



Conference Focuses on Appropriations for New Program

By Conference Staff

When President Bush signed the "Energy Independence and Security Act of 2007" into law (PL 110-140), a new \$10 billion federal partnership with the nation's cities, counties and states

New USCM Energy Block Grant Program Comes Online Just in Time

was established. This is one that strengthens and further empowers the efforts of mayors and other local elected officials as they take local actions to reduce the nation's energy dependency, promote increased energy efficiency, develop greener energy supplies and further climate protection goals.

Enactment of this new initiative, called the Energy Efficiency and Conservation Block Grant Program (EECBG), is the product of a nearly yearlong effort by The U.S. Conference of Mayors and its member mayors, as first unveiled one year ago during the 75th Winter

Meeting in the Conference's 10-Point Plan.

The new law authorizes \$2 billion annually over five fiscal years (FYs 2008-2012) for block grant assistance to cities, counties and states. A graphic depiction of how these resources are to be allocated to support city- and county-based activities is provided in the chart below. With the EECBG program and funding authorization in place, the Conference and its member mayors are now working to secure actual funding (i.e., appropriations) for the program, which is among the top priorities before mayors who

will be participating in the 76th Winter Meeting, to be held January 23-25, 2008 in Washington, DC.

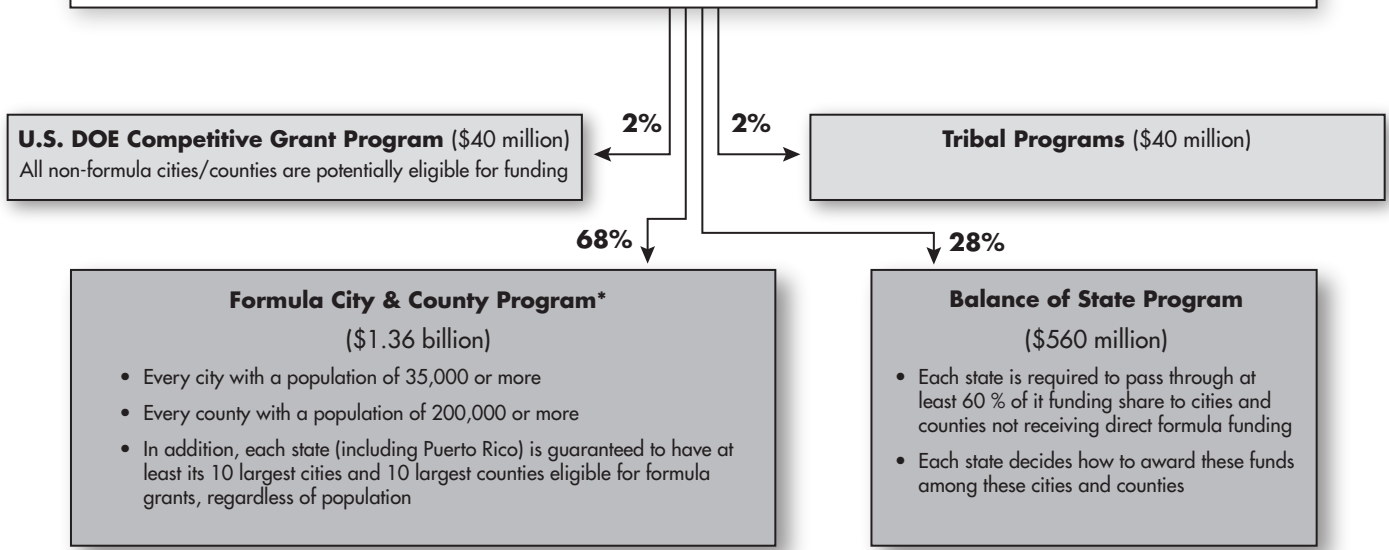
Specifically, this program emphasizes bottom-up, community-based strategies to help the nation meet its energy and climate protection challenges, an approach that Conference leaders identified early on as a critical element of any successful national energy strategy.

Funding for the EECBG program takes on even greater immediacy, as the nation's already weakening economy absorbs additional ill effects from high energy costs, largely driven

EECBG Funding Allocations

\$2 Billion Annual Appropriation

First year funding can be used for strategy development; funding in subsequent years is only for implementation of city and county strategies approved by U.S. DOE.



* Law (PL 110-140) directs U.S. DOE to develop a formula for allocating block grant funds among these cities and counties, with population factors a key consideration.

by record oil prices. Already, Congressional and Administration leaders are calling for action on an economic stimulus package and there is renewed attention to the need for more immediate and more dramatic efforts to curb the nation's energy use, especially petroleum.

