

LDNR EXECUTIVE BRIEFING ON THE 2009 ARRA ENERGY PROGRAMS



December 2011

Funding as of 12/31/2011

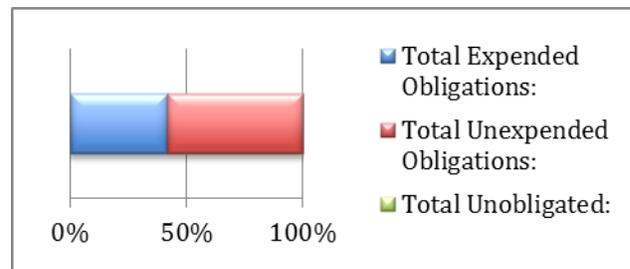
NOTE: For accomplishments and historical data up until December 31, 2010, refer to the December 31, 2010, report. All future reports will be updated with ongoing accomplishments and data.

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 (EECBG). 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.

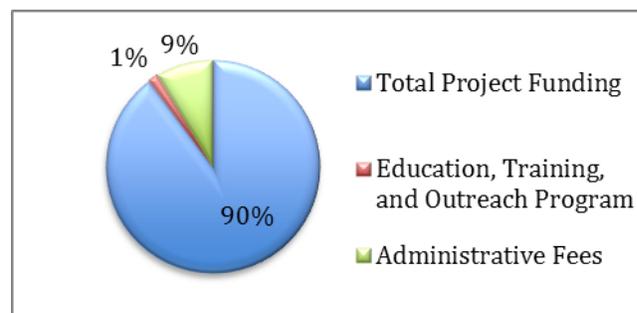
Benefit to Louisiana: Increased energy efficiency to reduce energy costs and consumption; reduced reliance on imported energy; improved reliability of electricity and fuel supply and the delivery of energy services; reduced impacts of energy production and use on the environment.

Total Project Funding:	\$80,474,867
Total Expended Obligations:	\$33,402,315
Total Unexpended Obligations:	\$47,072,552
Total Unobligated:	\$0
Total Projects Working:	958*
Total Projects Completed:	2,709*
Total Jobs Created/Saved:	44.69
Total Indirect&Induced Jobs:	166†
LDNR Program Manager:	Paula Ridgeway



Total Energy Saved: 112,960 mmBTU/yr

Total Project Funding:	\$80,474,867
Education, Training, and Outreach Program:	\$1,391,904
Total Administrative Fees:	\$7,864,929
Shaw:	\$3,413,627
IEM:	\$1,041,682
LDNR:	\$3,409,620‡
Total Funding:	\$89,731,700
LDNR Program Manager:	Tangular Jones



* Includes HERO rebates and Program projects

† Reflects ENERGY STAR indirect & induced jobs; figures will be updated as as information becomes available

‡ This value includes excess program and contractor budgeted funds (\$1,342,709) as a contingency against additional administrative costs. The remainder is the LDNR administrative funding (\$2,066,911).

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Movement of Grant Funds Between Programs:

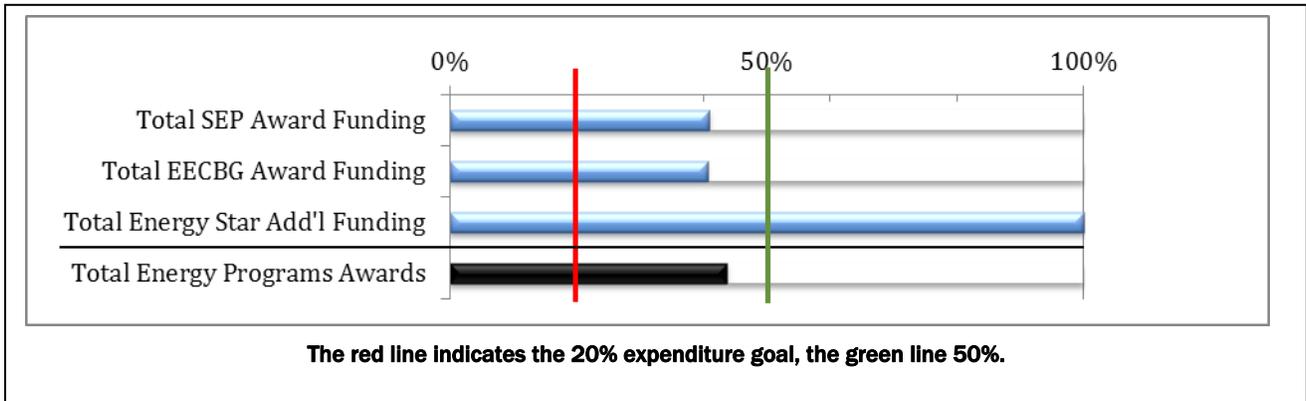
Program Award	Moved Out	Moved In
HERO	\$(5,823,045)	\$0
Energy Star	\$(917,989)	\$0
Renewables	\$0	\$9,460
Transportation	\$0	\$3,956,682
Revolving Loan Fund	\$0	\$5,017,989
Marketing	\$(1,246,436)	\$0
Unobligated Program Funding	\$(1,839,320)	\$0
LDNR Administration-Contingency	\$0	\$842,659
TOTAL	\$(9,826,790)	\$9,826,790

