for Energy (SLOPE) Platform; and
    - Energy Efficiency Financing for Low- and Moderate-Income Households: Current State of the Market, Issues, and Opportunities.

Category (5) Energy Efficiency Retrofit Grants for Government Agencies and Nonprofit Organizations

STATUTORY LANGUAGE

The provision of grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency retrofits

PROGRAM GUIDANCE

- The activity is for energy efficiency retrofits performed by government agencies or nonprofit organizations (these retrofits may be in residential buildings as long as the government or nonprofit is performing the retrofit). The retrofit may be of equipment (e.g., an HVAC system and associated controls, appliances, or lighting) or a building;
- The retrofit must result in energy savings (e.g., kwh/BTUs) or improved energy efficiency;
- The activity must not be for new construction or non-replacement equipment;
- The activity must occur within the jurisdiction of the eligible entity.

EXAMPLE ELIGIBLE ACTIVITIES

- Energy efficiency retrofit measures, including weatherization, installation of efficient heating and cooling systems and appliances, cool roofs, and water efficiency measures
- Energy management systems, including grid-interactive equipment such as smart thermostats, battery storage systems, and building energy management systems
- Building electrification measures, including the installation of heat pumps, heat pump water heaters, residential or commercial cooking equipment, and associated wiring and panel upgrades

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint #2A: Energy Efficiency - Energy Audits and Building Upgrades
- Blueprint #2B: Energy Efficiency and Electrification in Buildings - Energy Savings Performance Contracts
- Blueprint #5: Unlocking Sustainable Financing for Energy Projects and Programs – Revolving Loan Funds

ITEMS TO CONSIDER

- Take a whole-building approach to retrofits that recognizes the interactive effects and co-benefits of different technologies, rather than focusing on a specific technology or end use.
- Consider coordinating (also referred to as 'braiding') EECBG Program grant funding with other local, state, and federal programs such as the Better Buildings Initiative, Weatherization Assistance Program, U.S. Environmental Protection Agency's Climate Pollution Reduction Grants, IRA Home Energy Rebates (forthcoming), federal tax incentives or USDA's Community Facilities Program; or utility energy efficiency programs, including financing and incentives for energy efficiency improvements.
- Consider the energy impacts of long-lifetime building retrofits and their broader implications for existing climate or sustainability plans. Perform energy assessments and retrofits in

communities that have traditionally experienced energy injustice or have disproportionate household energy burdens by using tools such as the Climate and Economic Justice Screening Tool and Low-Income Energy Affordability Data (LEAD) Tool and partnering with relevant community stakeholders.

Category (6) Energy Efficiency and Conservation Programs for Buildings and Facilities

STATUTORY LANGUAGE

Development and implementation of energy efficiency and conservation programs for buildings and facilities within the jurisdiction of the eligible entity, including—

A. Design and operation of the programs;
B. Identifying the most effective methods for achieving maximum participation and efficiency rates;
C. Public education;
D. Measurement and verification protocols; and
E. Identification of energy efficient technologies

PROGRAM GUIDANCE

- The activity must be for the development and/or implementation of an energy efficiency or energy conservation program. An eligible use of funds may include the design and operation of the program and installation of energy efficiency equipment, including building energy management systems and controls.
- The activity must be related to buildings or facilities;[16] and
- The activity must impact buildings or facilities within the jurisdiction of the eligible entity.

EXAMPLE ELIGIBLE ACTIVITIES

- Workforce development/training programs supporting eligible activities, such as training community members on green technology installation or residential and commercial energy audits
- Programs for public education including training or workshops
- Development and implementation of building performance standards, including benchmarking and disclosure requirements for the purpose of promoting energy efficiency in commercial buildings
- Development and implementation of measures and verification protocols
- Programs to partner with local non-profits and community organizations to support weatherization, efficiency retrofits and technologies, and installations
- Programs to promote architecture, design, and engineering work for energy efficient buildings
- Non-capital strategies to improve facility efficiency through an Energy Data Management Program and/or operations and maintenance strategies such as Strategic Energy Management (or similar methods)
- Development of an energy rating, disclosure and/or labeling system for the purpose of promoting energy efficiency in residential or commercial buildings

[16] For the purpose of eligibility under the EECBG Program, "facility" generally means an installation, building, group of buildings, or group of structures designed to support a related purpose.

