

LDNR EXECUTIVE BRIEFING ON THE 2009 ARRA ENERGY PROGRAMS



December 2010

Funding as of 12/31/2010

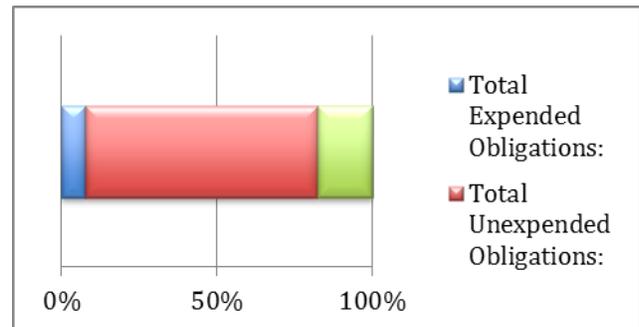
*** UPDATED[†] ***

Program Overview

As part of the American Recovery and Reinvestment Act (ARRA) of 2009, the Louisiana Department of Natural Resources (LDNR) was awarded \$71.7 million through the State Energy Program (SEP) Grant. The SEP grant dollars have been allocated toward five programs, including the ENERGY STAR® Appliance Rebate, Home Energy Rebate Option (HERO), Renewable Energy, State Buildings–Lead By Example, and Transportation Efficiency & Alternative Fuels Programs. An additional \$4.2 million has also been awarded through the ARRA ENERGY STAR® Appliance Rebate Grant and \$13.8 million has been awarded through the Energy Efficiency Conservation Block Grant Program. LDNR has developed a diverse portfolio of programs to maximize energy efficiency, renewable energy, and alternative transportation opportunities. These programs target the residential, commercial, and public sectors in an effort to distribute the funds throughout Louisiana.

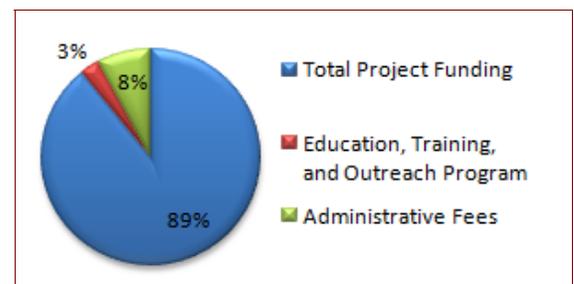
Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy; improved reliability of electricity and fuel supply and the delivery of energy services; reduced impacts of energy production and use on the environment

Total Project Funding:	\$80,071,090
Total Expended Obligations:	\$6,585,735
Total Unexpended Obligations:	\$61,222,817
Total Unobligated:	\$12,262,538 [^]
Rebates Reserved:	71,437
Rebates Redeemed:	30,265
Total Projects Working:	1,650
Total Projects Completed:	342
Total Jobs Created/Saved:	11.86
Total Energy Created/Saved:	NA [*]
LDNR Program Manager:	Paula Ridgeway



Total Indirect Jobs Created:	NA [*]
Total Induced Jobs Created:	NA [*]

Total Project Funding:	\$80,071,090
Education, Training, and Outreach Program:	\$2,638,340
Total Administrative Fees:	\$7,022,270
Shaw:	\$3,413,627
IEM:	\$1,041,682
LDNR:	\$2,566,961
Total Funding:	\$89,731,700
LDNR Program Manager:	Tangular Jones



* Not available because programs are in their early stages. Will be provided as information is available.

