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Energy and Economic Analysis Proves Benefits of Local Clean Energy Projects

Applied Solutions is providing the energy and economic analysis to objectively assess the impacts of projects being considered based on local data inputs to accurately inform city and county discussions and agendas aiming to advance a clean economy. When policy makers consider clean energy initiatives, the analysis to capture total cost versus direct and co-benefits must occur. By projecting the benefits to a community versus the risk, local leaders have a much stronger basis upon which to form policies and make investments. The analytical approach that Applied Solutions has designed can include the return on investment in terms of direct, indirect and induced jobs to a community and increased government revenue from
heightened economic activity might be based on a set of energy actions.

Applied Solutions is working with Sonoma County Water Agency to perform an assessment of their work on Community Choice Aggregation (CCA) and their recently initiated Sustainable Energy Bond program. Discussions with a number of other counties and cities to provide similar analysis of clean energy options are in process. As the impacts and outcomes from various local governments working with Applied Solutions to track and analyze the economic and energy impacts are secured, Applied Solutions will capture these in a series of documents that will be included in the online local clean energy library. If your city or county has interest in this type of assistance, please contact Amy Bolten (amy.bolten@scwa.ca.gov).

Qualified Energy Conservation Bonds Guidance from IRS Clarifies Key Options for Local Financing

Applied Solutions has been working for over a year with officials in the Administration and the Department of the Treasury to secure additional guidance on how Qualified Energy Conservation Bonds can be used to finance local clean energy projects. In June, the IRS issued critical guidance addressing some of the key issues for which we had requested clarification. Applied Solutions Chief Economist Jim Barrett, held two webinars this month to discuss the clarifications and to answer questions from participants about the new guidance and QECBs in general. To see and hear these webinars, visit our website. If you have any questions, please email Jim Barrett at jim.barrett@appliedsolutions.org.

Tell Us About Your Local Clean Energy Projects

Do you have a local clean energy project that includes innovation in energy or water efficiency? Leverages innovative financing? Diversifies local energy sources to include renewables? If so, we are looking for these and similar projects to highlight in the Applied Solutions newsletter and add to the Local Government Projects database on our website. Please email Michelle Astells for more information at michelle.astells@scwa.ca.gov.

CURRENT EVENTS

Project Profile: Hennepin County, MN Builds District Energy Steam Line

Hennepin County has constructed an innovative district heating and cooling system using a 1,600 foot steam line. The project, developed as a joint venture between Hennepin County and NRG Energy Center of Minneapolis, supplies steam produced at the Hennepin Energy Recovery Center (HERC) to NRG Energy Center's downtown district heating system and Target Field. Solid waste, about 365,000 tons of garbage waste (which is considered a renewable source of energy), is burned at HERC to produce high-pressure steam. Most of this steam is used to turn a turbine that produces electricity for 25,000 homes in the area each year. A portion of the steam is diverted to the steam line that connects with the NRG Energy Center's downtown district heating system. The steam line supplies the equivalent annual natural gas needs of 1,500 households to downtown Minneapolis and Target Field. Hennepin County is currently considering creating a larger district energy system using this same infrastructure.

To learn more about this project, visit this website.
Iowa Energy Bank Offers a New Financing Model

The Iowa Department of Administrative Services has a program that offers Iowa's public and select non-profit organizations a financing option for the implementation of energy management improvements through a $12.5 million revolving loan fund. The fund is designed to provide the capital necessary for the implementation of cost-effective energy projects that will save dollars, improve buildings, and enhance local economies. Using State Energy Program funding from the American Recovery and Reinvestment Act of 2009, the purposes of the Iowa Energy Bank revolving loan fund include preserving and creating jobs, promoting economic recovery, and providing the investments necessary to increase economic efficiency by spurring technological advancement in science and health.

The program is open to state agencies, counties, cities, public schools, private colleges, hospitals and similar organizations. Funds can be used for projects ranging from energy efficiency improvements, renewable energy projects and the establishment of local or regional energy revolving loan funds. With qualified energy improvements, facilities need no upfront capital or additional appropriations and loans payments can be arranged to equal energy savings.

For further information, go to Iowa Energy Bank.

New Jersey Makes it Easier for State and Local Governments to Save Energy

In June, the New Jersey State Senate gave the final approval to bill A-2313 by a 33-0 vote to overhaul a program initially intended to stimulate energy savings projects.

The original bill passed in 2009 was designed to allow government entities to enter into performance-based contracts with energy service companies in order to cut energy use without capital expenditures. But, the project has not met the expectations because of lack of clarity in procedures; neither State nor local governments are using the program.

Bill A-2313, an updated version of the previous legislation, allows contracts to be awarded based on which bids provide the greatest energy savings, and allows energy service companies to choose among a list of prequalified vendors. Among other things, the bill would eliminate a requirement that state contracts be awarded to the lowest bidder. Instead, it would allow contracts to be awarded on a basis of best value, a standard that would permit New Jersey to award deals based on which bids provide the greatest energy savings.

For more information, to see the full article, or to review bill A-2313 click here.


A new report released by the Lawrence Berkeley National Labs looks at ways to estimate energy savings impacts resulting from residential behavior-based efficiency programs. Following the recommendations in this report, regulators, program administrators, and stakeholders can have a high degree of confidence in the validity of energy savings estimates from behavior-based
programs. The recommended evaluation methods are rigorous in part because large-scale behavior-based programs are a relatively new strategy in the energy efficiency industry and savings per average household are small. Therefore rigorous evaluation methods are needed so that policymakers can be confident that savings estimates are valid.

For more information, see the full report.


The study uses two approaches to illustrate the ESCO industry and market trends in the U.S. The first approach involves a survey of individual ESCOs to estimate aggregate industry activity. The second approach is an analysis of a database that reports market trends, including project installation costs and savings, project payback times, and benefit-cost ratios over time.

This report among other things found that: ESCO projects generated direct economic benefits to their customers; a typical ESCO project generated $1.5 dollars of direct benefits for every dollar of customer investment; and the industry is responding to customer demand by installing more comprehensive and complex measures—including onsite generation and measures to address deferred maintenance.

The full report and the presentation of the report can be found here.

Grant Announcement: U.S. Department of Agriculture Provides Support for Sustainable Economic Development

The U.S. Department of Agriculture (USDA) has announced approximately $2.37 million is available for its Rural Business Opportunity Grant program. USDA is providing grants up to $50,000 to help communities, non-profits, Indian tribes, rural cooperatives and higher education institutions promote sustainable economic development in rural communities with exceptional needs.

Grant funds can support community economic development, feasibility studies, leadership and entrepreneur training, rural business incubators, and long-term business strategic planning.

Click here for more information.