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint 2A: Energy Efficiency – Energy Assessments and Building Upgrades
- Blueprint 2B: Efficiency for portfolio of government buildings: Energy Saving Performance Contracts
- Blueprint 2C: Building Electrification Campaign
- Blueprint 3: Building Performance Standards and Stretch Codes
- Blueprint 5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs - Revolving Loan Funds
- In addition to providing one-on-one customized technical assistance for governments pursuing building code updates, the DOE Building Energy Codes Program also provides technical assistance for jurisdictions interested in exploring Building Performance Standards programs.
- The federal government maintains several tools to assist with building energy efficiency, which are described in the blueprints, including ENERGY STAR® Portfolio Manager and DOE Building Energy Asset Score which are online platforms to collect and organize building energy data. In addition, DOE developed the Energy Data Management Guide designed to support state and local governments in developing a data-driven approach to energy management.

ITEMS TO CONSIDER

- Achieve a double bottom line of economic justice and energy justice by prioritizing disadvantaged communities in workforce development training programs.
- Design programs that can leverage other local, state, and federal funding, such as the DOE Better Buildings Initiative, Weatherization Assistance Program, and EPA Climate Pollution Reduction Grants.
- Coordinate buildings and facilities programs with energy efficiency and conservation elements of any existing energy-related plan such as a climate action plan or local or tribal government's sustainability plan. Factor in the energy impacts of long-lifetime building upgrades and their implications for existing climate or sustainability plans.

Category (7) Conservation of Transportation Energy

STATUTORY LANGUAGE

Development and implementation of programs to conserve energy used in transportation, including—

A. Use of flex time by employers;
B. Satellite work centers;
C. Development and promotion of zoning guidelines or requirements that promote energy efficient development;
D. Development of infrastructure, such as bike lanes and pathways and pedestrian walkways;
E. Synchronization of traffic signals; and
F. Other measures that increase energy efficiency and decrease energy consumption

PROGRAM GUIDANCE

- The activity must result in or support the conservation of transportation fuel within the jurisdiction of the eligible entity.
- Conservation of transportation fuel may be for the population (e.g., privately owned vehicles) within the jurisdiction of the eligible entity or for government purposes (e.g., government fleets)
- Eligible alternative fuel vehicles (AFVs) can span a range of transportation fuel conservation technologies and fuel types (e.g., light and medium duty electric vehicles (EVs) and hybrid vehicles).
- A reduction in greenhouse gas emissions that result from transportation fuel may also be considered conservation of transportation fuel.

EXAMPLE ELIGIBLE ACTIVITIES

- Improvement of energy efficiency of government vehicle fleets through the purchase of electric, hybrid, or alternative fuel vehicles such as buses, recycling / waste collection vehicles, etc.
- Micromobility programs, devices and associated facilities, including conventional bicycles, e-bicycles, e-scooters, and other personal transport devices for public use[17]
- Addition of bike lanes, pathways, or other alternative transportation infrastructure
- Geomapping for ideal placement of electric vehicle charging stations and infrastructure
- Purchase and installation of electric vehicle charging stations and equipment
- Enhancing commuter lots to encourage increased use of public transportation
- Strategies to reduce vehicle miles travelled, including the use of satellite offices, flex time, telecommuting policies, and implementation of carpooling or vanpooling strategies
- Development and promotion of zoning and siting guidelines or requirements that promote energy efficient development
- Implementing planning measures to improve transportation efficiency, including the development and promotion of alternative transportation infrastructure, synchronizing traffic

[17] For more information on micromobility devices and transportation systems, see: https://highways.dot.gov/public-roads/spring-2021/02# and https://nap.nationalacademies.org/catalog/26386/transit-and-micromobility

signals, and mapping the ideal placement of vehicle charging and other alternative fueling infrastructure

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint #5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs – Revolving Loan Funds