[†]Updated 03/12/2012 for actual funding levels at 12/31/2010

[^]Includes \$1,839,320 unobligated funding, which is not associated with a specific program

EXECUTIVE BRIEFING ON 2009 ARRA ENERGY PROGRAMS

Movement of Grant Funds Between Programs:

- \$3,986,816 was moved from Transportation Efficiency & Alternative Fuels Programs; \$1,839,320 was moved to the ENERGY STAR® Appliance Rebate Program; \$2,147,496 was moved to the Renewable Energy Program*

Deadline for Spending the 2009 ARRA Funds:

- Funds appropriated under the Recovery Act are available for Federal reimbursement of costs until September 15, 2015; in addition, each program has a specified project completion deadline (these deadlines vary from February through April 2012), which are noted in the following program sections

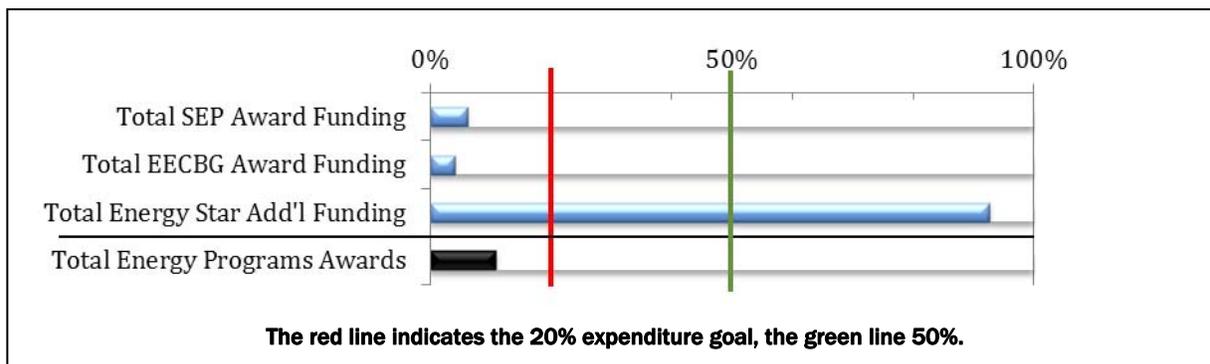
Program Award	Total Funding	Total Spent	Spent %
State Energy Program Award Funding			
HERO Program Funding	\$15,170,450	\$1,151,490	8%
State Buildings Program Funding	\$25,723,807	\$30,593	0%
Renewables Funding	\$12,041,268*	\$0	0%
Transportation Program Funding	\$5,906,956*	\$0	0%
ENERGY STAR SEP Program Funding	\$2,638,339	\$1,267,150	48%
Education, Training, Dissemination	\$2,638,340	\$212,085	8%
Unobligated Program Funding	\$1,839,320*	\$0	0%
Administrative Funding	\$5,735,520	\$2,024,568	36%
TOTAL State Energy Program Award Funding	\$71,694,000	\$4,685,886	7%

EECBG Award Funding			
EECBG Program Funding	\$12,942,000	\$327,552	3%
Administrative Funding	\$863,700*	\$281,290	33%
TOTAL EECBG Award Funding	\$13,805,700	\$608,842	4%

ENERGY STAR Add'l Grant Award Funding			
ENERGY STAR Additional Grant Funding	\$3,808,950	\$3,808,950	100%
Administrative Funding	\$423,050	\$276,816	65%
TOTAL ENERGY STAR Add'l Grant Award Funding	\$4,232,000	\$4,085,766	97%

ENERGY PROGRAMS AWARDS GRAND TOTALS	\$89,731,000	\$9,380,494	10%
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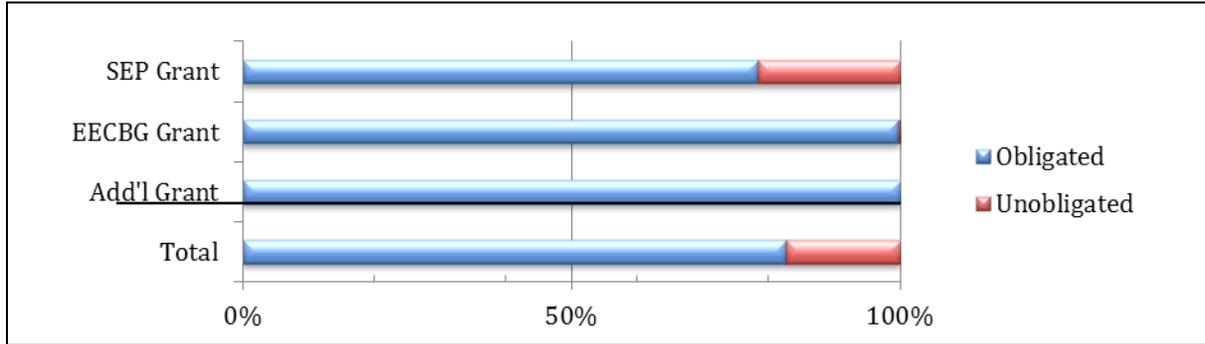
- DOE’s goal is to expend 20% of project award funding by December 2010 and 50% by June 2011