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	\$9,347,405	\$5,794,556 [†]	62%
State Buildings Program Funding	\$25,723,807	\$3,945,916	15%
Renewables Funding	\$12,050,728	\$5,700,228	47%
Transportation Program Funding	\$9,863,638	\$2,401,494	24%
ENERGY STAR SEP Program Funding	\$1,720,350	\$1,717,400 [†]	100%
Flex-Fund Revolving Loan Fund	\$5,017,989	\$5,017,989	100%
Education, Training, Dissemination	\$1,391,904	\$1,142,346	82%
Administrative Funding	\$6,578,179	\$3,638,797	55%
TOTAL State Energy Program Award Funding	\$71,694,000	\$29,358,726	41%
EECBG Award Funding			
EECBG Program Funding	\$12,942,000	\$5,015,782 [†]	39%
Administrative Funding	\$863,700	\$589,045	68%
TOTAL EECBG Award Funding	\$13,805,700	\$5,604,827	41%
ENERGY STAR Add'l Grant Award Funding			
ENERGY STAR Additional Grant Funding	\$3,808,950	\$3,808,950	100%
Administrative Funding	\$423,050	\$422,971	100%
TOTAL ENERGY STAR Add'l Grant Award Funding	\$4,232,000	\$4,231,921	100%
ENERGY PROGRAMS AWARDS GRAND TOTALS	\$89,731,700	\$39,195,474	44%

EXECUTIVE BRIEFING ON 2009 ARRA ENERGY PROGRAMS



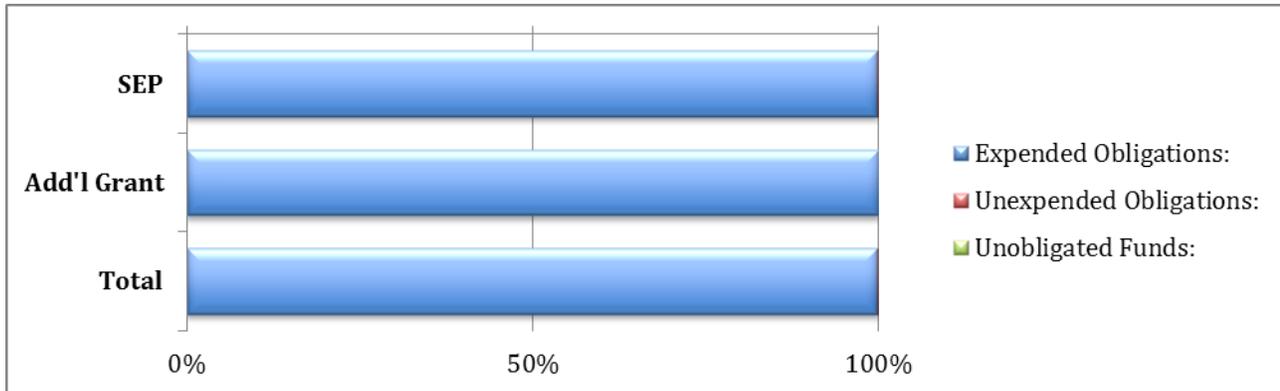
- 100% of the funding is obligated for SEP grant, the Energy Efficiency and Conservation Grant Program, and the Additional Grant for the ENERGY STAR® Appliance Rebate Program.
- Dashboard has been designed and will be on-line by March 31, 2012.
- Established standardized monitoring procedures based on DOE guidance.

