



# **Local Infrastructure Hub:** Module 3: Federal Administration Policies, Case Studies, and Project Examples

February 27, 2023

## Your hosts today



**James Strange**

Senior Advisor, US Department of Energy,  
Office of Economic Impact and Diversity

James Strange specializes in energy law and policy and has worked across state lines assisting government agencies, nonprofits, and businesses pursue their renewable energy and equity goals. Until recently, James was counsel for an organization that oversees the nation's largest solar, storage, and transportation electrification programs. James is currently serving as a Senior Policy Advisor for the United States Department of Energy, Office of Economic Impact and Diversity.



**Tara Brown**

Senior Manager Delivery Services,  
IMT

Tara has spent over a decade working with stakeholders to identify, plan, and implement social and environmental goals in the community, corporate, and local government spaces. Her time includes working for a City where she acted as a resource and partner to all City departments on conservation and sustainability matters, lead stakeholder engagement work, and created policies and programs to meet the City's sustainability goals.



**Steve Gelb,**

NW Regional Director,  
Emerald Cities Collaborative

Steve brings over 10 years of experience working at the intersection of the environment and equity through creating coalitions, launching programs, and supporting policy advocacy at the intersection of equity and the environment.

He helped found SustainableWorks, a non-profit residential energy efficiency organization that developed a community-based program to retrofit over 1,000 homes.

# Bootcamp Structure

Modules	Descriptions	Outputs
1 Setting the Table	Cities will be <b>oriented to the funding program</b> and understand how to navigate the Learning Management System.	N/A
2 Engaging the Community	Cities will <b>be able to draft Community Engagement and Advocacy Strategies</b> and understand the audience for advocacy and project strategies.	Community Engagement Strategy aligned to grant context
3 Federal Administration Policies, Case Studies and Examples	Cities will be able to <b>incorporate climate, equity, and training and workforce into their grant applications</b> and demonstrate that they are willing to raise their ambitions in these priority areas. Cities will be presented with project examples from other cities.	Plan for incorporating administration priorities into the grant application
4 Data Driven Decision Making, Writing, and Telling Your Story	Cities will <b>understand application data requirements</b> ; understand the <b>best practices for drafting narratives and gathering the full grant application package</b> ; and develop a plan to advance the request with key officials.	Data Strategy aligned to grant context and Federal Administration Priorities
5 Demystifying Capital Stacks and Budgeting	Cities will <b>understand the basics of capital stacks and funding structures for projects; possible matching grant requirements</b> and allowable uses; and applying this understanding towards <b>developing a draft project budget</b> with matching sources and potential new sources of funding	Draft budget for grant application
6 <i>Post Submission: Long Term Capacity Building</i>	Cities will be able to <b>develop plans to successfully administer the grant</b> and will understand how best to (re)-organize local institutional processes which position the community to compete for outside investment	Draft plan for grant administration

## Expected learning outcomes for Module 3

Upon successful completion of this module, city teams will be able to:

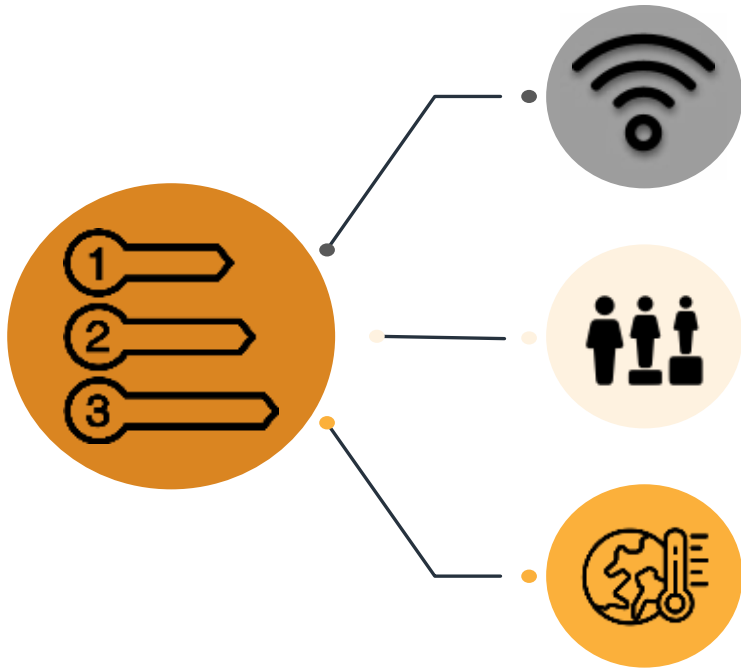
- ✓ *Understand Administration priorities, particularly around addressing inequities in historically disadvantaged communities and addressing the climate crisis.*
- ✓ *Identify how to prioritize **climate, equity, and workforce development** in their grant application.*
- ✓ *Align your **project scope with the mission of the US DOE and the Justice40 initiative** to support the overall narrative of your grant and constructing a compelling and competitive application.*