In addition, when the mayors' campaign to enact this block grant program was first initiated, slightly more than 350 mayors had signed The U.S. Conference of Mayors Climate Protection Agreement. Currently, 773 mayors have joined on as signatories. Importantly, the five-year authorization period for the EECBG program is nearly concurrent with the five-year period, ending December 31, 2012, which is the Agreement's target date for achieving emission reduction goals set forth in the Kyoto Protocol.

mitment to prompt EECBG funding as a response to these conditions.

While the following provides a brief overview of the key features of the EECBG program, the actual legislative language can be found in Title V (Sections 541-548) of Public Law 110-140.

EECBG Modeled after HUD's CDBG, with Differences

The new EECBG program is largely modeled after the highly-successful Community Development Block Grant (CDBG) program, which was first enacted in 1974.

Like CDBG, the largest share of total funding (i.e., 68 percent) is allocated directly by formula to eligible cities and counties. Similarly, each state receives a funding share (i.e., 28 percent) to serve cities and counties not directly eligible for formula funds.

tary, and the factors used to allocate funds among formula recipients are different as well, with the new law requiring the Energy Secretary to develop a formula based largely on population factors.

As depicted in the accompanying chart, two percent of program funding is reserved to Indian tribes, and another two percent is retained by the Secretary of Energy to support a competitive grant program. In addition to local funds provided by formula or through the state, any non-formula city or county can also apply to the Secretary for funds under this program. However, the Secretary is directed to give priority to localities applying for funds from less populated states (i.e., two million or less) or to local projects that result in "significant energy efficiency improvements or reductions in fossil fuel use."

A key trigger in the law is a directive that the Energy Secretary must publish in the Federal Register, not later 90 days from the beginning of each fiscal year for which grants are to be made available, the formula to distribute funds under this program. In effect, if Congress provides appropriations, either in a supplemental measure and/or in a FY 2009 appropriations bill, the Secretary would have to move immediately to issue the formula for the program.

Once a formula city or county receives its first year funding, it must develop an Energy Efficiency and Conservation Strategy pursuant to the requirements of the law and submit it within one year of receipt of these funds. In subsequent years, additional funding is limited to implementation of an approved strategy.

Within two years of receipt of an initial grant, each formula recipient must report to the Secretary on the status of its implementation of the strategy, including an assessment of the energy efficiency gains. Annual reporting is required each year thereafter.

The new law generally identifies three key goals for recipients of these block grant funds: 1) reduce fossil fuel emissions, 2) reduce total energy use; and 3) improve energy efficiency in the transportation, building, and any other appropriate sectors. It supports the achievement of these goals by authorizing a broad range of local programs, projects and other activities that can be funded with available block grant resources (see Sec. 544 of PL 110-140).

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Mayors participating in the Conference's upcoming Winter Meeting, which will feature a special session on the program, will be working to make sure that Congressional leaders and other policy-makers make a strong com-

Also, funds provided under the EECBG program require no matching share.

Unlike CDBG, the Secretary of the U.S. Department of Energy is the program administrator, not the Housing and Urban Development Secre-

Key Process Steps

With enactment of the new law, the U.S. Department of Energy is now beginning its preparations for issuing various rules, policies and guidance to support the startup of the program.

Direct Formula City and County Recipients Under the New EECBG Program*

State†	City Recipients	County Recipients	Total Recipients
Alabama	12	10	22
Alaska	10	10	20
Arizona	20	10	30
Arkansas	10	10	20
California	220	27	247
Colorado	20	10	30
Connecticut	16	8	24
Delaware	10	3	13
Florida	69	23	92
Georgia	16	10	26
Hawaii	1	5	6
Idaho	10	10	20
Illinois	51	10	61
Indiana	23	10	33
Iowa	13	10	23
Kansas	12	10	22
Kentucky	10	10	20
Louisiana	10	10	20
Maine	10	10	20
Maryland	10	10	20
Massachusetts	34	10	44
Michigan	31	10	41
Minnesota	22	10	32
Missouri	17	10	27
Mississippi	10	10	20

State†	City Recipients	County Recipients	Total Recipients
Montana	10	10	20
Nebraska	10	10	20
Nevada	10	10	20
New Hampshire	10	10	20
New Jersey	23	15	38
New Mexico	10	10	20
New York	18	18	36
North Carolina	22	10	32
North Dakota	10	10	20
Ohio	34	13	47
Oklahoma	11	10	21
Oregon	14	10	24
Pennsylvania	14	18	32
Rhode Island	8	5	13
South Carolina	10	10	20
South Dakota	10	10	20
Tennessee	15	10	25
Texas	77	21	98
Utah	19	10	29
Vermont	10	10	20
Virginia	18	10	28
Washington	27	10	37
West Virginia	10	10	20
Wisconsin	20	10	30
Wyoming	10	10	20

* based on 2006 Census estimates of population

† Recipients in Puerto Rico not shown in table.