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:	\$1,720,350	\$3,808,950	\$5,529,300
Expended Obligations:	\$1,717,400	\$3,808,950	\$5,526,350
Unexpended Obligations:	\$2,950	\$0	\$2,950
Unobligated Funds:	\$0	\$0	\$0
Rebates Reserved:			27,313
Rebates Redeemed:			27,313
Number of Rebate Cards Issued:			27,313
Number of Rebates on Waiting List:			0
LDNR Program Manager:			Louis McArthur



Administrative Steps Taken:

- Deadline established (August 20, 2011) for reserved customers to submit previously requested documentation in order to receive their rebate.

Outreach Efforts:

- Numerous notices sent to those on waiting lists, those needing to submit documentation, and of upcoming August 20, 2011 deadline.

Funds Moved Into or Out of the Program:

- \$917,989 was moved out of the Energy Star Program Program (see Movement of Grant Funds Between Programs table on page 2 of this report)
- ENERGY STAR® Appliance Rebate program original funding of \$6,447,289 minus \$917,989 transferred out results in the \$5,529,300 current funding level

Deadline for Program: August 20, 2011

Milestones Accomplished:

- As of April 20, 2011, all ENERGY STAR® Appliance Rebate program funding is reserved
- All funding for the Additional ENERGY STAR® Appliance Rebate grant has been expended. All but \$2,950 has been expended for the SEP ENERGY STAR® Appliance Rebate grant.

Milestones at Risk and Reason:

Milestones on Horizon That Should Be Met:

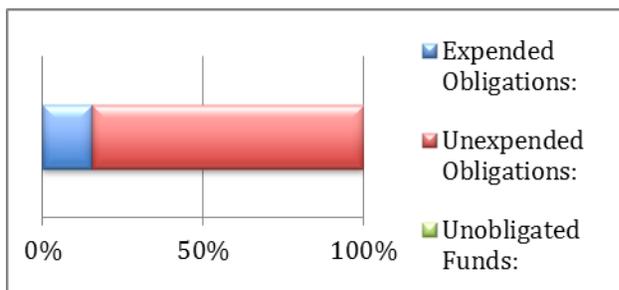
- All paperwork received, payments made, auditing functions complete, and reporting to DOE to closeout program.

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 State Buildings, 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:	\$3,945,916
Unexpended Obligations:	\$21,777,891
Unobligated Funds:	\$0
Projects Working:	30
Completed:	45
LDNR Program Manager:	Louis McArthur



Administrative Steps Taken:

- Because universities indicated the need to autonomously complete some projects that did not require the assistance of the Office of Facilities Planning (OFP), an additional 17 IAGs (Interagency Agreements) were written by LDNR to facilitate timely projects under control of the individual universities.

Outreach Efforts:

- Ongoing site visits for monitoring and assistance
- Weekly updates are being recorded
- Workshop held June 15, 2011
- Three mandatory workshops state-wide held in October 2011

Funds Moved Into or Out of the Program:

Project Completion Deadline for Program:

- Projects must be completed by February 28, 2012 and final invoices must be received by LDNR no later than March 31, 2012 for the 17 Self Managed IAGs Projects; however, this date may change as a result of DOE modification to grant deadlines
- Projects must be completed by April 30, 2012 and final invoices must be received by LDNR no later than May 31, 2012 for the OFP Managed Projects; however, this date may change as a result of DOE modification to grant deadline

Milestones Accomplished:

Milestones at Risk and Reason:

Milestones on Horizon That Should Be Met:

Recent Changes to Program to Increase Pace of Expenditures:

- Provided training to OFP personnel on invoicing, Davis-Bacon reporting, and Buy American documentation.

