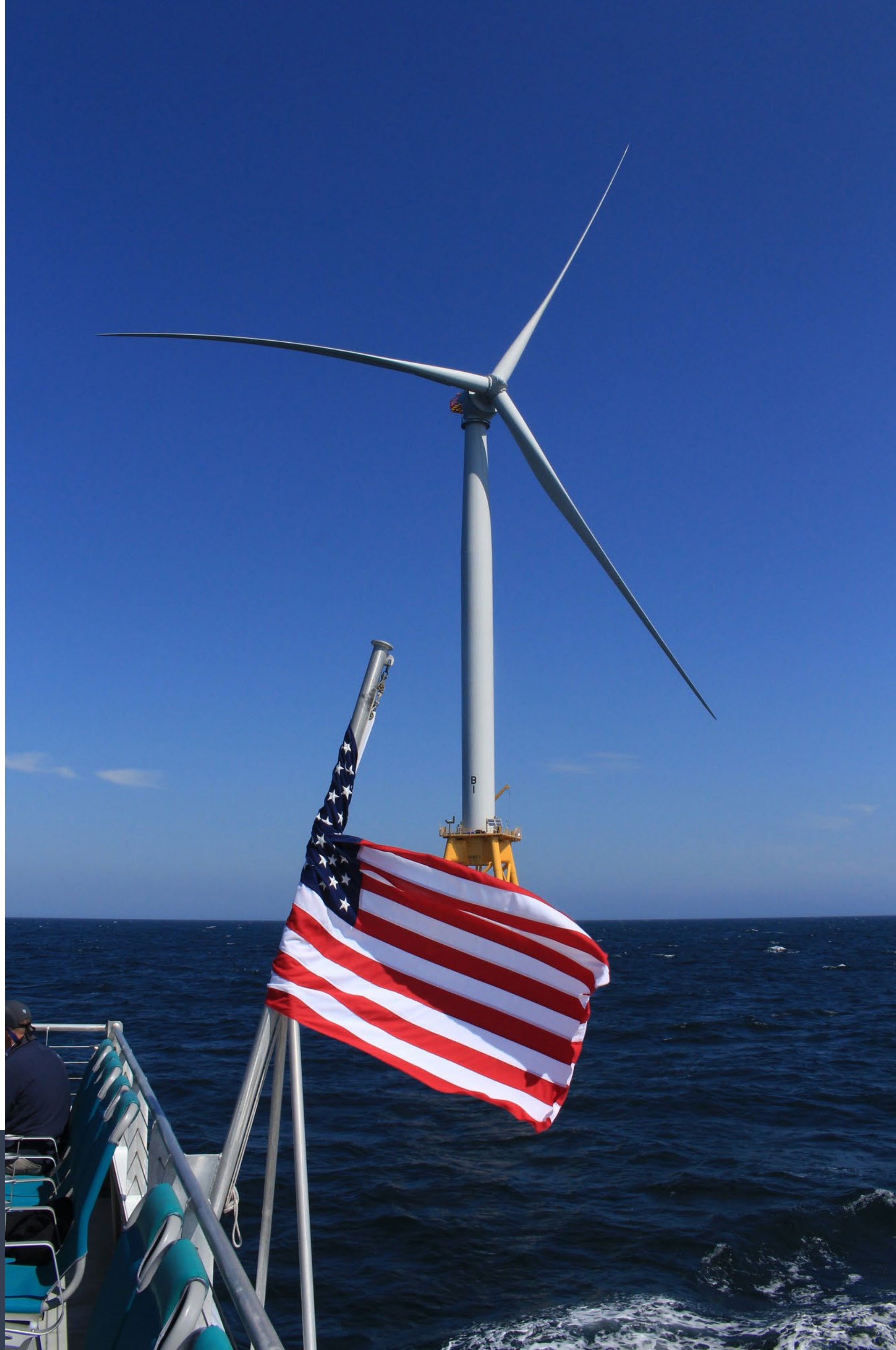
Overview of the IIJA Section 40541: Energy Efficiency and Renewable Energy at Public School Facilities program