ITEMS TO CONSIDER

- For a project to qualify for EECBG Program funds under Category 7, its focus must be for the conservation of transportation fuel within the jurisdiction of the eligible entity.
- Consider equity and environmental justice in determining placement of EV charging stations and ensure stations are affordable and accessible to all residents (including multifamily households), to promote equitable access to electric vehicle charging infrastructure.
- An alternative fuel vehicle (AFV) refers to a vehicle that does not rely on traditional gasoline, but rather other power sources, including battery electric vehicles (BEVs), plug-in hybrid vehicles (PHEVs) and hybrid vehicles. Vehicles utilizing biodiesel, ethanol, or natural gas are also considered alternative fuel vehicles.[18] When determining AFVs for purchase, be sure to consider which have the lowest carbon emissions and operational costs.
- Complementary federal funding for transportation efficiency and electrification measures may become available from additional programs, including grant programs administered by DOE, the DOE/DOT Joint Office of Energy and Transportation, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency.
- Many current state and federal programs offer funds for the development and placement of electric vehicle charging. Efforts to place additional alternative fueling infrastructure should be in coordination with these programs to ensure rural and disadvantaged communities and households not yet being served are prioritized.

[18] For additional information on alternative fuel vehicles by fuel type and technology, visit the Alternative Fuels Data Center at: https://afdc.energy.gov/.

Category (8) Building Codes and Inspection Services

STATUTORY LANGUAGE

Development and implementation of building codes and inspection services to promote building energy efficiency

PROGRAM GUIDANCE

- The activity must be for the development, adoption and/or implementation of building codes, inspection services or trainings/workshops to promote building energy efficiency.
- Programs for development, adoption and implementation of stretch codes that exceed baseline energy codes, such as green building standards, are eligible under this category.
- The development of energy efficiency rating and/or labeling systems for the purpose of promoting energy efficient devices, equipment, or buildings are eligible under this category.
- The activity must occur within the jurisdiction of the eligible entity.

EXAMPLE ELIGIBLE ACTIVITIES

- Adoption and implementation of building energy codes, including supporting the adoption and implementation of model building energy codes or stretch codes for energy efficient residential and commercial buildings
- Training and certification support for architects, builders, building inspectors, code officials, and other stakeholders that are responsible for implementing building codes
- Development, adoption, and implementation of a Building Performance Standard, including benchmarking and disclosure requirements
- Conducting an energy code field study, which would document typical design and construction practices, target areas for improvement through workforce education and training initiatives, and quantify energy efficiency and environmental impacts in buildings

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint #2D: Building Performance Standards & Stretch Codes
- The Office of Energy Efficiency and Renewable Energy (EERE) provides technical assistance grants to support the implementation of updated building energy codes to encourage more efficient and resilient buildings. For more information on EERE funding opportunities and resources available to support implementation of updated building energy codes, visit: the EERE Building Codes webpage.
- The Office of State and Community Energy Programs (SCEP) plans to provide technical assistance grants to assist states and units of local government that have authority to adopt and implement the latest model energy codes (i.e., 2021 IECC & ASHRAE Standard 90.1-2019), zero energy building codes, or other codes or standards that achieve equivalent or greater energy savings. Up to $1 billion in funding is available, through 9/30/29.
- The DOE Building Energy Codes Program provides $225 million in technical assistance grants to support building code development and implementation, as well as promoting alignment about building codes and performance standards.

ITEMS TO CONSIDER

- The legal authority for local government entities to develop, adopt, or implement more stringent building energy codes varies by state, with some states prohibiting or limiting local code adoption, whereas others delegate code adoption to local jurisdictions. Other states may provide either a uniform model Stretch Energy Code for municipal adoption, or Reach Codes, which provide optional standards for energy efficiency that exceed the state's mandatory code requirements.[19] The DOE Building Energy Codes Program (BECP) provides information on state and local code adoption, including information on the status of code adoption by state[20] and state code adoption laws (which also includes status of code adoption by jurisdiction).[21] BECP has also developed stretch code modules based on technologies, measures, or practices (or optimized combinations) that can be adopted as a stretch code or directly into state and local building energy codes.[22]
- Due to the limited capacity of local code enforcement officials, eligible entities may consider energy codes with alternative compliance pathways or explore strategies to reduce building officials' workload, such as third-party enforcement procedures.
- Prioritize resources to increase inspection capacity in historically energy-burdened and disadvantaged communities as identified using the Justice40 tools, such as CEJEST.