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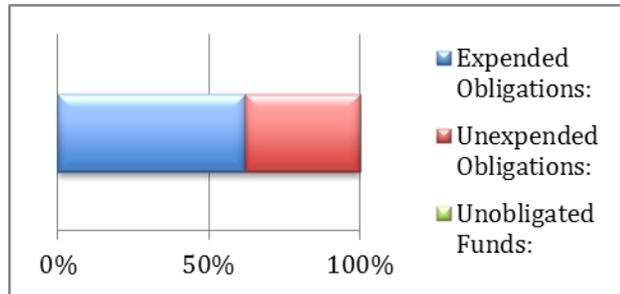
- Held three mandatory workshops state-wide in October 2011 to give hands on training for invoicing, on-line reporting, Davis-Bacon reporting, and Buy American documentation.

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:	\$9,347,405
Expended Obligations:	\$5,794,556
Unexpended Obligations[^]:	\$3,552,849
Unobligated Funds:	\$0
Projects Working:	823
Projects Completed:	2,622
LDNR Program Manager:	Buddy Justice



[^] Unexpended Obligations includes cancelled rebates totaling \$48,000 and expired rebates totaling \$1,555,000

Administrative Steps Taken:

- Single entities (such as: Make it Right Foundation, Habitat for Humanity, Green Coast Interprises and DSLD Homes, LLC) receiving \$25,000+ in rebate funds have been registered with CCR and given DUNS numbers
- Updates to submission documentations to include reporting energy metrics and new process metrics
- New email functionality added to database to alert raters of missing or incorrect documentation
- Homeowner and Rater Inquiry site updated to be more user-friendly and provide more detailed information

Outreach Efforts:

- Advertised in 33 newspapers, magazines, and other media state-wide
- Participated in the Louisiana Earth Day Festival to increase public awareness of the HERO Program

Funds Moved Into or Out of the Program:

- \$5,823,045 was moved out of the HERO Program (see Movement of Grant Funds Between Programs table on page 2 of this report)
- HERO Program original funding of \$15,170,450 minus \$5,823,045 transferred out results in the \$9,347,405 current funding level

Project Completion Deadline for Program:

- All Preliminary Ratings must be submitted by August 31, 2011 to ensure completion by homeowners of all program requirements by ARRA deadline
- All Final Ratings must be submitted by February 29, 2012

Milestones Accomplished:

- Expended \$100,000 per week for 3 months

Milestones at Risk and Reason:

- All Allocation Requests and Preliminary Rating Submissions must be submitted by August 31st, 2011 in order to be eligible. This milestone was given in order to ensure homeowners had enough time to complete their energy updates and get a final rating prior to grant end date.

Milestones on Horizon That Should Be Met:

- Raters have been thoroughly instructed on deadlines and should be adequately educating customers on timelines.

Recent Changes to Program to Increase Pace of Expenditures:

- Rearrangement of staff and equipment to increase efficiency in office workflow

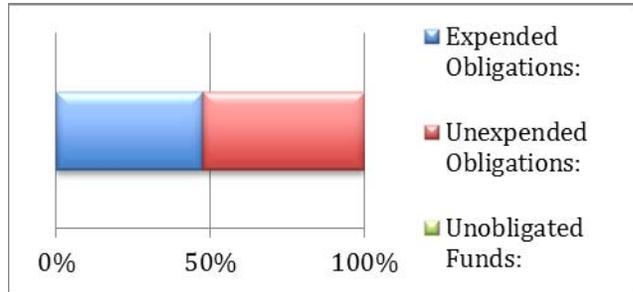
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Renewable Energy Grant Program

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:	\$12,050,728
Expended Obligations:	\$5,700,228
Unexpended Obligations:	\$6,350,500
Unobligated Funds:	\$0
Projects Working:	5
Projects Completed:	1
LDNR Program Manager:	Bryan Crouch



Administrative Steps Taken:

- Six additional Sub-grantees sent notification letters – January 11, 2011, contingent upon DOE approval for award
- Notice to Proceeds given:
 - Lamar Advertising, Rain CII Carbon, and University of Louisiana Lafayette – January 21, 2011
 - Cleco Power – March 9, 2011
 - Community Church Unitarian Universalist – May 25, 2011
 - Ag Electric – April 25, 2011
 - HRI Solar Leasing – October 5, 2011
- Grants revoked:
 - BioEnergy Systems Revocation letter sent – February 24, 2011
 - Louisiana Tank revoked grant – June 1, 2011
- Two projects were denied final approval
- Letters notifying Sub-grantees of interest and audit requirements were sent December 1, 2011

Outreach Efforts:

- Ongoing site visits for monitoring and assistance
- Three mandatory workshops state-wide held in October 2011

Funds Moved Into or Out of the Program*:

- \$9,460 was moved into the Renewables Program (see Movement of Grant Funds Between Programs table on page 2 of this report)

- Renewables Program prior funding of \$12,041,268 plus \$9,460 moved in resulted in the \$12,050,728 current funding level

Project Completion Deadline for Program:

- Grant ending date: March 31, 2012.