# **Federal Administration Priorities**

# Priorities for the Department of Energy

[Secretary Granholm's Letter to Justice40 Stakeholders](#), July 25, 2022



## Transform local infrastructure and economies

- Increasing domestic manufacturing and protecting energy supply chains
- Driving quality job creation, including the opportunity for good paying union jobs

## Lift up historically disadvantaged communities

- Justice40 Initiative: Establishing the goal that 40% of benefits flow to underserved, underrepresented, and frontline communities (“disadvantaged communities” or “DACs”).
- Advancing justice and equity

## Mitigate and build resilience to the climate crisis

- Growing private sector uptake of clean energy technologies through DOE-led demonstration and deployment programs.
- Modernizing and upgrading American energy infrastructure.



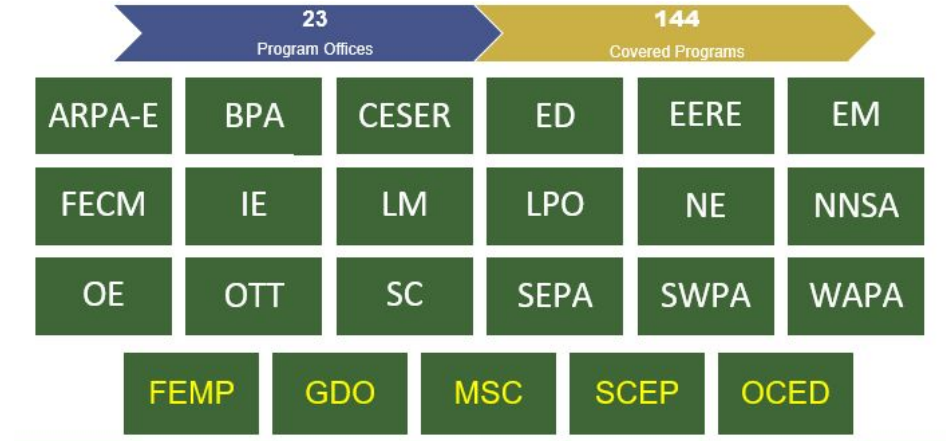
## **E.O. 14008, Section 223, January 27, 2021**

“...the Director of the Office of Management and Budget, and the National Climate Advisor, in consultation with the Advisory Council, shall jointly publish recommendations on how **certain Federal investments** might be made toward a goal that **40 percent of the overall benefits flow to disadvantaged communities.**”

# Justice40 DOE Covered Programs

“Existing and new programs, including those created by the Bipartisan Infrastructure Law (BIL), that make covered investments in any of [the previous] categories are considered Justice40 covered programs.” **OMB Guidance**

**Over 140 DOE programs are covered under the Justice40 Initiative**



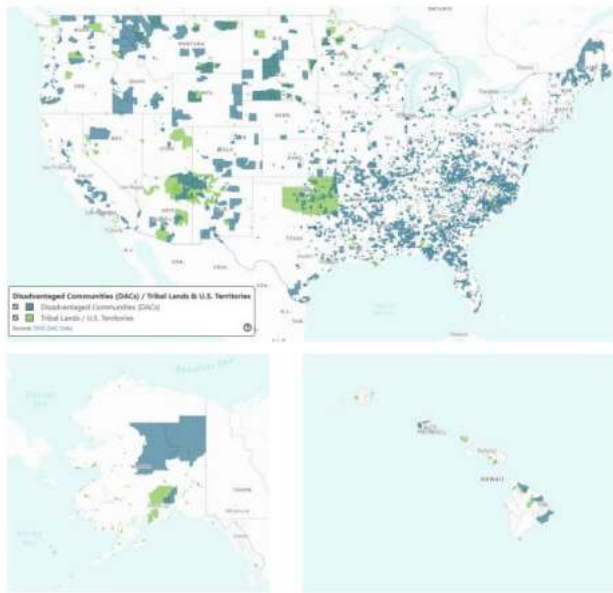
## E.O. 14082, September 12, 2022

“In implementing the Act [IRA], all agencies...shall, as appropriate and to the extent consistent with law, prioritize... the **Justice40 Initiative**...to protect and improve the health and well-being of fence-line and frontline communities in the United States”