[19] For additional information on stretch and reach codes, see Stretch Codes (Advanced Codes) - New Buildings Institute. https://newbuildings.org/code_policy/stretch-codes-advanced-codes/

[20] BECP Status of State Energy Code Adoption: https://www.energycodes.gov/state-portal

[21] BECP Municipal Building Energy Policies: https://public.tableau.com/views/Top100MetroDatabase-PrimaryCityCode-V4/MetroResidentialCodeMinandHR_1?:language=en-US&:display_count=n&:origin=viz_share_link

[22] BECP Stretch Codes: https://www.energycodes.gov/stretch-codes

Category (9) Energy Distribution Technologies

STATUTORY LANGUAGE

Application and implementation of energy distribution technologies that significantly increase energy efficiency, including—

A. Distributed resources; and
B. District heating and cooling systems

PROGRAM GUIDANCE

- The application and implementation of energy distribution technologies that significantly increase energy efficiency, including distributed resources and district heating and cooling systems.
- The activity must result in a significant increase in energy efficiency within the jurisdiction of the eligible activity.

EXAMPLE ELIGIBLE ACTIVITIES

- Microgrid technologies
- District heating and cooling systems
- Combined heat and power systems (CHP)
- Cogeneration systems
- Energy Storage systems

TECHNICAL ASSISTANCE OPPORTUNITY

- Blueprint: Solar + Storage: Power Purchase Agreements and Direct Ownership
- Blueprint 6: Unlocking Sustainable Financing for Energy Projects and Programs - Revolving Loan Funds
- Resources around CHP are available from DOE Better Buildings Program can be found here.
- Resources around grid modernization are available through the DOE Grid Deployment Office can be found here.
- Additional technical assistance around specific technology areas may be available through various DOE offices and national laboratories. For the latest, visit the EECBG Technical Assistance webpage.

ITEMS TO CONSIDER

- Renewable energy, storage, and CHP can provide revenue streams while grid-connected, and these energy and cost savings may lower the overall cost of a microgrid and allow for the incorporation of additional microgrid components. When integrated into a microgrid, distributed energy technologies can also increase survival time during a grid outage when fuel supplies are limited.

- Implementing energy efficiency measures in conjunction with renewable energy, storage, and/or CHP can reduce the cost of each of these systems by allowing a smaller system to meet the reduced energy needs of the facility.
- Leverage federal tax incentives where feasible, such as the Inflation Reduction Act Home Energy Credits.
- CHP technologies are most applicable to sites that have a reliable gas supply and steady thermal and electric loads such as industrial operations; commercial operations such as hospitals, nursing homes, or hotels; and institutional and residential sites such as schools, universities, prisons, or multi-family buildings. If CHP with gas is considered, be sure to consider the expected lifetime of the CHP system and how it aligns with broader jurisdictional goals in existing climate and/or sustainability plans.
- Consider district heating configurations that further reduce emissions, such as combined renewable energy configurations (e.g., solar, wind, steam, sustainably sourced fuels) and power systems or geothermal district heating.
- Prioritize sites that directly serve the community and that provide one or more infrastructure and services to the community, such as community centers, water and wastewater treatment facilities, police and fire stations, schools, libraries, and other facilities. These sites could benefit from microgrid, CHP and/or storage systems by lowering energy costs and enhancing community resilience, such as providing backup power or emergency shelter in the event of a natural disaster or extended power outage, especially when combined with onsite renewable investments described in Category 14.

Category (10) Material Conservation Programs

STATUTORY LANGAUGE

Activities to increase participation and efficiency rates for material conservation programs, including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency

PROGRAM GUIDANCE

- The activity must be for the purpose of increasing the participation in and/or the efficiency rates of a material conservation program (e.g., source reduction, recycling, and recycled content procurement programs); and
- The activity must occur within the jurisdiction of the eligible entity.
- If the activity is a recycled content procurement program within the jurisdiction of the eligible entity, there must be an associated increase in energy efficiency and/or conservation of fuel.