Ed Carley, May 17, 2022

Photo Courtesy of RL Martin



About NASEO

- The only national non-profit association for the governor-designated energy officials from each of the 56 states and territories
- Serves as a resource for and about the State Energy Offices through topical committees, regional dialogues, and informational events that facilitate peer learning, best practice sharing, and consensus building
- Advances the interests of the State and Territory Energy Offices before Congress and the Administration
- Learn more at www.naseo.org

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Infrastructure Investment and Jobs Act of 2021

- Also known as the Bipartisan Infrastructure Law (BIL).
- Signed into law on November 15, 2021
- NASEO Summary : https://www.naseo.org/Data/Sites/1/documents/tk-news/naseo-infrastructure-bill-provisions-of-interest_081921.pdf

NASEO
National Association of State Energy Officials

Infrastructure Investment and Jobs Act
(As passed by the U.S. Senate August 10, 2021)
Provisions of Interest to NASEO Members

On August 20, 2021, the U.S. Senate passed the *Infrastructure Investment and Jobs Act* often referred to as the bipartisan infrastructure bill. As has been reported by NASEO, while the bill has not yet passed the U.S. House of Representatives, we anticipate that it will be passed before the end of September and would then be sent to the President for his signature.

Because of the historic size and scope of this bill, we strongly encourage State Energy Offices to become familiar with provisions of interest and to begin considering the implications and opportunities for your state. NASEO will hold regional, committee, and national calls to continue to inform states, and will hold "deep dive" discussions at the NASEO Annual Meeting in Portland, Maine this October. We are also engaging the U.S. Department of Energy to aid in navigating the implementation of these provisions.

Section 40541: Energy Efficiency and Renewable Energy at Public School Facilities

- $500 million over five years, competitive application process.
- Eligible entities: Local education agencies and 1 more schools, non-profit, for-profit or community partners with the knowledge and capacity to assist with energy improvements.