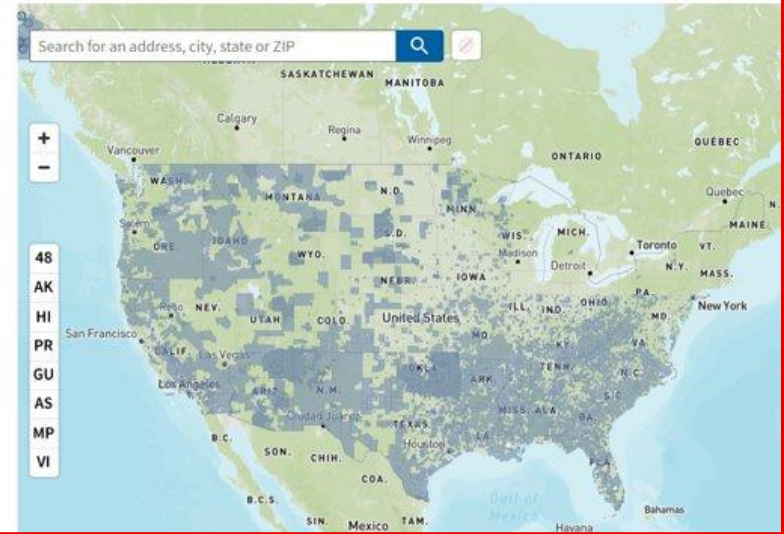


# J40: Defining Disadvantaged Communities (DACs)

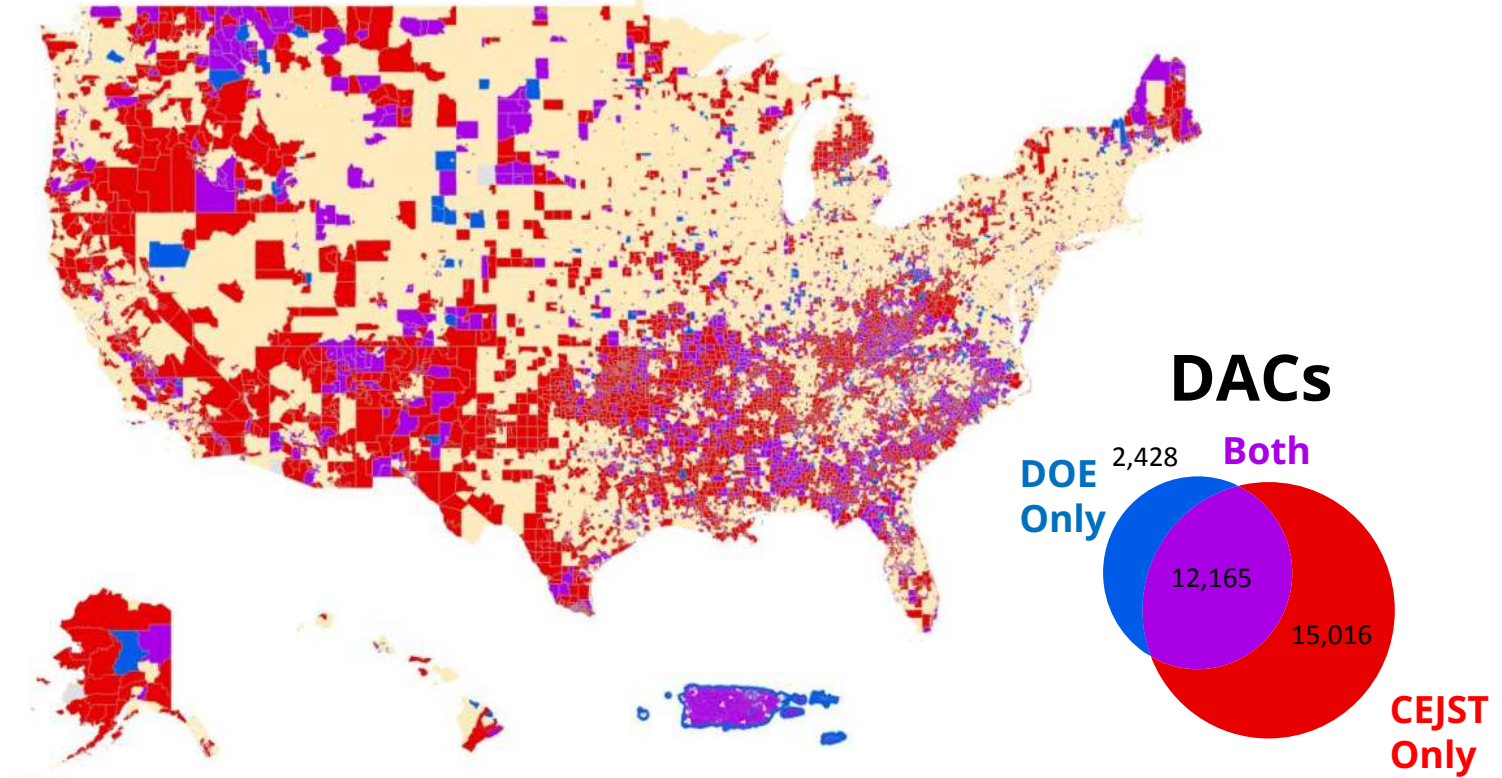
**DOE DAC Reporter Tool:**  
[Energy Justice Dashboard \(anl.gov\)](https://anl.gov/energy-justice-dashboard)