Milestones Accomplished:

Milestones at Risk and Reason:

- NEPA and DOE approval delaying three projects from progressing; two projects were ultimately not awarded.

Milestones on Horizon That Should Be Met:

- Two projects not receiving DOE final approval were rescinded
- On-site visits beginning second quarter 2011 based on on-line reporting/invoices

Recent Changes to Program to Increase Pace of Expenditures:

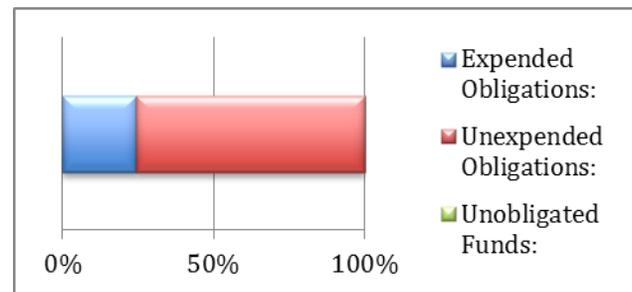
- Sixty percent (60%) upfront costs request approved/paid:
 - ULL - \$339,000
 - CLECO - \$600,000
 - Lamar Advertising - \$1,350,000
 - Rain CII Carbon - \$1,547,263
 - Funding returned to DNR on September 15, 2011
 - Agrielectric Power Partners - \$1,260,000
 - Community Church Unitarian Universalist - \$30,737
- Held three mandatory workshops state-wide in October 2011 to give hands on training for invoicing, on-line reporting, Davis-Bacon reporting, and Buy American documentation

Transportation Efficiency & Alternative Fuels Program

LDNR created the Transportation Efficiency & Alternative Fuels Program to improve public infrastructure throughout the State of Louisiana by funding projects that will allow applicants to purchase or convert to 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:	\$9,863,638
Expended Obligations:	\$2,401,494
Unexpended Obligations:	\$7,462,144
Unobligated Funds:	\$0
Projects Working:	16
Projects Completed:	1
LDNR Program Manager:	Bryan Crouch



Administrative Steps Taken:

- Documentation (Certificate of Insurance, WMP, DBA, W-9, etc.) was collected from the sub-grantees
- Letters notifying Sub-grantees of interest and audit requirements were sent December 1, 2011

Outreach Efforts:

- Ongoing site visits for monitoring and assistance
- Weekly updates are being recorded
- Three mandatory workshops state-wide held in October 2011

Funds Moved Into or Out of the Program*:

- \$3,997,940 was moved into the Transportation Program (see Movement of Grant Funds Between Programs table on page 2 of this report)
- Transportation Program prior funding of \$5,865,698 plus \$3,956,682 moved in resulted in the \$9,863,638 current funding level

Project Completion Deadline for Program:

- Grant ending date: March 31, 2012

Milestones Accomplished:

- One project is closed and fifteen projects are in progress

Milestones at Risk and Reason:

- Final invoices must be received by April 30, 2012

Milestones on Horizon That Should Be Met:

- One project has requested that the project location be changed and requires NEPA approval

Recent Changes to Program to Increase Pace of Expenditures:

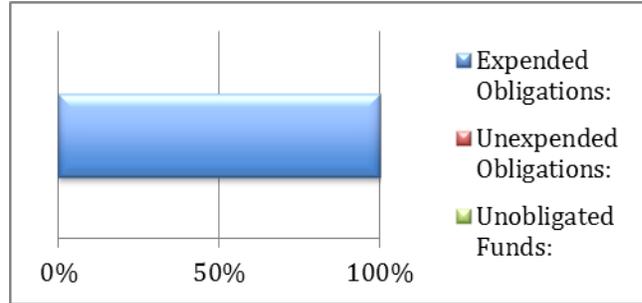
- Memo to DOE requesting flexibility rules for compliance in Transportation Program (i.e. allowing bi-fuel instead of only dedicated)
- Held three mandatory workshops state-wide in October 2011 to give hands on training for invoicing, on-line reporting, Davis-Bacon reporting, and Buy American documentation

Flex-Fund Revolving Loan Fund

The LDNR established the Flex-Fund Revolving Loan Fund to encourage implementation of cost-effective energy efficiency projects in Louisiana. The program provides low interest loans to qualifying Louisiana entities for qualified energy efficiency projects. Funding is available for commercial and industrial energy efficiency projects through a competitive revolving loan program.

