

## American Recovery and Reinvestment Act 2009 –Division A Appropriations Provisions, Energy Funding,

February 13, 2009

1. The Act funds previously unfunded portions of energy legislation such as the Energy Policy Act of 2005 (EPAct), the Energy Conservation and Production Act (ECPA), the Energy Policy and Conservation Act of 1975 (EPCA), and the Energy Independence and Security Act of 2007 (EISA), as well as introduces new funding for alternative energy and energy efficiency programs.
2. Provisions pertaining to energy issues for higher education are:

Title IV – Energy and Water Development

Title XIV – State Fiscal Stabilization Fund

a. Title IV – Energy and Water Development, Department of Energy, Energy Programs

- i) *Energy Efficiency and Renewable Energy: \$16.8 Billion is provided, to include the following:*
  - (a) *\$3.2 Billion for Energy Efficiency and Conservation Block Grants for implementation of programs authorized under subtitle E of title V of EISA*
  - (b) *\$5 Billion for Weatherization Assistance under part A of title IV of ECPAct*
  - (c) *\$3.1 Billion for State Energy Program under part D of title III of EPCA*
  - (d) *\$2 Billion for grants for manufacturing of advanced batteries and components*
  - (e) *Remaining \$3.5 Billion assume is for general Dept of Energy, Energy Efficiency and Renewable Energy programs*
- ii) *Electricity Delivery and Energy Reliability: \$4.5 Billion is provided to be available for expenses necessary for electricity delivery and energy reliability activities to modernize the electric grid, to include demand responsive equipment, enhance security and reliability of the energy infrastructure, energy storage research, development, demonstration and deployment, and facilitate recovery from disruptions to the energy supply, and for implementation of programs authorized under title XIII of EISA.*
- iii) *Sec. 405. Amendments to Title XIII of EISA is amended as follows:*
  - (a) *Subpara (A) of section 1304(b)(3). In General. –In carrying out the initiative, the Secretary shall provide financial support to smart grid demonstration projects in urban, suburban, tribal, and rural areas, including areas where electric system assets are controlled by nonprofit entities and areas where electric system assets are controlled by investor-owned utilities.”*
  - (b) *Subpara (C) of section 1304(b)(3). Federal Share of Cost of Technology Investments.—The Secretary shall provide to an electric utility described in subparagraph (B) or to other parties financial assistance for use in paying an amount equal to not more than 50 percent of the cost of qualifying advanced grid technology investments made by the electric utility or other party to carry out a demonstration project.”*
  - (c) *Subsection (a) of section 1306. Strike “reimbursement of one-fifth (20 percent)” and insert “grants of up to one-half (50) percent”.*
  - (d) *Subsection (e) of section 1306. Procedures and Rules. –(1) The Secretary shall, within 60 days after the enactment of the American Recovery and Reinvestment Act of 2009, by means of a notice of intent and subsequent solicitation of grant proposals--*

*“(A) establish procedures by which applicants can obtain grants of not more than one-half of their documented costs;*

“(B) require as a condition of receiving funding under this subsection that demonstration projects utilize open protocols and standards (including Internet-based protocols and standards) if available and appropriate;

“(C) establish procedures to ensure that there is no duplication or multiple payment for the same investment or costs, that the grant goes to the party making the actual expenditures for the qualifying Smart Grid investments, and that the grants made have a significant effect in encouraging and facilitating the development of a smart grid;

“(D) establish procedures to ensure there will be public records of grants made, recipients, and qualifying Smart Grid investments which have received grants; and

“(E) **establish procedures to provide advance payment of moneys up to the full amount of the grant award.**

b. Title XIV – State Fiscal Stabilization Fund, Department of Education

i) *State Fiscal Stabilization Fund: \$53.6 Billion administered by the Department of Education*

ii) *Sec. 14001. Allocations. The total will be reduced by administrative needs and a reserve of \$5 Billion for Sec. 14006 and Sec. 14007 grants. Leaves approximately \$48 Billion. Money will be allocated as follows:*

(a) *61% on basis of relative population of 5-24 year olds*

(b) *39% on basis of relative total population*

(c) *Any funds not committed by States within two years of receipt must be returned to the Secretary*

iii) *Sec. 14002. State Uses of Funds. For each fiscal year, 81.8% will support elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services. The remaining 18.2% (approx. \$8.7 Billion) will go for public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education, and for modernization, renovation, or repair of public school facilities and institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.*

(a) *Any type or mission of an institution of higher education shall be considered for funding for modernization, renovation, and repairs within the State that –*

(i) *Qualifies as an institution of higher education, as defined in subsection 14013(3); and*

(ii) *Continues to be eligible to participate in the programs under title IV of the Higher Education Act of 1965.*

iv) *Sec. 14004. Funds shall be used for education and general expenditures, and in such a way as to mitigate the need to raise tuition and fees for in-State students, or for modernization, renovation, or repair of institution of higher education facilities that are primarily used for instruction, research, or student housing, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.*

v) *Sec. 14005. State Applications. The Governor must submit an application for the funds, to include baseline data and descriptions of how the State will use the allocations, in what cases and in what amounts.*

vi) *Sec. 14006. State Incentive Grants. From the \$5 Billion set aside in Sec. 14001, up to 1% can be used for technical assistance to States to assist them in meeting Sec. 14005. Of the remaining funds, grants can be made to States making significant progress in meeting Sec. 14005.*

vii) *Sec. 14007. Innovation Fund. Essentially covers alternative schools.*