**CEQ's CEJST Mapping Tool:**  
[Explore the map - Climate & Economic Justice Screening Tool \(geoplatform.gov\)](https://geoplatform.gov/Climate-and-Economic-Justice-Screening-Tool)



## J40: Defining Disadvantaged Communities (DACs)



# What are benefits? How do they Flow to DACs?

What

## DOE Policy Priorities

1. Decrease in energy burden
2. Decrease in environmental exposure and burdens
3. Increases in jobs/training
4. Increases in enterprise creation
5. Increases in energy democracy
6. Increases in low-cost capital
7. Increases in clean energy access and adoption
8. Increases in energy resilience

Where



# Example Benefits and Metrics

Retrofits	Transp.	Government, Schools	Financial Instruments	Renewable Energy	Building Codes and Standards	Energy Policy and Planning	Energy Audits	Training and Education	Stakeholder Engagement
Number of buildings retrofitted	Number of alternative fuel vehicles purchased	Number of energy efficient: HVAC units purchased, streetlights,	Number of loans given	Number of PV, wind, or solar thermal systems installed	Number of new building codes adopted	Number of CAPs updated or completed	Number of audits performed (investment and non-investment)	Number of orgs receiving TA (Tribal, rural, DAC?)	Number of community engagement events
Estimated retrofit savings	Number of new alternative refueling/stations installed	Number of energy efficient lights purchased	Value of grants provided	Total capacity of systems installed		Number of policies developed or updated (DACs?)		Number of employees hired to further EE or sustainability	Community attendance
Reduction in fuel consumption	Length of sidewalks installed (linear feet)	Number of energy efficient water heaters purchased	Total value of money raised	Number of geothermal or hydropower		Number of GHG inventories completed		Number of workshops or training sessions held	Community benefits agreement

Don't Forget! Where can these numbers be attributed? Who is benefitting?

# Example: Building Retrofit Program

1.

What you are doing or funding?

Funding Recipients  
for:  
Building Retrofits

2.

Why? What do you want to achieve

Policy Priority (Benefits)  
Decrease Energy Burden  
Increase Energy Resilience

and where? Or for whom?

DACs  
Underfunded,  
Underinvested Areas


3.

How will you measure progress?

Metric Example:  
# Buildings retrofitted  
  
Retrofit savings  
  
Reduction in fuel consumption  
  
Estimated energy burden

 DOE  
Guidance

# J40: DOE Resources

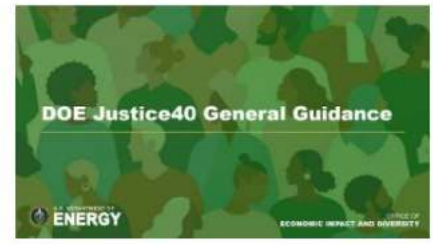


Department of Energy

General Guidance for Justice40 Implementation

[Final DOE Justice40 General Guidance 072522.pdf \(energy.gov\)](#)

## DOE Justice40 General Guidance



## Environmental Justice Explainer

Justice40 Initiative Environmental Justice Fact Sheet

The Justice40 Initiative provides a once-in-a-generation opportunity to transform communities that, for the too long, have faced disproportionate exposure to environmental hazards and harms, been excluded from access to federal funding, and have been locked out of the decisions that shape their communities.

**THE JUSTICE40 INITIATIVE**  
 Created under the Biden-Harris Administration, Justice40 establishes the goal that 40% of the overall benefits of certain federal investments flow to disadvantaged communities (DACs). The Justice40 Initiative applies to over 143 Department of Energy (DOE) programs and is made of the \$62 billion investment in DOE under the Bipartisan Infrastructure Law.

