

U. S. STATE ENERGY PROGRAM (SEP)

by

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The State Energy Program originated in the early 1970s. The program, administered by the U. S. Department of Energy, provides cost-shared resources to the states for allocation by the State Energy Office (SEO). There are 56 State and Territory Energy Offices. The Louisiana State Energy Office is housed in the Technology Assessment Division within the Louisiana Department of Natural Resources (www.dnr.louisiana.gov).

SEP Mission and Goals¹

- Support the public and private sectors
- Strengthen America's competitive position and energy security
- Provide high value programs and projects that facilitate the private sector delivery of energy innovation
- Maximize energy, environmental, and economic benefits
- Increase market acceptance of energy efficiency and domestic energy resources
- Use innovative approaches to reach market segments and meet policy goals

The program is funded through congressional appropriations, Petroleum Violation Escrow (PVE), program income, Office of Energy Efficiency and Renewable Energy (EERE) programs for special projects, and leveraged funds. DOE estimates that each \$1 of SEP funds is leveraged by \$10.71 of state and private funds. The 30-year SEP program is authorized at \$125 million. The program received \$50 million in Fiscal Year 2014 appropriations.

States file a grant application that describes energy goals and proposed activities, source of funds, budget and monitoring. States must comply with the DOE and other Federal regulations and procedures governing financial awards. These documents address program regulations, prohibited use of SEP Funding, allowable costs and expenditures and minimum required program activities. The SEO is tasked with monitoring, record keeping and reporting.

The Louisiana Energy Office, in addition to being the conduit for federal program money, is the state's clearinghouse for information regarding alternative energy sources and energy efficiency for stakeholders ranging from homeowners to all levels of government. The Energy Office provides advisory assistance to the Louisiana Secretary of Natural Resources on energy use, efficiency, supply, and alternatives. The SEO provides assistance regarding legislation related to energy conservation and energy standards in Louisiana.

Two of the more popular programs funded through the state energy program were the Home Energy Rebate Program (HERO) and the Energy Star appliance rebate program. The HERO program provided cash rebates to homeowners for energy retrofits. The Appliance Rebate Program offered rebates to consumers to help defray the cost of energy efficient appliances.

¹ NASEO SEP in Brief (http://www.naseo.org/Data/Sites/1/documents/programs/sep/documents/NASEO_SEP_In_Brief.pdf)

Table 1. State Energy Program (SEP) At-A-Glance

Objective	To promote energy conservation and efficiency and reduce energy demand by developing and implementing comprehensive State energy conservation plans supported by Federal financial and technical assistance.
Eligible Applicants	The States, the District of Columbia, and territories of the United States.
Program Regulations	DOE <i>Code of Federal Regulations</i> , Title 10, Part 420, Part 600, and Office of Management and Budget (OMB) Circulars.
Funding	Congressional appropriations, Petroleum Violation Escrow (PVE), State funds, program income, Office of Energy Efficiency and Renewable Energy (EE) end-use sector programs (for special projects), and leveraged funds.
Prohibited uses of SEP Funding	<ul style="list-style-type: none"> • Construction or repair of mass transit systems or exclusive bus lanes, buildings, or structures • Purchase land, buildings, or structures or to pay interest on construction • Subsidize fares for public transportation • Subsidize utility rate demonstrations or State tax credits for energy conservation or renewable energy measures • Conduct or purchase equipment to conduct research, development, or demonstration of energy efficiency or renewable energy techniques and technologies not commercially available. However, demonstrations of commercially available energy efficiency or renewable energy techniques and technologies are permitted.
Allowable Costs and Expenditures	As defined in OMB Circulars A-21, A-87, and A-122 and cited in 10 CFR 600.127 and 10 CFR 600.222.
Minimum Required Program Activities	Establish mandatory lighting efficiency standards for public buildings; promote the availability and use of car pools, van pools, and public transportation; establish mandatory standards and policies affecting procurement practices; mandatory thermal efficiency standards for new and renovated buildings; traffic laws that permit right turns at red traffic lights and left turns from a one-way to a one-way street or adopt model codes for local governments to mandate such measures; and procedures to ensure effective coordination among local, State, and Federal energy efficiency, renewable energy, and alternative transportation fuel programs.
Special Projects	States may apply for funding made available to support activities aimed at improving the energy efficiency of the buildings, industrial, transportation, and utility sectors and the Federal Energy Management Program (FEMP).
Application Requirements and Program Assurances	States must submit an Annual Application and a State Plan/Master File (prepared and updated as required) that describes energy conservation, efficiency and renewable energy goals, proposed activities, source of funds, budget, progress, and monitoring activities.
Reporting Requirements	States must file quarterly reports that account for funds and program status.
Audits	States are responsible for obtaining independent nonfederal audits.

Source: State Energy Program Operations Manual (January 2003):

http://www.naseo.org/data/sites/1/documents/programs/sep/documents/SEP_Operations_Manual-2003.pdf