* Pending DOE approval

EXECUTIVE BRIEFING ON 2009 ARRA ENERGY PROGRAMS

- \$12,762,688 (18%) of the SEP grant is currently unobligated, consisting of \$12,262,538 program unobligated funding plus \$500,050 administrative unobligated funding; see the following chart for the current obligation status for the ARRA 2009 Energy Program grants

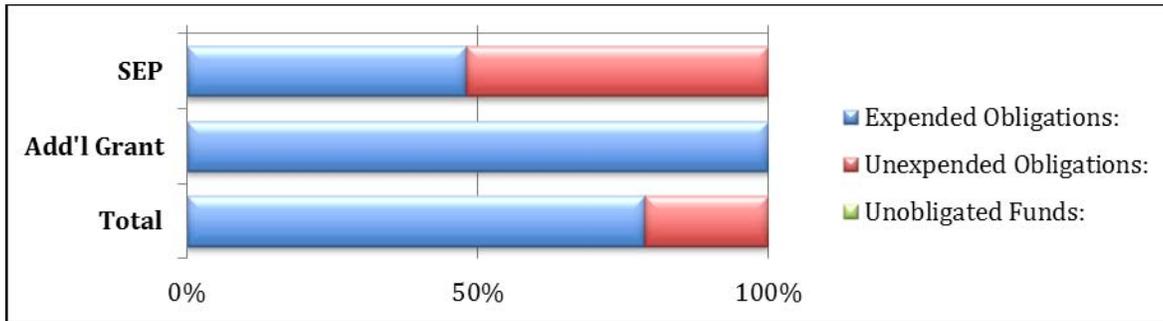


ENERGY STAR® Appliance Rebate Program

This program is designed to encourage the purchase of ENERGY STAR® appliances.

Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy

	SEP	Additional Grant	Total
Funding Amount:	\$2,638,339	\$3,808,950	\$6,447,289
Expended Obligations:	\$1,267,150	\$3,808,950	\$5,076,100
Unexpended Obligations:	\$1,371,189	\$0	\$1,371,189
Unobligated Funds:	\$0	\$0	\$0
Rebates Reserved:			71,437
Rebates Redeemed:			30,265
LDNR Program Manager:			Louis McArthur



Administrative Steps Taken

- Reporting system established and in compliance with U.S. Department of Energy (DOE)

Outreach Efforts

- EmPower Louisiana Website created with program information
- Three Program Information Training Webinars on February 22, 2010 for retailers and utility partners
- Three Program Launch Training Webinars on April 13, 2010 for retailers and utility partners

Funds Moved Into or Out of the Program:

- \$1,839,320 — pending final decision to move funding from the Transportation Efficiency & Alternative Fuels Program into the ENERGY STAR® Appliance Rebate Program
*****Final Decision UPATE***** this funding will not be moved into the ENERGY STAR® Appliance Rebate Program
- \$41,258 — pending final decision to move funding from the Transportation Efficiency & Alternative Fuels Program into the ENERGY STAR Appliance Rebate Program
*****Final Decision UPATE***** this funding will not be moved into the ENERGY STAR® Appliance Rebate Program, but instead, will remain as Transportation Efficiency & Alternative Fuels Program Funding