EXAMPLE ELIGIBLE ACTIVITIES

- The cost of vehicles required for a materials conservation/recycling program, such as recycling trucks
- Municipal waste reduction programs, including education and outreach
- Establishing or expanding policies and programs for materials reuse and recycling, including equipment and facilities and associated tracking and reporting systems.
- Organic and food waste recovery and recycling via food waste recovery programs, and organics recycling, such as composting, and anaerobic digesters for clean renewable electricity generation)
- Expanding infrastructure and/or participation in existing recycling programs

ITEMS TO CONSIDER

- Consider the energy consumption associated with producing and recycling different materials, as well as the environmental implications of their disposal.
- Consider coordination with other local jurisdictions to develop facilities that can serve multiple jurisdictions.

Category (11) Reduction, Capture, and Use of Landfill Gases

STATUTORY LANGUAGE

The purchase and implementation of technologies to reduce, capture, and, to the maximum extent practicable, use methane and other greenhouse gases generated by landfills or similar sources

PROGRAM GUIDANCE

- The activity must be for the purchase and implementation of technology, for the purpose of reducing, capturing, or using methane or other greenhouse gases generated by landfills or similar sources; and
- The activity must occur within the jurisdiction of the eligible entity.

EXAMPLE ELIGIBLE ACTIVITIES

- Reducing the carbon emissions of landfills or similar waste-related sources, including wastewater treatment plants, operations producing food waste, dairy farms, and other animal operations, through measures to reduce, capture and use methane and other greenhouse gases
- Anaerobic digestion systems
- Utilization of landfill gas for electricity generation
- Direct use of landfill gas to offset the use of other fuels
- Conversion of landfill gas to renewable natural gas

ITEMS TO CONSIDER

- Activities in this category may present an opportunity to lessen the burden of environmental regulatory requirements through the reduction, capture, and use of landfill gases.
- Cogeneration systems, like those discussed in Category 9 of this document, can use landfill gas to generate electricity and thermal energy.
- Additional information, including tools and resources for reducing or avoiding landfill methane emissions, is available from the U.S. EPA's Landfill Methane Outreach Program (LMOP). Additional information on renewable natural gas systems and a database of renewable natural gas projects are available from the Alternative Fuels Data Center and the Renewable Natural Gas Database.

Category (12) Replacement of Traffic Signals and Street Lighting

STATUTORY LANGUAGE

Replacement of traffic signals and street lighting with energy efficient lighting technologies, including—

A. Light emitting diodes; and
B. Any other technology of equal or greater energy efficiency

PROGRAM GUIDANCE

- The activity must be for the replacement of traffic signals, street lights[23] or street signs;
- The replacement of traffic signals or street lights must be light emitting diodes (LEDs) or other technology of equal or greater energy efficiency. Traffic signals and street light replacements may include solar panels that power the street lights so long as the panels are part of a replacement effort that installs LEDs or other technology of equal or greater efficiency for lamps;
- Generally, only the cost of replacement lamp is eligible unless replacement/upgrade of supporting structure (e.g., posts) is necessary to support the replacement of the lamps.
- The activity must occur within the jurisdiction of the eligible entity.

EXAMPLE ELIGIBLE ACTIVITIES

- LEDs and any other technology of equal or greater energy efficiency
- Computerized traffic management systems, installed on street lights, to minimize vehicle-based traffic congestion during peak driving hours

TECHNICAL ASSISTANCE OPPORTUNITY

- The Better Buildings Outdoor Lighting Accelerator Toolkit provides tools and resources, including a decision tree for upgrading or replacing public outdoor lighting systems, technical support resources, and lessons learned.
- The Municipal Solid-State Street Lighting Consortium (MSSLC) helps local governments make informed decisions on the purchase of LED street lighting and maximize the energy savings. Resources include lighting specifications, financing resources, technical reports, presentations, and FAQs on outdoor street lighting, including resources on lighting selection and design considerations.

