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GOVERNOR

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FEDERAL ENERGY DEPARTMENT OKS N.C. PLAN TO USE RECOVERY FUNDS TO CREATE GREEN JOBS, SAVE ENERGY

RALEIGH – Gov. Bev Perdue announced today that the U.S. Energy Department has approved North Carolina’s \$75.9 million Energy Plan to improve energy efficiency, promote greater use of renewable energy resources and create more green jobs. The program will be funded through the state’s share of federal American Recovery and Reinvestment Act funds.

“With this approval, North Carolina is prepared to quickly move ahead to create jobs and position our state to become a national leader in green energy,” said Gov. Perdue. “I have directed the State Energy Office and other agencies to move as fast as possible to put these funds to work creating jobs and building North Carolina’s green economy.”

Through American Recovery and Reinvestment Act funding to the State Energy Program, North Carolina is significantly increasing its investments in energy efficiency and renewable energy, building its sustainable energy economy and workforce and promoting innovation and development of new energy technologies and resources.

The federal Energy Department has given the state the go-ahead to start the program and spend \$30.4 million. The state will receive the remaining funds as it shows it has successfully implemented the plan.

North Carolina is focusing on six areas for federal Recovery Act State Energy Program:

- Supporting small businesses and industry through energy savings,
- Growing North Carolina’s green workforce through JobsNow,
- Developing an Energy Investment Revolving Loan Fund,
- Improving government energy efficiency,
- Promoting residential energy efficiency and renewable energy, and
- Fostering renewable energy technology and resource innovation.

“We will increase our energy efficiency, use new and emerging technologies; and develop creative partnerships with the private and nonprofit sectors,” Gov. Perdue said.

In each area, North Carolina will work with strategic partners in the public and private sectors and coordinate with other available sources of funding, including those provided through the federal Recovery Act, to maximize available dollars, drive job creation, and extend the scope and positive impacts of these initiatives.

North Carolina will demonstrate its performance by tracking the jobs created, energy costs avoided, units of energy saved, increased capacity for renewable energy generation and greenhouse gas and other emissions reduced.

The approved plan includes:

Support Small Businesses and Industry through Energy Savings -- TOTAL: \$11.5 million

Energy savings for small business and industry – North Carolina will provide technical expertise and financial support to qualified businesses and industries to identify and implement energy saving measures. Incentives for implementing recommendations would be capped at 25 percent of the project cost up to a maximum of \$100,000. Businesses that participate in this plan may also be eligible to finance additional needs through the N.C. Energy Investment Revolving Loan Fund. **\$4 million**

“Main Street” communities – North Carolina will pair energy efficiency and renewable energy initiatives for small businesses and industries with its “Main Street” programs through the N.C. Department of Commerce. These programs seek to boost economic development in small towns, including those in rural areas. Energy initiatives will complement existing economic development tools and support regional job creation strategies. **\$2.5 million**

Commercial renewable energy system grants – North Carolina will award grants to industrial and commercial facilities to implement renewable energy projects using solar, wind, hydropower, and biomass technologies. Projects would be sought through a competitive Request For Proposals (RFP) process. Grants will fund up to 25 percent of project costs, with a maximum of \$100,000 per project. **\$3 million**

Nonprofit energy management program – This program will work with nonprofit agencies to implement energy efficiency initiatives that will reduce the operating expenses for each agency. Eligible organizations would include daycare centers, shelters, health clinics, places of worship, recreational and community centers, museums, schools, and many others. **\$2 million**

Growing North Carolina’s Green Workforce -- TOTAL: \$8.85 million

Workforce development initiative – Through its community college and university systems as well as other workforce development agencies, North Carolina will develop a multi-level program to meet the training and workforce needs of the emerging green economy. The curricula will address current and projected workforce needs in sectors related to energy efficiency, renewable energy, and alternative fuels. The program will include regional training hubs as well as other on-site, distance and immersive learning components. **\$6.85 million**

Continuing education for residential and commercial building code inspectors – North Carolina is actively working to improve its energy codes for residential and commercial buildings. As these improvements are implemented, there will be a significant need for continuing education for building inspectors in all 100 counties to improve code implementation and enforcement. The existing program will be expanded with new partners identified through a competitive Request For Proposals (RFP) process. **\$1 million**