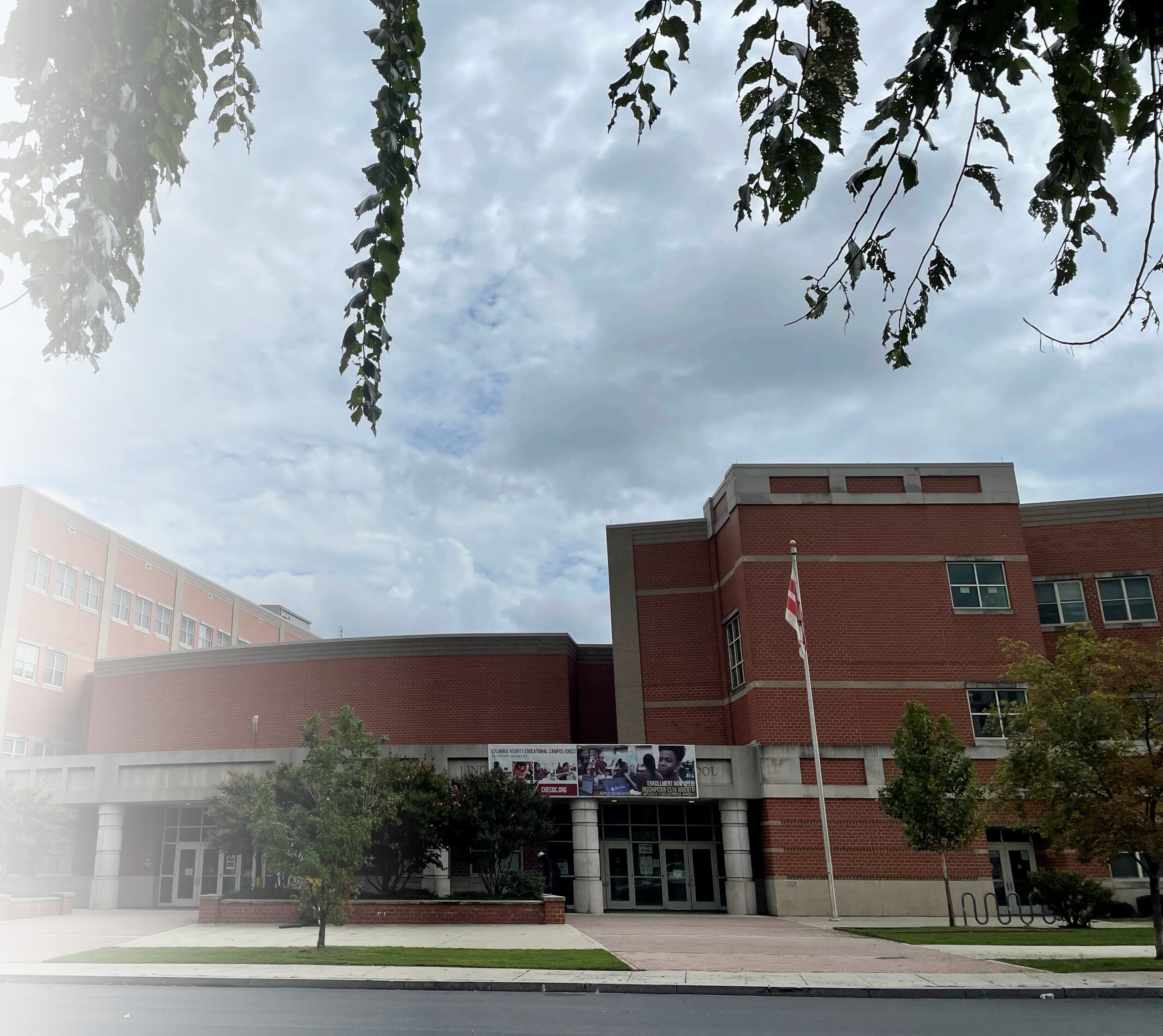


Photo: Ed Carley

Energy Efficiency and Renewable Energy at Public School Facilities

- Prioritizes high need schools as indicated by renovation, repair and improvement funding needs, high percentage of students eligible for free or reduced price lunch, school district locale code of 41 (rural-fringe), 42 (rural-distant), or 43 (rural-remote).
- $500 million is insufficient to meet the need for school improvements. Likely only sufficient for a handful of districts per state per year. Leverage Public Private Partnerships where possible.
- Eligible uses: Energy efficiency (envelope, HVAC, lighting, controls, etc.), ventilation, renewable energy, alternative vehicles, and alternative fuel vehicle infrastructure improvements.

Expected timeline

- There is a Request for Information period that closes tomorrow, May 18, 2022 at 5:00 p.m. ET
- U.S. DOE will review the responses and develop a Funding Opportunity Announcement (FOA).
- FOA expected to be released in the Fall of 2022.
- Typically about 30 days to respond, DOE may extend this period.
- Expect six-nine months to get projects started after applications close.
  - Ed Carley Photo

How to prepare

- Conduct a needs assessment of your school(s)
- Identify potential projects and partnerships
- Consider how you can leverage other sources of funding
- Consider an energy manager program that can help identify future projects and lead implementation

Kentucky School Energy Managers Project Case Study

The simple choice for energy efficiency.