ITEMS TO CONSIDER

- The replacement of a lighting fixture, an arm, a pole, or any part of a light is an eligible use of funds if the more efficient lighting technology necessitates such a replacement. However, regular maintenance is an ineligible cost. For example, EECBG Program funds cannot be used to replace a rotten pole due to insufficient maintenance. LED lights should be procured with strong

[23] A "street light" is an outdoor source of light that is raised and that is intended to provide functional illumination to the area below the light.

warranty terms and meet certifications (e.g., ENERGY STAR or otherwise) to ensure energy performance, longevity and lighting quality over time.

- When considering which locations to make street light improvements, consider incorporating approaches to ensure equitable access to street light improvements, such as scoring criteria that consider equity, safety, and access.

Category (13) On-site Renewable Energy On or In a Government Building

STATUTORY LANGUAGE

Development, implementation, and installation on or in any government building of the eligible entity of onsite renewable energy technology that generates electricity from renewable resources, including—

A. Solar energy;
B. Wind energy;
C. Fuel cells; and
D. Biomass.

PROGRAM GUIDANCE

- The activity must be for the development, implementation, and installation of onsite renewable energy technology (e.g., solar energy, wind energy, fuel cells, or biomass);
- The installation of the renewable energy technology must be on, in or under a government building[24] of the eligible entity (the renewable technology is considered installed on a government building if it is installed on a government-owned site and connected to the government building behind the meter); and
- The renewable energy technology must be for the generation of electricity, or result in more efficient heating/cooling. The renewable energy source need not provide a building's entire electricity usage and not all of the electricity needs to physically go into the government building.
- The installation of renewable energy technologies on commercial buildings, or other non-government buildings or sites, is not an eligible use of funds under Category 13. Renewable energy technologies, however, are eligible for installation on non-governmental buildings under Category 14, as part of programs for financing and installing energy efficiency, renewable energy, and zero emissions transportation systems, including financing programs, grants, incentives or rebates.[25]

EXAMPLE ELIGIBLE ACTIVITIES

- Financing mechanisms that enable this activity such as power purchase agreements for solar PV installations on multiple government buildings

[24] For the purpose of eligible under the EECBG Program, "government building of the eligible entity" generally means a building built by or for the use of the government that is the grantee/recipient of award funds. This includes buildings owned or leased by the eligible entity. This does NOT include state, Federal, or other government buildings that are not government buildings of the eligible entity.

In the case of tribal governments, exclusions from the definition of tribal government buildings are privately owned tribal housing and commercial buildings; facilities owned by 501(c) (3) entities (unless the organization was chartered and delegated by the Tribe to act on its behalf); and those owned by a Federal Agency (e.g., U.S. Department of Housing and Urban Development, U.S. Department of the Interior, Bureau of Indian Affairs, etc.)

[25] Entities proposing to purchase and install renewable energy technologies on government buildings may include the proposed activities under either Category 13 or 14.

- Installation of renewable energy technologies (e.g., solar energy, wind energy, fuel cells, or biomass) at or on government property

TECHNICAL ASSISTANCE OPPORTUNITY

- Blueprint 4A: Solar + Storage - Power Purchase Agreements and Direct Ownership
- Blueprint 4D: Renewable Resource Planning
- National Renewable Energy Lab provide technical assistance to Local Governments around Waste-to-Energy
- Additional technical assistance around specific technology areas, including solar, may be available through various DOE offices and national laboratories. For the latest, visit the EECBG Technical Assistance webpage.

ITEMS TO CONSIDER

- In addition to locational and structural characteristics (such as roof conditions, shading, orientation, etc.), considering the projects' proximity to electrical infrastructure is critical for solar and wind projects (behind-the-meter projects exempted).
- Leveraging eligible energy efficiency and conservation activities can reduce the cost of on-site renewable energy investments by meeting a government building's energy requirements with less on-site generation capacity.
- Activities under this category should align with the local policy context, including siting limitations; utility-specific requirements for interconnections; state policies and programs such as renewable energy credits, rebates, and net metering; and available federal incentives, including tax credits.[26]
- Prioritize sites that directly serve the community and that provide one or more infrastructure and services to the community. For example, consider community centers, water and wastewater treatment facilities, police and fire stations, schools, libraries, and other facilities that could benefit from on-site renewable energy systems by lowering energy costs, and enhancing community resilience, such as providing backup power or emergency shelter in the event of a natural disaster or extended power outage (including when combined with energy storage systems, as described in Category 9).