Benefit to Louisiana: Increased energy efficiency to reduce fossil fuel emissions; reduced total energy costs and consumption; create and/or retain jobs; and spur economic growth.

Funding Amount:	\$5,017,989
Expended Obligations:	\$5,017,989
Unexpended Obligations:	\$0
Unobligated Funds:	\$0
Projects Working:	0
Completed:	0
LDNR Program Manager:	Louis McArthur



Administrative Steps Taken:

- Submitted amendment to DOE to approve program
- Secured contract with LPFA as a third party administrator for the Flex-Fund Revolving Loan program

Outreach Efforts:

- Advertised in six major newspapers

Funds Moved Into or out of the Program:

- \$5,017,989 moved into Flex-Fund Revolving Loan Fund (see Movement of Grant Funds Between Programs table on page 2 of this report)

Project Completion Deadline for Program:

- Funds to be loaned out once project and financial eligibility requirements have been met

Milestones Completed:

- Entered into a Memorandum of Understanding with the Louisiana Public Facilities Authority (LPFA) to administer the loans on LDNR's behalf.

Milestones at Risk and Reason:

Milestones on Horizon That Should Be Met:

- Loan applications received by June 30, 2011 for six projects, totaling approximately \$24 million.

Recent Changes to Program to Increase Pace of Expenditures:

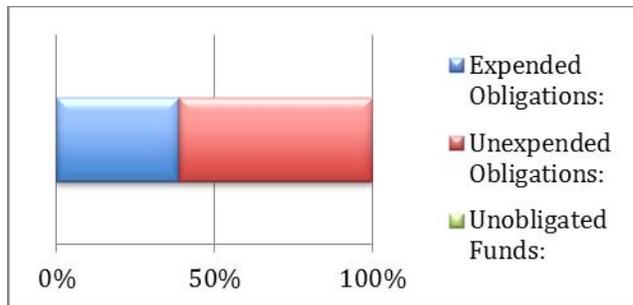
- Using 3rd party administrator, LPFA

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:	\$5,015,782
Unexpended Obligations:	\$7,926,218
Unobligated Funds:	\$0
Projects Working:	84
Completed:	40
LDNR Program Manager:	Billy Williamson



Administrative Steps Taken:

Outreach Efforts:

- Sub-grantee newsletter distributed
- FAQs posted online
- Ongoing site visits for monitoring and assistance
- Three mandatory workshops state-wide held in October 2011

Funds Moved Into or out of the Program:

Project Completion Deadline for Program:

- Final invoices must be received by DNR no later than March 31, 2012.

Milestones Completed:

- Forty projects have been completed and sixty-four projects are in progress

Milestones at Risk and Reason:

- DOE goal of 50% of funding expended by June 30, 2011: Projects gradually speeding up, Subgrantees have begun procuring and installing equipment. Due to lack of expenditures compared to project movement, suggestions have been made for Sub-grantees to request reimbursement more frequently, instead of the normal monthly submissions.

Milestones at Risk and Reason:

Milestones on Horizon That Should Be Met:

- Monitoring and Verification Contractor notified and is starting to perform monitoring and verification procedures for completed projects

Recent Changes to Program to Increase Pace of Expenditures:

- Held three mandatory workshops state-wide in October 2011 to give hands on training for invoicing, on-line reporting, Davis-Bacon reporting, and Buy American documentation
- Weekly calls to Sub-grantees, following up on project (s) status, answering technical questions, assisting with reporting requirements and offering any further help with project movement.
- Subgrantees were contacted to discuss timelines and projected expenditures. Expenditure forecast will help identify subgrantees that aren't spending as expected and contact the Sub-grantee before they fall too far behind their schedule.