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DEPARTMENT OF ENERGY AND NATURAL RESOURCES

September 25, 2024

Ms. Gina Campo, Executive Director
Office of Community Development
Division of Administration
617 N. 3rd Street, 6th Floor
Baton Rouge, LA 70802

RE: Assistance in Administration of Rebate Programs

Dear Ms. Campos,

I hope this letter finds you well. I am reaching out to request the support of the Office of Community Development, Disaster Recovery Unit (OCD/DRU) in administering two key rebate programs: the Home Efficiency Rebate (HER) Program (50121) and the Home Electrification and Appliance Rebate (HEAR) Program (50122). Together, these programs represent a substantial opportunity for Louisiana, offering over \$200 million in rebates to advance energy efficiency and electrification for single-family and multi-family properties. It is crucial that we maximize the impact of this opportunity for Louisiana's citizens.

The funding from these programs creates tremendous opportunity for Louisianians and energy providers through increased efficiency and significant upgrades to home appliances. However, securing these funds requires that the programs be set up and implemented in strict compliance with federal standards. Only with an approved implementation plan will Louisiana receive the funds on a rolling basis. Failure to establish the program properly means we risk not receiving any of the rebate funding.

The HER Program incentivizes energy-saving retrofits by providing rebates that directly reduce upgrade costs, while the HEAR Program promotes the adoption of energy-efficient appliances, making these investments more accessible to homeowners. Both programs share a common goal of enhancing energy conservation across the state, with the application deadline set for January 31, 2025, and funding approvals available on a rolling basis for both programs. This timeline highlights the urgency of establishing a streamlined and effective administration strategy.

We have explored various administrative options, and as we transitioned to a new administration in the first quarter of 2024, final decisions on program implementation were slowed to align with the new leadership's direction, in addition to the time spent analyzing options for viability. As the new administration took office, previously established options needed to be thoroughly vetted. Following this due diligence, the Office of Energy, part of the Department of Energy and Natural Resources (DENR/OE), is now focused on implementation, confident that the right staff is now in place to maximize the program's success. However, the timing of these decisions, administrative delays, and the deadlines set forth by the Department of Energy put the opportunity for Louisiana residents at risk.

Given these considerations, we believe that partnering with OCD/DRU is the most effective path forward for Louisiana citizens, relying on your expertise in the administration of grants. Leveraging your office's infrastructure and expertise can help streamline fund distribution, minimize administrative costs, and ensure compliance with federal standards, ultimately maximizing the programs' benefits for Louisiana residents.

In addition, I want to emphasize that DENR/OE sees OCD/DRU as a key partner in implementing these programs. We are fully committed to working alongside OCD/DRU to ensure that the necessary resources, staff, and support are available to carry out this critical work without overwhelming your office. I want you to know that as part of our strategy exploration, we have explored implementing these programs through a docketing process at the Public Service Commission (PSC) or administration by DENR/OE via a third-party contractor, however it is not a realistic option given the timeframe for effective implementation.

Our primary focus would be on ensuring that OCD/DRU has the resources and support needed to meet the funding deadlines and provide efficient, transparent program administration and oversight. Should future procurement of additional resources or assistance become necessary to support OCD/DRU with specific aspects of implementation and administration, DENR/OE will proactively pursue those options to ensure your office remains adequately supported throughout the process.

Given the potential impact of this significant funding on individual homeowners statewide, as part of the disaster recovery process, I humbly request your assistance in administering both the HER and HEAR programs. Your office's experience and existing partnerships provide an excellent foundation for achieving our shared objectives while mitigating risks related to timing, competitiveness, and compliance. If additional support becomes necessary in the future, we will seek to ensure that OCD/DRU continues to have the full backing needed to implement these programs effectively, ensuring that Louisiana's citizens receive the maximum benefits.

I look forward to discussing this proposal further and welcome any insights or recommendations you may have. Your assistance is crucial as we work to advance energy resilience and efficiency for the state. Thank you for your consideration, and I look forward to your response.

Sincerely,



Tyler Patrick Gray
Secretary, Department of
Energy and Natural Resources

CC: The Honorable Taylor Barras, Commissioner, Division of Administration
The Honorable Jeffrey M. Landry, Governor, State of Louisiana