[26] Consider exploring siting resources provided by the National Renewable Energy Laboratory, such as the Clean Energy to Communities Program.

Category (14) Programs for Financing, Purchasing, and Installing Energy Efficiency, Renewable Energy, and Zero-emission Transportation (and associated infrastructure) Measures and Capital Investments, Projects, and Programs for Leveraging Public and Private Sector Funds

STATUTORY LANGUAGE

Programs for financing energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure), capital investments, projects, and programs, which may include loan programs and performance contracting programs, for leveraging of additional public and private sector funds, and programs that allow rebates, grants, or other incentives for the purchase and installation of energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure) measures

PROGRAM GUIDANCE

- This category may include the purchase and deployment of energy efficiency, renewable energy, and zero emissions technologies. This may include technologies that promote the electrification of buildings and transportation.
- Projects and programs in this category include efforts to develop and/or implement programs that encourage and promote the use of energy efficiency, renewable energy, and zero emissions technologies. These programs may also include financing and loan programs to support energy efficiency, renewable energy, and zero emissions transportation.
- Projects may leverage public and private funds, including partnerships with third-party lenders, co-lending, third-party administration of loans, loan loss reserves, and partnerships with utilities.
- Equipment acquisitions and installations for infrastructure projects will be subject to restrictions and review as outlined in statute under the National Environmental Protection Act (NEPA). NEPA will apply to equipment acquisition and installation, and to all other activities outlined in the Administrative and Legal Requirements Document.
- Equipment acquisitions and installations may also be subject to restrictions and review as outlined in statute under the Build America, Buy America Act (BABA). When necessary, exemptions under BABA may be possible.

EXAMPLE ELIGIBLE ACTIVITIES:

Transportation:

- Infrastructure development to support electric vehicles (EV), EV charging stations, rural EV infrastructure, and increasing EV charging access in underserved communities and communities with high energy burdens
- The purchase or lease of zero-emission vehicles, including electric buses, bikes, and scooters, as well as the acquisition, construction, and leasing of required supporting facilities

Energy Efficient & Renewable Technology

- Pre-development planning costs for further energy efficiency and conservation projects and programs.

- Infrastructure improvements to support the deployment of energy efficiency measures, renewable energy, and sustainable transportation
- The purchase, deployment, and infrastructure development of energy efficient and renewable energy technologies, including projects occurring in or on non-government buildings or privately owned land and facilities.
- The purchase and deployment of a battery storage system if combined with a renewable energy generation system and/or energy efficiency at government and/or non-government buildings or facilities
- Grid modernization efforts necessary to support renewable energy and electrification initiatives, such as upgrading metering infrastructure, grid-interactive equipment and appliances, and interconnection of local renewable energy systems (e.g., community solar systems, wind turbines and other renewable energy systems)

Clean Energy Programs

- Loan programs, such as revolving loan funds, on-bill financing programs, energy savings performance contracting, or solar lending programs
- Credit enhancements, such as loan loss reserves and financial incentives, interest rate buy downs, or rebates
- Programs for public education, training, workshops, technical assistance, measurement and verification, and energy management systems to support the use of energy efficiency, renewable energy and zero emissions transportation
- Innovative deployment and financing models for renewable energy, including community solar and solarize campaigns

TECHNICAL ASSISTANCE OPPORTUNITIES

- Blueprint 2A: Energy Efficiency – Energy Assessments and Building Upgrades
- Blueprint 2B: Efficiency and Electrification of Buildings -- Energy Savings Performance Contracts
- Blueprint 2C: Building Electrification Campaign
- Blueprint 3A: Solar + Storage - Power Purchase Agreements and Direct Ownership
- Blueprint 3B: Community Solar
- Blueprint 3C: Solarize Campaign
- Blueprint 3D: Renewable Resource Planning
- Blueprint 4A: Electric Vehicles and Fleet Electrification
- Blueprint 4B: EV Charging Infrastructure for Communities
- Blueprint 5: Unlocking Sustainable Financing Solutions for Energy Projects and Programs – Revolving Loan Funds
- Blueprint 6: Workforce Development
- Additional technical assistance may be available through various DOE offices and national laboratories. For the latest, visit the EECBG Technical Assistance webpage.