Deadline for Program: First come, first serve until February 2012—only SEP funding remains

Milestones Accomplished:

- Program launch: April 24, 2010
- Initially, LDNR received funding of \$2,638,339 through the SEP grant; an additional \$3,808,950 was requested and awarded to the LDNR ENERGY STAR® Appliance Rebate Program to increase the total funding to \$6,447,289; within one week of starting the program, Louisiana consumers had reserved rebates totaling the original funding amount; currently, LDNR is awaiting final decision to move \$1,880,578 from the Transportation Efficiency & Alternative Fuels Program to the ENERGY STAR® Appliance Rebate Program

Milestones at Risk and Reason: None

Milestones on Horizon That Should Be Met:

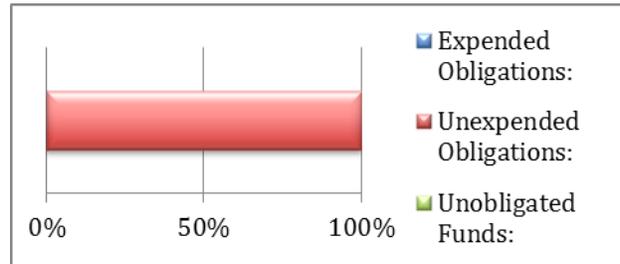
- As of December 31, 2010, all ENERGY STAR® Appliance Rebate program funding is reserved

State Buildings Lead By Example

LDNR created the State Buildings–Lead by Example program to encourage the development, implementation, and deployment of cost-effective, energy-efficient projects in Louisiana, and to support the creation of additional employment opportunities and other economic development benefits.

Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy

Funding Amount:	\$25,723,807
Expended Obligations:	\$30,593
Unexpended Obligations:	\$25,693,214
Unobligated Funds:	\$0
Projects Working:	39
Completed:	0
LDNR Program Manager:	Louis McArthur



Administrative Steps Taken

- Program guidelines and application released February 10, 2010
- Automated reporting system completed; on-going training of sub-grantees online reporting
- Process for invoicing has been developed and approved by LDNR

Outreach Efforts

- EmPower Louisiana Website created with program information
- Program Description Webinar–February 22, 2010
- Two Webinars held on July 21, 2010: Program Reporting, Procurement, Implementation, Davis-Bacon Act (DBA), Buy American, etc.
- Presentation on online reporting at the Fall meeting of the Louisiana Association of Higher Education Facilities Officers being held at Grambling University on October 28–29, 2010

Funds Moved Into or Out of the program:

- No funds were moved during this reporting period

Project Completion Deadline for Program: April 30, 2012

Milestones Accomplished:

- Received applications–March 12, 2010
- Review of Energy Savings to meet DOE criteria
- Office of Facility Planning award–July 30, 2010
- 17 interagency grants awarded–August 17, 2010
- Formal award letters mailed–August 2010
- Database/online reporting tool developed–October 2010
- Revised project timelines–November 2010

Milestones at Risk and Reason: None

Milestones on Horizon That Should Be Met:

- None for this period

Recent Changes to Program to Increase Pace of Expenditures:

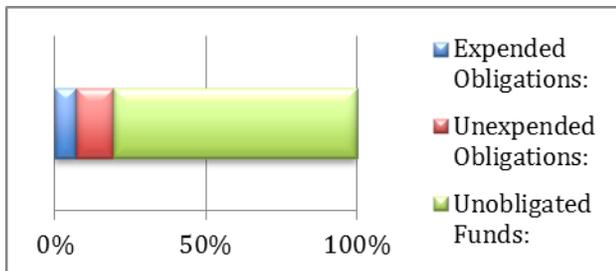
- Revised timelines for sub-grantees to accelerate the approved projects
- Office of Facility Planning projects–Project designers determined September 2010 and bill for designer fees
- Sub-grantees are being visited/contacted by Shaw engineers to assist in accelerating projects
- LDNR is receiving weekly updates from sub-grantees to monitor progress and tag those needing assistance

HERO Program

In 1999, LDNR introduced the HERO Program, in which Louisiana residents receive a rebate for making their homes more energy-efficient. With ARRA funding, the program was expanded to include new home construction, existing home retrofits, and commercial property retrofits. The expanded HERO Program is designed to support homeowners and businesses seeking to save money on energy and/or reduce their environmental impact through cash incentives for energy efficiency improvements.

Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy

Funding Amount:	\$15,170,450
Expended Obligations:	\$1,151,490
Unexpended Obligations:	\$3,637,000
Unobligated Funds:	\$10,381,960
Projects Working:	1,510
Projects Completed:	342
LDNR Program Manager:	Buddy Justice



Administrative Steps Taken:

- Program guidelines released December 10, 2009
- Program participants and raters/auditors access online program applications
- Convert LDNR database to Shaw database
- Reporting system set up and compliant with DOE
- Under prior HERO program, 11 individuals were certified under the program. After receiving ARRA 2009 funding and training facilitated by LDNR, 30 individuals have obtained full certification under the HERO Program and are now working in the program
- Onsite monitoring visits are being conducted

Outreach Efforts:

- EmPower Louisiana Website created with program information
- Incentives currently offered to potential raters in form of reimbursements to cover Residential Energy Services Network (RESNET) training and purchase of energy rating equipment
- Partnered with several training organizations to encourage qualified RESNET Certified Home Energy Raters to obtain certification under the HERO Program

Funds Moved Into or Out of the Program:

- No funds were moved during this reporting period

Project Completion Deadline for Program: April 30, 2012

Milestones Accomplished:

- Named “Top 10 Most Exciting ARRA Funded State Energy Projects” by State and Local Energy Report
- Presented several rater/auditor training sessions

- Completed a marketing strategy of advertising to local media/newspapers

Milestones at Risk and Reason:

- Deadline must be determined for residents to provide ratings to LDNR

Milestones on Horizon That Should Be Met:

- Notification of deadline for preliminary ratings to be received by LDNR are to be given to Energy Raters

Recent Changes to Program to Increase Pace of Expenditures:

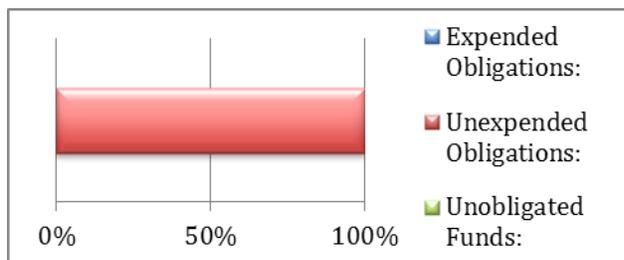
- Shreveport Municipal Government is expending a portion of its Energy Efficiency and Conservation Block Grant (EECBG) award to pay 50% of the rater/auditor fee to support 900 ratings
- Potential partnerships with large cities receiving EECBG funding that would assist in paying for HERO audits
- Lighting retrofits for 100 Circle K stores throughout the State of Louisiana has recently been approved by the HERO Program
- Recent marketing efforts have increased interest in the program as HERO requests have increased from 30–40 per week to 70–80 per week

Renewable Energy Grant Program

LDNR created the Renewable Energy Grant Program to encourage the development, implementation, and deployment of cost-effective renewable energy technologies in Louisiana; support the creation of additional employment opportunities; and stimulate market demand for other emerging renewable energy systems that meet certain eligibility requirements.