## List of Community Relevant Justice40 Programs

## Justice40 Factsheet

Justice40 Initiative Fact Sheet

Disadvantaged communities of color disproportionately bear the environmental harm and economic burden of the energy system and do not equitably receive its benefits or have equitable access to decision-making processes. The clean energy transition presents an opportunity to transform communities Justice40 is the tool to get there.

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## Justice40 Covered Program Highlights

Justice40 Program Highlights  
 Recent accomplishments across Justice40 Covered Programs

**GRANTS AND LOANS**

On March 30, 2022, the U.S. Department of Energy (DOE) announced \$3.16 billion in new funding through the Weatherization Assistance Program (WAP) – 2021 target residential energy retrofit program. The expanded funding, which is available to the Department Information Line, will allow states, tribes, and territories to rapidly thousands of low-income homes to make them healthier and more energy-efficient while lowering utility bills. Assessment Job: Biden Administration, Investment Investments to Make Homes, Home Energy Efficient and Lower Costs for American Families | Department of Energy

LOAN PROGRAMS OFFICE (LPO)      OFFICE OF STATE AND COMMUNITY ENERGY PROGRAMS (SCEP)



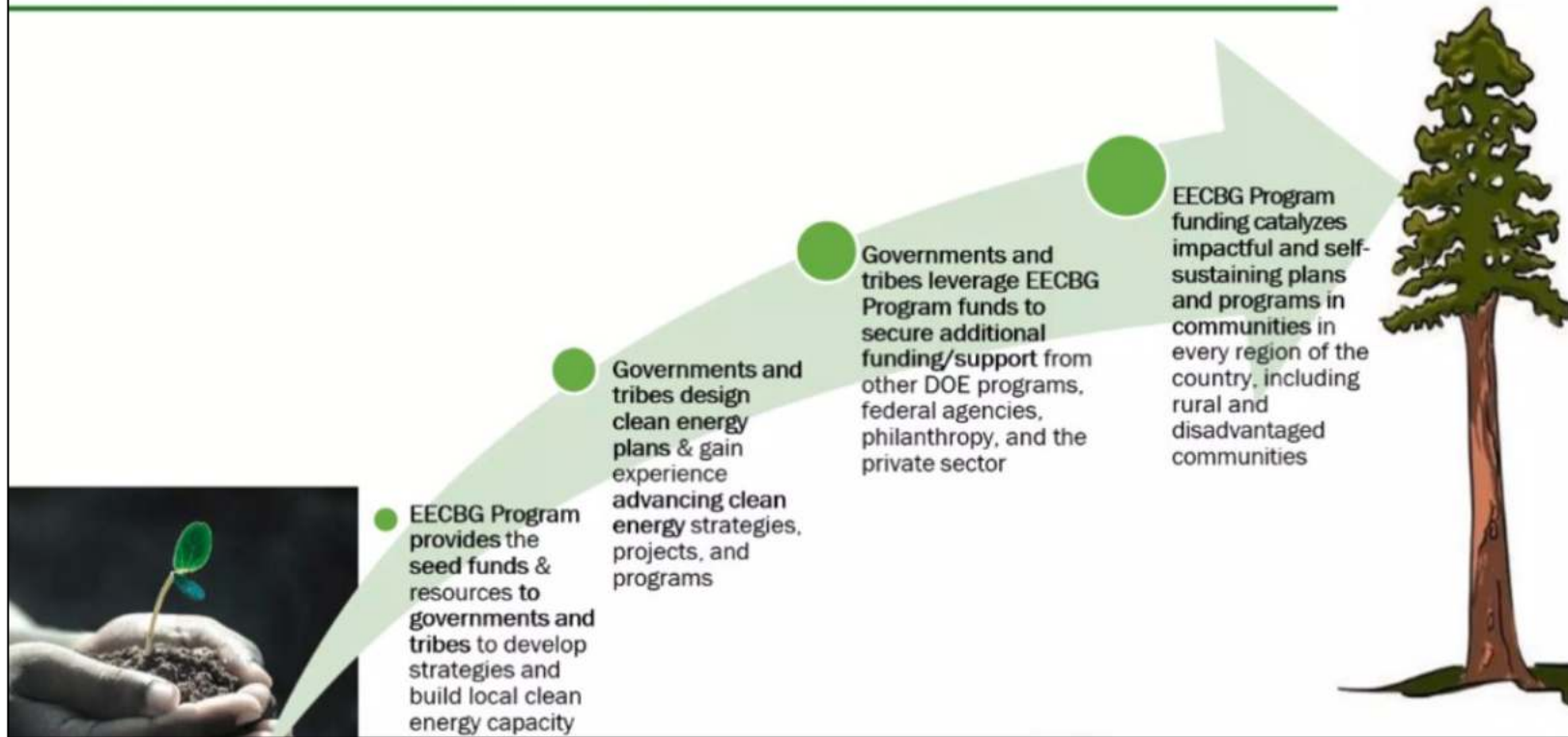
# **Case Studies & Project Examples**

## Broad Range of Eligible Activities

- NEW: Programs for financing, purchasing, and installing energy efficiency, renewable energy, and zero-emission transportation (and associated infrastructure) measures
  - **Strategy development**
  - **Technical consultant services**
  - **Building energy audits**
  - Financial incentive programs
  - Energy efficiency retrofits
  - **Energy efficiency and conservation programs for buildings and facilities**
- Development and implementation of transportation programs
  - **Building codes and inspections**
  - Energy distribution tech for energy efficiency
  - Material conservation programs
  - Reduction and capture of methane and greenhouse gases