ITEMS TO CONSIDER

- Community solar projects mitigate some of the physical and siting barriers to solar installation by enabling multiple subscriber customers to receive bill credits for electricity generated from solar power without having to host a solar installation on their property. DOE resources for community solar projects are available through the National Community Solar Partnership.
- Seek opportunities to leverage EECBG Program funds with private capital or design programs to deliver ongoing energy savings by reinvesting funds from loans or energy savings (e.g., a municipal revolving loan fund or energy savings performance contracting).
- Larger-scale installation projects may require extended time to go through the NEPA review and approval process. Be sure to schedule in ample time for this important process.
- Entities pursuing EV charging projects under this category should consider strategies to ensure equitable distribution of EV infrastructure to disadvantaged communities. Likewise, EV charging placement would ideally align with other state and federal efforts per category 7 above.

LIMITATIONS ON THE USE OF EECBG PROGRAM FUNDS

There are several limitations on the use of EECBG Program funds. Eligible entities must consult their award agreements for more information about those limitations.

Limitations for funds:

Local and tribal governments:

- Use up to 20 percent or $250,000, whichever is greater, of the grant funds for the establishment of revolving loan funds.
- Use up to 20 percent or $250,000, whichever is greater, of grant funds for the provision of sub-grants to nongovernmental organizations for the purpose of assistance with overseeing, establishing, and monitoring the EECBG Program activities of the applicant.

  Sub-granting Requirements & Notes:
  - This limitation applies only to subgrants. Sub-contracts to address specific needs of the recipient to fully implement its energy efficiency and conservation strategy are not bound by this limitation, subject to approval by DOE. However, recipients must ensure that the majority of the grant funding is used to achieve the objectives of their EECBG Program grant.
  - In addition, funding that is intended to be used for implementation of measures described in the recipients EECS and / or grant award may be passed-through a support subgrantee without counting against the limitation on subgrants.
  - All pass-through entities are responsible for administration of sub-granted funds, including flow-down requirements (i.e., award special terms & conditions), monitoring and oversight and reporting on sub-grantee activities.[27]
- Use up to 10% or $75,000 of their funds for administrative expenses (excluding the cost of the reporting requirements).[28]

States and territories:

- Are required to subgrant not less than 60% of the amount provided to the State to ineligible local governments within the state.
  - American Samoa, Guam, Hawaii, the Commonwealth of the Mariana Islands, the District of Columbia, and the U.S. Virgin Islands are exempt from the 60% sub-grant requirement.
- Use up to 10% of their funds for administrative expenses.

---

[27] Requirements for pass-through entities may be found in 2 CFR 200.332.

[28] Grantees should use their established definitions of "administrative expenses". States may not use more than 10 percent of amounts provided under the program for administrative expenses (42 USC 17155 (c)(4)). Units of local government and Indian tribes may not use more than 10 percent or $75,000, whichever is greater, for administrative expenses (42 USC 17155 (b)(3)(A)). EECBG funds may be used for compensation of employees or contractors. Whether or not the administrative cost cap applies depends on the nature of the responsibilities of the staff hired. Administrative activities are those that cannot be identified with any single program but are necessary to the general conduct of the activities of the entity organization; this could include such items as the overall direction of the organization, record keeping, budgeting, and business management.

Programs or Activities Using American Recovery and Reinvestment Act (ARRA) funds:
For recipients that are administering programs or activities through EECBG Program funds received under ARRA, such as financing programs, the ARRA prohibitions on use of funds still apply. Specifically, ARRA prohibits, without exception, the use of funds for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool. Any buildings or infrastructure supporting the above establishments are also ineligible.

Questions regarding the eligibility of a specific activity, measure, or program under the EECBG Program should directed to the EECBG Program Project Officer assigned to your award.

/s/ Michael Li

Michael Li
Acting Deputy Director, Community Energy Programs
Office of State and Community Energy Programs