

# City of Cincinnati



Date: Monday, May 4, 2009

To: Finance Committee

From: Milton Dohoney, Jr., City Manager

**RE: Energy Efficiency and Conservation Block Grant Allocation Recommendations**

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## Reference Document #200800312

At its meeting on March 18, 2008, City Council referred to the Administration the following motion from Vice Mayor Crowley and Council Member Bortz:

We MOVE that the Administration create an Energy Efficiency and Conservation Plan to be submitted to the federal government for block grant funds as outlined in the Energy Independence and Security Act of 2007. The EECP, shall prioritize, in no particular order: 1. OEQ, a. Recommendations from the Climate Protection Plan; 2. Economic Development, a. Incentives to attract, retain, and create “green” industry, b. GO Cincinnati recommendations for an eco-industrial park; 3. Transportation & Engineering, a. Infrastructure, such as bike lanes, pedestrian pathways and streetcars; hybrid busses, b. LED traffic signals; synchronization of traffic signals; 4. Public Services, a. Expanded recycling program to include commercial/condo building, b. Incentives to increase recycling; 5. City Facilities, a. retrofits to increase energy efficiency, including green roofs, b. new facilities built to LEED or other green standards; 6. Community Development, a. energy conservation incentives for residents and businesses, b. Incentives for green roofs, c. Incentives for rain barrels/rain gardens; 7. Planning, a. Smart growth planning and zoning, b. GO Cincinnati place based strategies combined with zoning strategies to preserve and expand industrial space for green industry; 8. Parks, a. Cincinnati Parks Green building project; and that the plan be submitted to Council consideration before the summer recess.

### **Background**

A report responding to Motion #200800312 was provided to City Council on May 13, 2008. It indicated that the Administration would initiate a process to develop an Energy Efficiency and Conservation Strategy (EECS) as described in Section 545 of the Energy Independence and Security Act of 2007. It also noted that a federally approved EECS is a pre-requisite to receiving disbursement of funds under the Energy Efficiency and Conservation Block Grant (EECBG) program. Recent information from the Department of Energy indicates that Cincinnati’s Climate Action Plan (now known as the Green Cincinnati Plan) can serve as Cincinnati’s Energy Efficiency and Conservation Strategy and will be submitted with the City’s application for formula EECBG funding.

### **Energy Efficiency and Conservation Block Grant (EECBG) Details**

The American Recovery and Reinvestment Act (ARRA) appropriated \$3.2 billion for EECBG, including \$2.6 billion for formula allocations to cities, counties, and states. In March, 2009, the Department of Energy announced the formula allocations, providing for \$3,520,600 for the City of Cincinnati. Up to 20% of grant funds may be used for sub-grants to nongovernmental organizations, up to 10% may be used for administrative expenses, and up to 20% may be used for revolving loan funds. The primary purpose of the program is to 1) reduce fossil fuel emissions, 2) reduce total energy use, and 3) improve energy efficiency across a broad range of eligible activities. Formula EECBG grant applications are due June 25, 2009, at 8:00 p.m. Early submittal is highly encouraged.

### **City EECBG Process**

The City Manager assigned the lead in developing the City's EECBG plan to the Office of Environmental Quality (OEQ). OEQ began the process by soliciting funding requests and gathering project information from City departments and external organizations in February. \$77 million worth of project funding requests were received, more than 22 times the amount allotted to Cincinnati through the formula grant. OEQ clustered all projects into seven primary categories: 1) City Facilities, 2) Non-governmental Organizations, 3) Renewable Energy, 4) Transportation, 5) Recycling, 6) Outreach, and 7) Administration. Project evaluations focused on the project's ability to 1) Meet the primary purpose of block grant, 2) Advance established City priorities, including those identified in Motion #200800312, 3) Transform Cincinnati, 4) Create or retain jobs, and 5) Leverage other available funds. A Stakeholders Meeting was held on Friday, April 24, 2009, where OEQ's block grant funding recommendations were presented and discussed (see listing below) and stakeholders provided comment.

### **Recommendation**

It is recommended that the City allocate formula EECBG funds as listed below. Please reference attached spreadsheet for details.

#### City Facilities

Performance Contracts	\$914,600
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#### Non-Governmental Organizations

Cincinnati Energy Alliance	\$604,000
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Mill Creek Restoration Project	\$100,000
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#### Renewable Energy

Renewable Energy Project	\$250,000
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#### Transportation

Cincinnati Streetcar	\$500,000
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Ohio River Trail	\$200,000
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#### Recycling

Recycling Upgrades	\$500,000
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#### Outreach

Green Cincinnati Plan	\$ 50,000
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Building Codes	\$ 50,000
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Administration

Administration \$352,000

**Total \$3,520,600**

Upon approval of this report by City Council, OEQ will prepare the formula EECBG grant application for submittal to the U.S. Department of Energy.

cc: Larry Falkin, Office of Environmental Quality

### EECBG Formula Recommendations

Category	Project Name	Proponent	Requested	Recommended	Total Category Request	% Recommended
<b>1 City Facilities</b>	Performance Contracts	Energy Mgmt Team	6,000,000	914,600	1	
1	Solar Panels	Parks	2,777,000	0		
1	Big Belly	Parks	319,000	0		
1	Geo-Thermal	Parks	1,430,000	0		
1	Solar Panels	Convention Center	800,000	0		
1	Lighting Upgrades	Convention Center	50,000	0		
1	Vegetative Roof	Convention Center	800,000	0		
1	Replace Air Handler	Convention Center	80,000	0		
1	Modification of Chilled	Convention Center	95,000	0		
1	LED Streetlights	DOT	30,000	0		
1	Wastewater Treatment Plants	MSD	1,500,000	0	13,881,000	6.59%
<b>2 Non-governmental</b>	Energy Efficiency	Cincinnati Energy Alliance (CEA)	10,000,000	604,000	2	
2	New Chiller	Museum Center	243,000	0		
2	Westwood Greening	WestCURC	300,000	0		
2	Mill Creek Greenway-Queen City South Mill	Mill Creek Restoration Project	1,050,000	100,000		
2	Mill Creek Greenway-South Mill	Mill Creek Restoration Project	240,000	0		
2	Winton Community Health Center	Winton Community Health Center	50,000	0		
2	Motion sensors	National Underground Railroad Freedom Center	40,000	0		
2	Energy Efficient Roof Grant Program	OEQ	100,000	0	12,023,000	5.86%
<b>3 Renewable Energy</b>	Anaerobic Digester	OEQ	5,000,000	250,000*		
3	Alternative Solid Fuels	OEQ	15,000,000	0*	20,000,000	1.25%
<b>4 Transportation</b>	Streetcar	DOT	3,000,000	500,000		
4	Ohio River Trail	DOT	2,000,000	200,000		
4	Green Vehicles	Parks	520,000	0	5,520,000	12.68%
<b>5 Recycling</b>	MRF Upgrades	OEQ	4,000,000	500,000*		
5	MRF New	OEQ	6,500,000	0*		
5	Wheeled Carts	OEQ	8,102,645	0*		

### Formula Recommendations

Requested	Recommended	Total Category Request	% Recommended
478,800	0*		
5,000,000	0	24,081,445	2.07%
925,000	50,000		
400,000	50,000		
100,000	0		
100,000	0		
100,000	0	1,625,000	6.15%
350,000	352,000	352,000	100%
<b>77,480,445</b>	<b>3,520,600</b>		

used to the category.

City-owned facilities. The City's Energy Management Team will administer that fund and

energy efficiency projects in private sector buildings. The City's funds will be pooled with other projects in this category are encouraged to coordinate with CEA for funding consideration.