  - Traffic signals and street lighting
  - Renewable energy technologies on government buildings



# EECBG Program Funding Can Be Used As a Seed Investment



Source: DOE DOE EECBG Local Allocation Webinar

# Resiliency Hub

What is a Resiliency Hub?

Resiliency Hubs are community-serving facilities augmented to support residents and coordinate resource distribution and services before, during, or after a natural hazard event.

In scope for seed funding:

- Community engagement to identify location and determine hub needs
- Energy Audit of current building
- Initial energy efficiency upgrades
- Utilize to leverage additional funding



Source: USDN's Resilience Hubs

# Minneapolis Sabathani Community Energy Project

Project Component	Cost	Rebates	Funding Secured	Amount Remaining	Partners
LED Lighting COMPLETED 5/22	\$118,800	One Stop Efficiency	Green Cost Share + Climate Action & Racial Equity Grant	\$0	CEE City of Mpls. Mpls. Foundation
Engineering Study COMPLETED 10/21	\$30,000	Xcel Energy	CEE	\$0	CEE Xcel Energy
HVAC	\$13.2 M	TBD	McKnight, New Market Tax Credits	\$13.2 M	CEE, Apex, Darcy, CenterPoint, Xcel
Roof and Insulation	\$500,000	N/A	\$500,000 Congressional Appropriation Awarded	\$0	Rep. Ilhan Omar
Battery Storage (BESS) Commercial Energy Storage	\$2.5 Million	N/A	\$2.5 million	\$0	Xcel Energy
Rooftop Solar PV 290kW DC (240kW AC)	\$600-700K	TBD	Applying for DOE Funding	\$0	Renewable Energy Partners, Mpls Climate Action
Smart Thermostats	\$31,500	One Stop	Xcel AC Rewards – One Stop Efficiency	\$0	CEE Xcel Energy

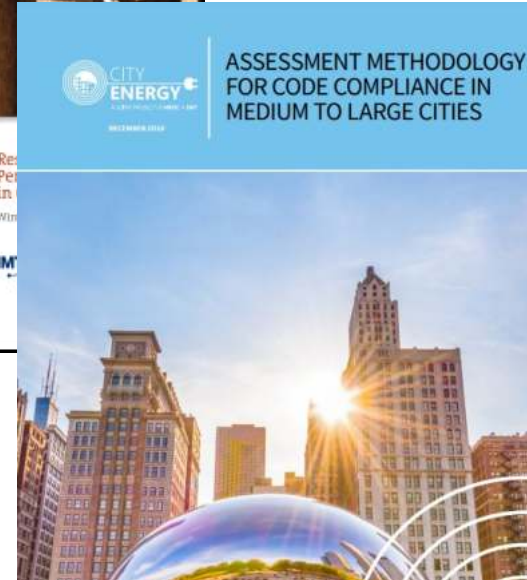
# Energy Code Enforcement

## What is energy code enforcement?

A means of ensuring that building professionals meet the requirements of building energy codes.

## Why it matters?

- They help to reduce energy consumption and contribute to quality construction
- On average every \$1 spent on energy code enforcement yields \$6 in energy savings
- DOE Study found a \$1 investment in energy efficiency to have local economic multiplier of \$2.23 compared to consumer goods (\$1.91), petroleum products (\$1.51) and utilities (\$1.66).