Benefit to Louisiana: Improved reliability of electricity and fuel supply and the delivery of energy services; reduced impacts of energy production and use on the environment

Funding Amount:	\$12,041,268
Expended Obligations:	\$0
Unexpended Obligations:	\$12,041,268*
Unobligated Funds:	\$0
Projects Working:	6
Projects Completed:	0
LDNR Program Manager:	Bryan Crouch



Administrative Steps Taken

- Program guidelines released April 1, 2010; proposal deadline: May 14, 2010
- Applications scored and ranked–June 2010
- Submitted to DOE approval–July 2010
- Reporting system has been set up and the required DOE reporting is being submitted
- Notification letters sent–October 28, 2010

Outreach Efforts

- EmPower Louisiana Website created with program information
- Advertised solicitation in seven major Louisiana newspapers
- Program Introduction Webinar–March 22, 2010
- Application workshop–April 2010
- Posted FAQs

Funds Moved Into or Out of the Program:

- \$2,147,496* was moved from Transportation Efficiency & Alternative Fuels Program into the Renewable Energy Program

Project Completion Deadline for Program: April 30, 2012

Milestones Accomplished:

- Proposals received totaling \$55 million–May 14, 2010
- Website updated with winning proposals

* Pending DOE approval

- Grant agreement templates completed August 26, 2010
- All six projects are approved by DOE for both eligibility and National Environmental Policy Act (NEPA) compliance by November 2010
- Grant agreements were signed by LDNR and mailed on November 19, 2010 to all six sub-grantees

Milestones at Risk and Reason:

- NEPA approvals from DOE have delayed projects six months
- DOE has submitted questions relating to the newly submitted projects and has requested to review entire grant proposal before giving approval and/or sending in for NEPA review

Milestones on Horizon That Should Be Met:

- To date, Louisiana Tank, Bioenergy System, and the University of Louisiana at Lafayette (ULL) have not returned the signed grant agreement
- The database/online reporting tool is currently being constructed and expected to be up and running in approximately two weeks
- 100% obligation of funds per DOE by January 31, 2011

Recent Changes to Program to Increase Pace of Expenditures:

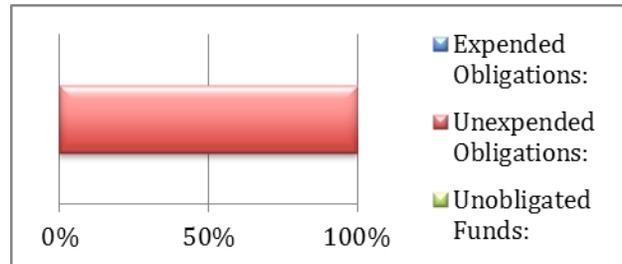
- Finalizing 60% upfront cost form
- Submitted on January 5, 2011—additional renewable projects to DOE for approval, which, under this program, allows 60% of upfront costs to be paid

Transportation Efficiency & Alternative Fuels Program

LDNR created the Transportation Efficiency & Alternative Fuels Program to improve public infrastructure and mass transit systems throughout the State of Louisiana by funding projects that will allow applicants to purchase or convert alternative fuel vehicles, install efficient traffic signals and streetlights, and install alternative fueling infrastructure.

Benefits to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy; reduced impacts of energy production and use on the environment

Funding Amount:	\$5,906,956*
Expended Obligations:	\$0
Unexpended Obligations:	\$5,865,698*
Unobligated Funds:	\$0
Projects Working:	15
Projects Completed:	0
LDNR Program Manager:	Bryan Crouch



Administrative Steps Taken:

- Program guidelines released–April 1, 2010; proposal deadline: May 14, 2010
- Applications scored and ranked–June 2010
- Award letters sent–June 29, 2010
- Grant agreements mailed–August 30, 2010
- Automated reporting system developed and DOE-compliant
- 14 sub-grantees have been given notice to proceed

Outreach Efforts

- EmPower Louisiana Website created with program information
- Program Introduction Webinar–March 22, 2010
- Application workshop–April 2010
- Sub-grantee Webinar–November 9, 2010

Funds Moved Into or Out of the Program:

- \$3,986,816 was moved from Transportation Efficiency & Alternative Fuels Programs; \$1,839,320 was moved to the ENERGY STAR® Appliance Rebate Program; \$2,147,496 was moved to the Renewable Energy Program *
- *****Final Decision UPATE***** this funding will not be moved into the ENERGY STAR® Appliance Rebate Program
- Two sub-grantees have declined funding (\$41,258)–September 2010