Education and training for effective federal Recovery Act implementation – Energy education and training programs will be expanded in the governmental, residential, commercial, industrial, nonprofit and transportation sectors. These education and training programs will focus on energy efficiency and clean energy technology. Participants will gain skills to solve energy problems, reduce energy usage, save energy dollars and access state and federal funding opportunities. Education and training providers will be identified through a Request For Proposals (FRP) process. **\$1 million**

Creating an Energy Investment Revolving Loan Fund -- TOTAL: \$18 million

Energy Loan Fund – A revolving loan fund will be created to provide no- and low-interest loans to businesses, nonprofits, local governments, public schools and other agencies. The Revolving Loan Fund will extend the scope of federal recovery funds and ensure that these funds continue to support the state's commitment to renewable energy and energy efficiency well into the future. This fund will provide zero- or low-interest financing up to \$1 million for terms of up to ten years. Eligible projects will include: renewable energy and energy efficiency projects for businesses, industries and nonprofits; energy saving measures at public schools; energy saving initiatives for local governments and other agencies; and Performance Contract Term Buy-downs. There are 12 performance contracts in process in state institutions and an unknown number of performance contracts with local institutions that may benefit from financing to reduce the amount provided by third party lenders.

Improving Government Energy Efficiency -- TOTAL: \$9.5 million

Developing energy assessments and strategic energy plans – North Carolina will work with local agencies, including community colleges, public schools and local governments, to conduct energy assessments and develop strategic energy plans so participating agencies can implement long-term energy saving strategies and identify potential projects for federal and state Recovery funding. **\$1.49 million**

Energy efficiency upgrade grants – Grants for energy efficiency upgrades will address repair and renovation projects at state agencies, universities and community colleges that have been identified but not funded. Proposals for additional projects will be sought from public schools and local governments. The funding would cover items that generate significant energy savings, including: retro-commission Heating, Ventilation and Air Conditioning (HVAC) controls; steam trap replacement; lighting fixture upgrades; boiler and water heater improvements; lab fume hood retrofits; chiller plant retro-commissioning;

summer boiler installation; condensation recovery; heat pump and plumbing upgrades; incandescent exit light and bulb replacement; water saving toilets and shower heads; information technology room HVAC renovations; building automation system upgrades; programmable thermostats; thermostatic radiator valves; sink aerators; occupancy sensors; photo/optical sensors; and exterior lighting upgrades to LED. **\$8 million**

Promoting Residential Energy Efficiency and Renewable Energy -- TOTAL: \$10 million

Promoting energy efficiency in new affordable housing units –North Carolina will work in two targeted sectors to improve energy efficiency in new affordable housing. First, the state will expand existing efforts through the N.C. Housing Finance Agency to promote energy efficiency in qualified new homes. Second, the state will focus on increasing energy efficiency in manufactured housing, where energy efficiency upgrades can result in up to 30 percent decreases in energy use. Efforts in the manufactured housing sector will build on partnerships to increase the number of “Energy Star” manufactured homes. **\$3 million**

Energy efficiency audits and implementation for existing homes – North Carolina will provide partial funding toward the cost of comprehensive home energy audits for owners of existing homes and grants to assist homeowners with implementing audit recommendations. North Carolina will also work with private-sector lenders and other key parties to develop innovative financing programs to help homeowners finance more expensive residential energy improvements. The State Energy Office will issue a Request for Proposals (RFP) to select partners for these programs. **\$7 million**

Fostering Renewable Energy Technology and Resource Innovation -- TOTAL: \$13.5 million

North Carolina Green Business Fund (NCGBF) – Established by the N.C. General Assembly in 2007, the N.C. Green Business Fund awards competitive grants to North Carolina businesses and organizations with innovative projects focused on three priority areas. In 2008, the priority areas included:

- (1) Development and commercialization of the biofuels industry;
- (2) Development and commercialization of the green building industry; and
- (3) Attraction and leverage of private sector investments and entrepreneurial growth in environmentally conscious clean technology and renewable energy products and businesses.

The State Energy Office will contract with the N.C. Department of Commerce to fund appropriate projects. **\$10 million**

Statewide alternative fuel and renewable energy innovations program – This statewide competitive grant program will promote innovation in developing and using alternative fuel and renewable energy. Examples of eligible projects include expanding local infrastructure for plug-in and other alternative fuel vehicles, supporting biofuels development, and funding renewable energy projects. **\$3.5 million**

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