# Energy Code Enforcement: ARRA-Era Examples

Third Party Performance Testing

Austin, TX



Residential Performance Testing

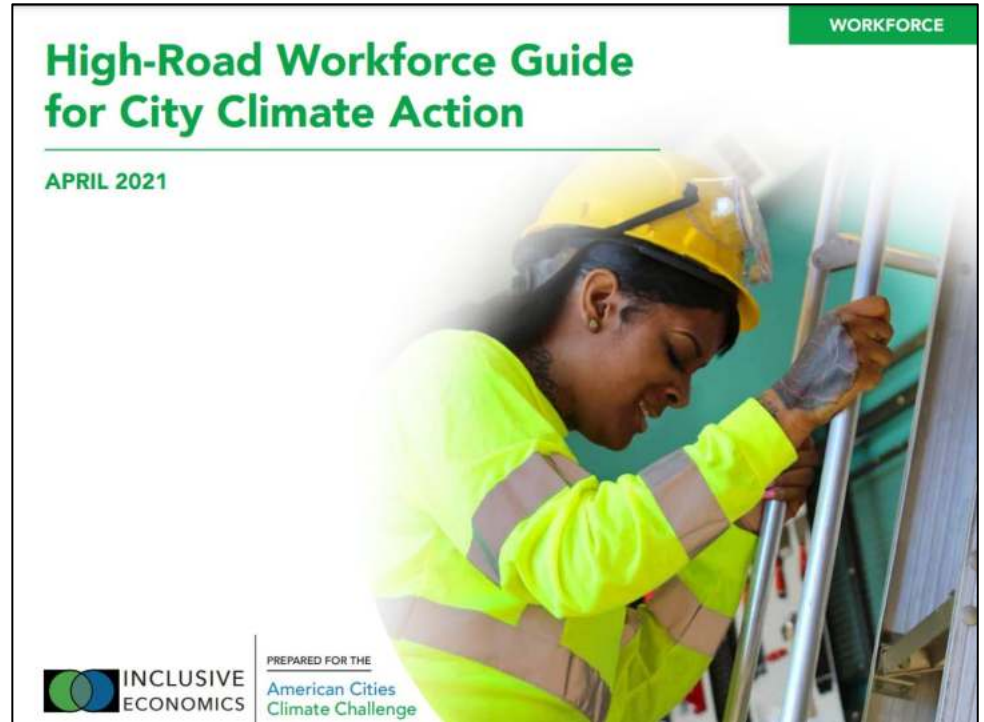
Georgia



# Energy Code Enforcement: Funding & Workforce Training

## Securing Additional Funding

IJJA's Energy auditor training grant program will award grants to States and partners to train individuals to conduct energy audits or surveys of commercial and residential buildings; \$40,000,000 for the period of FY22-26.



Source:

[https://emeraldcities.org/wp-content/uploads/2021/11/workforce-guide\\_4.12.21\\_form.pdf](https://emeraldcities.org/wp-content/uploads/2021/11/workforce-guide_4.12.21_form.pdf)

# OIL HEAT VS CLEAN HEAT

Oil furnaces burn heating oil that is similar to diesel fuel to heat the home.

Burning heating oil pollutes our air.



Leaking oil tanks pollute our soil and ground water, and can cause expensive clean-up costs.

Heat pumps transfer heat from the air into or out of the house.

An electric heat pump is more than twice as efficient as an oil furnace and saves about \$850 every year.



Heat pumps run on carbon neutral electricity from Seattle City Light.



**Emerald Cities**  
COLLABORATIVE  
*America empowered.*

Steve Gelb, Emerald Cities Collaborative, NW Regional Director

## THE JUSTICE40 INITIATIVE

Created under the Biden-Harris Administration, **Justice40** establishes the goal that **40% of the overall benefits of certain federal investments flow to disadvantaged communities (DACs)**. The Justice40 Initiative applies to over 145 Department of Energy (DOE) programs and to much of the \$62 billion investment in DOE under the Bipartisan Infrastructure Law. The DOE is rolling out programs and funding opportunities that could provide transformational benefits to disadvantaged communities across the country. Community-based organizations, local, state, tribal, and territorial governments, small businesses, and educational institutions can apply to some of these programs and may be able to participate in the development of many more.