ENERGY STAR

December 2018

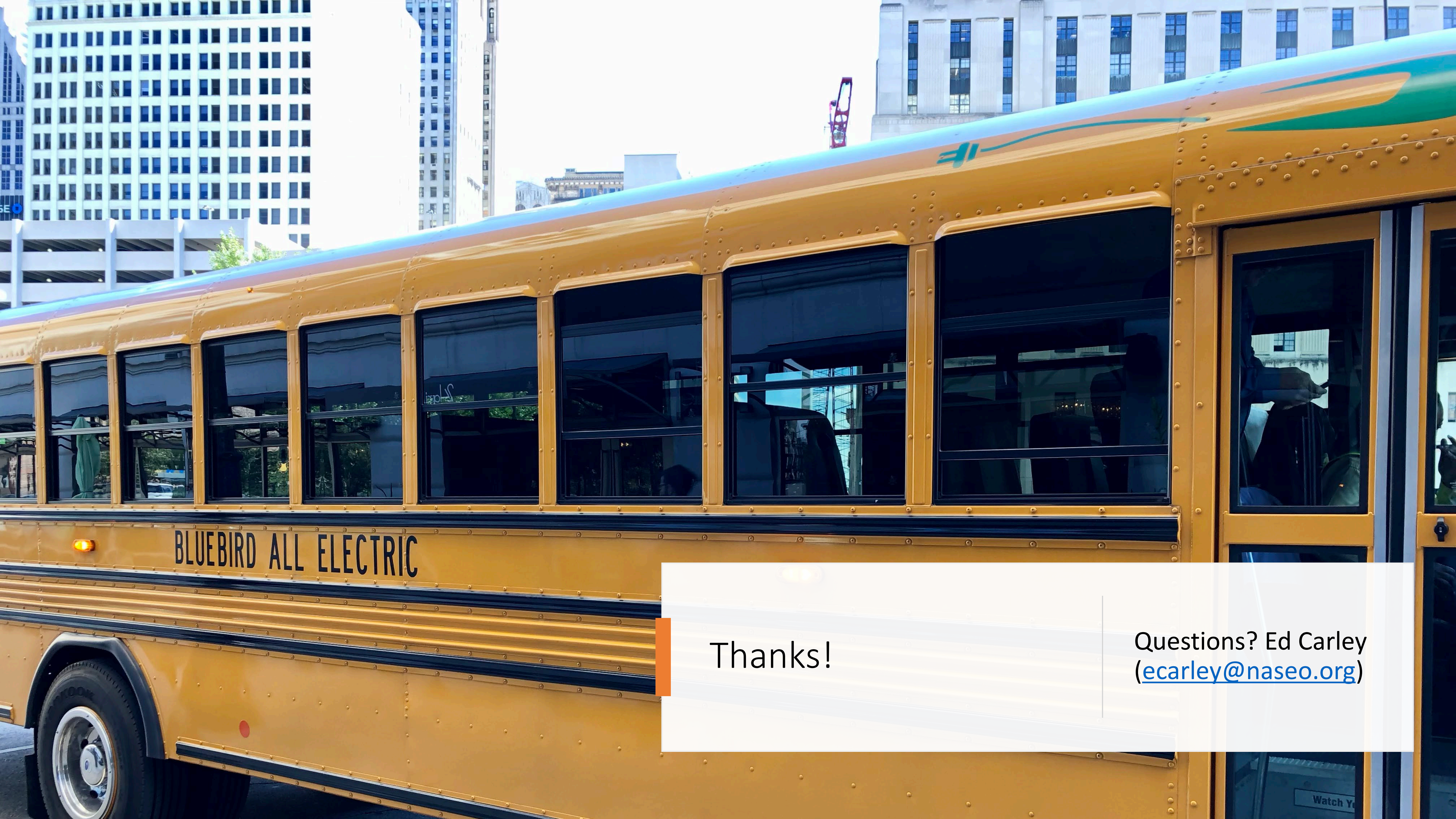
Background

In 2008, the Kentucky General Assembly passed legislation (KRS 160.325) which mandates that boards of education adopt energy management policies.[2] In response to this legislation, the Kentucky School Board Association (KSBA) partnered with the Kentucky Department for Energy Development and Independence (DEDI) to create the School Energy Managers Project (SEMP) with $5 million in funding provided by the U.S. State Energy Program (SEP) funds from Kentucky.[3] SEMP was launched in the 2010-2011 school year with 49 energy managers serving a total of 144 of the 173 school districts.[4]

> Bullitt County Public Schools reported that in the 2013-2014 school year, the cost of the school district's energy management plan was approximately $78,000 for the salary and budget for the energy manager. In the same year, the district avoided energy costs of approximately $563,000. Taking into account that the district budgeted $460,000 for repayment of an energy service performance contract, the net savings from the SEMP program in Bullitt County Schools was approximately $216,000.[1]

These energy managers partnered with local boards of education to adopt energy policies and formed 121 district energy advisory teams to help implement energy management plans. Each energy manager worked with two to seven districts, depending on their size.[5] SEP funding covered 75% of the energy managers' first-year salary and benefits, and 50% of the second-year costs.[6]

The SEP funds expired in April 2012. Recognizing that energy efficiency is also valued by energy providers, SEMP administrators then turned to that sector and in 2013 were successful in facilitating a first-of-its-kind partnership with Louisville Gas & Electric and Kentucky Utilities Company to provide funding for local energy managers. Beginning in July 2014, a similar program was initiated for schools in the Kentucky Power Company service territory. These partnerships continued through June 2018.



Thanks!

Questions? Ed Carley (ecarley@naseo.org)