* Pending DOE approval

- \$41,258* was moved from the Transportation Efficiency & Alternative Fuels Program into the ENERGY STAR Appliance Rebate Program
Final Decision UPATE this funding will not be moved into the ENERGY STAR® Appliance Rebate Program, but instead, will remain as Transportation Efficiency & Alternative Fuels Program Funding

Project Completion Deadline for Program: April 30, 2012

Milestones Accomplished:

- Proposals received–May 14, 2010
- DOE approval received–August 23, 2010
- Grant agreements sent–August 27, 2010

Milestones at Risk and Reason:

- One issue with possible ineligible projects due to DOE prohibitions; this issue was resolved

Milestones on Horizon That Should Be Met:

- Onsite visits before, during, and upon completion of projects

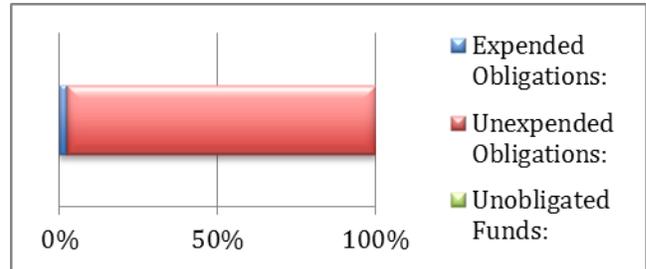
Recent Changes to Program to Increase Pace of Expenditures: None

Energy Efficiency and Conservation Block Grant Program (EECBG)

The LDNR established the Renew Louisiana EECBG Program to distribute available EECBG funding on a per capita basis as equitably as possible to units of local governments not eligible to receive a direct allocation from the DOE. The funding is distributed through local parish governments.

Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy; improved reliability of electricity and fuel supply and the delivery of energy services; reduced impacts of energy production and use on the environment

Funding Amount:	\$12,942,000
Expended Obligations:	\$327,552
Unexpended Obligations:	\$12,614,448
Unobligated Funds:	\$0
Projects Working:	80
Completed:	0
LDNR Program Manager:	Billy Williamson



Administrative Steps Taken:

- Development of program guidelines
- Program guidelines released: December 10, 2009
- Revised timelines and budget requests were sent to parishes–November 2010

Outreach Efforts:

- EmPower Louisiana Website created with program information
- Program Assistance Webinar–June 30, 2010
- DBA posters sent to parishes
- Sub-grantee newsletter is under development

Funds Moved Into or out of the Program:

- No funds were moved in this reporting period

Project Completion Deadline for Program: March 14, 2012

Milestones Completed:

- Complete EECBG Packages to LDNR–January 15, 2010
- Date of award–March 14, 2010
- Database/online reporting tool launched–November 4, 2010

Milestones at Risk and Reason:

- Twenty percent of funding expended by September 30: Projects have been slow to start because of the nature of projects; many, if not most, projects involve replacement of HVAC equipment that will not be scheduled until winter downtime; it has been suggested that these parishes purchase the equipment now in preparation of the shutdown, but the department is concerned about the security of such equipment

Milestones on Horizon That Should Be Met:

- Fifty percent of funding expended by July 1, 2011, per DOE: Although the projects have been slow to start up, a large number of projects should be completed by the first quarter of 2011

Recent Changes to Program to Increase Pace of Expenditures:

- In an effort to meet expenditure goals, official letters were mailed to sub-grantees requesting revised timelines and a follow-up e-mail was sent on August 26, 2010
- Beginning in mid-September 2010, LDNR and Shaw personnel began making face-to-face contact with sub-grantees to provide onsite project assistance, which will include DBA compliance training and technical assistance; the LDNR personnel will encourage sub-grantees to accelerate projects and to request funding
- Shaw has assigned an additional engineer to serve as a technical resource to the parishes and to assist in expediting the progress of projects

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