# Before Justice 40

## Energy Efficiency

- Implement Energy Efficiency as part of Climate Action Plan



## Equity

- Include Equity in Climate Action Plan implementation
- No standard target for equity
- No standard identification of disadvantaged communities

## Clean Heat Program - Oil to Electric Conversions

- Seattle's Climate Action Plan has a target to reduce GHG emissions in the residential sector by **32%** by 2030
- Approx. 15-18k oil heated homes in Seattle (as of 2018); phasing out oil by 2030 represents an **8-9%** reduction in total building sector emissions, and **16-18%** in the residential sector
- Mayor Durkan's 2018 Climate Strategy: identify opportunities to accelerate oil conversions to heat pumps, prioritizing low-income households
- OSE developed the Heating Oil Tax policy and City Council passed the Ordinance in September 2019. However, tax has been delayed three times due to COVID impacts. Effective date of tax is 1/1/23

## Program Goals

- **Accelerate** oil conversion to clean heating (all homes by 2028)
- **Increase the equitable adoption** of electric heat pumps, thereby reducing carbon pollution, overall energy use and heating bills
- **Prevent future oil leaks** minimizing future environmental damage, cleanup costs, groundwater contamination, and economic burdens to households
- **Provide a pathway for households with lower incomes** to be eligible for Office of Housing/Seattle City Light weatherization services (insulation, air-sealing, etc.)
- **Support oil dealer workforce transition** to heat pump technology

# Clean Heat Program

- Incentives and Marketing Support
  - \$1,500 to the customer: \$1,000 City of Seattle, matched by \$500 from Gensco/Mitsubishi/Trane

## Serving households with lower incomes

- Fully fund conversions for 900 income-eligible households (who are on UDP); 125+ homes planned for 2022. Funded by general fund and some federal funding. Future funding – JumpStart tax revenue, oil tax revenue, federal funding, etc.
- Delivery of program in partnership with Office of Housing; focus on highly impacted communities
- Electrification creates pathway for access to City Light/Office of Housing weatherization services available only to electrically heated homes (insulation, air-sealing, etc.)

**Mitsubishi Electric Northwest**

Trade-out your old furnace for a clean, energy-efficient heat pump and save on heating and cooling costs. Make the switch today and save up to \$1,500!

**Still Heating With Oil?**

Save \$1,500\* on a Mitsubishi Electric Heat Pump

City of Seattle

**Still Heating With Oil?**

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City of Seattle

**CRAFT FINANCE**

100% FINANCING OFFER

4.49% APR

3.49% APR

**15 YRS. FIXED LOW RATES**

\$50K CAP

4.25% APR

City of Seattle

## Example:

- Mary pays about **\$1,700/year** to fill her 500-gallon oil tank for her oil furnace.
- A heat pump is more than twice as efficient saving \$850/year.
- She participates in the Utility Discount Program and receives a 60% discount on her electricity - saving and additional \$510 per year.
- Her net heating cost is only **\$340/year** - saving her more than **\$1,300/year** on heating costs.
- She also has the benefit of cooling during heat waves and smoke events.



## Accomplishments



- Provided more than 850 rebates to households since August 2017;
  - Estimated 6,375,000 gallons of avoided oil consumption (over life of heat pump)
  - Estimated 63,750 MTCO<sub>2</sub>e avoided
  - Increase participation from 15 to 27 local, small business HVAC contractors participating in program
  - Leveraged \$425k in private funds (Gensco and Mitsubishi) against \$850k City investments
- Office of Housing completed 65 conversions at no cost to low-income households
- 2022 Goals: 280 rebates, 125 low-income conversions

**Could a program  
like this be adapted  
to your community?**



## Is it Justice 40?

# of Low Income Conversions/  
# of Conversions = xx%

$$65/850 = 8\%$$

\$ Spent on Low Income/  
\$ Spent Total = xx%

$$\frac{65 \times \$25k}{(850 \times \$1,500) + (65 \times \$25k)} = 56\%$$

\$ of Energy Bill Savings for Low  
Income- with UDP/  
\$ of Energy Bill Savings = xx%

$$\frac{65 \times \$1300}{(850 \times \$850) + (65 \times \$1300)} = 10.5\%$$

$$84500 + 722500$$

\$ of Business to WMBE  
Firms/  
Total \$ Spent = xx%

$$\frac{\$0}{\$21,500,000} = 0\%$$





## Tools and Templates for Module 3: Federal Administration Priorities

The following resources can help **strengthen core components** of your grant application

- [DOE Justice40 General Guidance document](#)
- [Justice40 Fact Sheet](#)
- [Office of Management and Budget \(OMB\) - Interim Implementation Guidance for the Justice40 Initiative](#)
- [The People's Justice40+ Community Benefit Playbook](#) by Emerald Cities Collaborative
- [USDN's Resiliency Hub tools and guide](#)
- [High-Road Workforce Guide for City Climate Action](#)
- [Assessment Methodology for Code Compliance](#) by IMT

# Thank you!

*For questions, please contact your navigator, the office hours and/or coaching lead, or email [eecbgbootcamp@nlc.org](mailto:eecbgbootcamp@nlc.org)*

*For general information, please visit [www.localinfrastructurehub.org](http://www.localinfrastructurehub.org)*

