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MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager 

FROM: Yovani Baez-Rose, Assistant City Manager/DPD Director

CC: Katherine Moses, Energy Manager

SUBJECT: MOTION RESPONSE: 12/20/22 Councilor Drinkwater/C. Gitschier - Req. City Mgr. Have Appropriate Department to Provide A Report on Funding Opportunities for Energy Efficiency and Solar Energy Projects on Public Buildings Through The Federal Inflation Reduction Act and the Infrastructure Investment and Jobs Act

Background:

The 117th Congress and Biden Administration have made once-in-a-generation investments to help enable a clean energy future. Two of the signature laws created during this time are the Inflation Reduction Act and the Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law). Both include opportunities to fund energy efficiency and solar energy projects. A summary of anticipated opportunities is summarized below.

Inflation Reduction Act:

The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. In December 2022, the Biden Administration released *Building a Clean Energy Economy: A Guidebook to the Inflation Reduction Act's Investments in Clean Energy and Climate Action*. This guidebook includes “descriptions of the law’s tax incentives and funding programs to build a clean energy economy, lower energy costs, tackle climate change, and reduce harmful pollution.”

There are provisions in the IRA that can allow for enhanced tax incentives and payment mechanisms for solar energy development. There are also programs within the IRA that might be relevant to Lowell including, but not limited to: Greenhouse Gas Reduction Fund grants; Commercial Clean Vehicle Credit; Alternative Fuel Vehicle Refueling Property Credit; Environmental and Climate Justice Block Grant (if partnering with a nonprofit organization); Climate Pollution Reduction Grants; Neighborhood Access and Equity Grant; Clean Heavy-Duty Vehicles; Diesel Emissions Reduction Grant; Funding to Address Air Pollution at Schools; and Urban and Community Forestry Assistance Program.

Since the IRA is more recent and program guidance is still being developed around many of the provisions and programs, the Energy team will continue to monitor these opportunities and provide City Council with updates, once available.

Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law):

The Infrastructure Investment and Jobs Act was signed into law on November 15, 2021. Also known as the Bipartisan Infrastructure Law is intended to “rebuild America’s roads, bridges and rails, expand access to clean drinking water, ensure every American has access to high-speed internet, tackle the climate crisis, advance environmental justice, and invest in communities that have too often been left behind.”

In early 2022, the Biden Administration released a Guidebook for programs funded through this law. Programs are being rolled out in FY 23. The most relevant grant programs related to energy efficiency and solar that have been released so far include:

- Renew America’s Schools Grant
 - Competitive grants ranging from \$500,000 to \$15 million for energy efficiency and projects that combine efficiency and advanced technologies in America’s public school systems.
 - Concept paper for **\$15 million** grant for “Deep Energy Retrofits for Schools in Disadvantaged Communities” was submitted by Lowell Public Schools (LPS), working in partnership with the City’s Department of Public Works (DPW) and Energy teams on January 25.
 - Further information can be found in the attached summary.
 - Within 30 days, all applicants should receive an “Encourage” or “Discourage” finding from the Department of Energy.
 - Applicants can still apply for the full application, even if a “Discourage” finding is received.
 - Full applications are due April 21, 2023
- Energy Efficiency and Conservation Block Grant Program
 - Formula grant intended to help state, local, and Tribal governments to reduce energy use, reduce fossil fuel emissions, and improve energy efficiency.
 - By formula, Lowell is eligible for **\$159,570**.
 - A local government can choose:
 - Grant funds on an eligible activity
 - Voucher for a suite of technical assistance services and/or equipment purchase and installation rebates.
 - Guidance is still being developed on these options.
 - The Energy team will continue to review guidance as it is released, but in preliminary discussions, our recommendation would be to utilize the funding to complete building envelope/weatherization work at City Hall and the Pollard Memorial Library.
 - Pre-award information sheet is due by April 28, 2023.

The Energy team at DPD continues to monitor and pursue all funding opportunities that would help advance energy efficiency, renewable energy, climate resilience, environmental justice, alternative fuels, and other priorities identified by the City Council. The team also continues to cultivate partnerships with our internal and external stakeholders to enhance sustainable outcomes.

KM /ybr

Attachment: Information on Lowell’s Renew America’s Schools Grant Funding Application

Information on Lowell’s Renew America’s Schools Grant Funding Application

Background:

The Department of Energy released a Funding Opportunity Announcement for the Renew America’s Schools grant program. This program provides \$500 million for grants for energy improvement at public school facilities over five years. The current grant round has up to \$80 million available, with awards ranging from \$500,000 to \$15 million.

Representatives from the LPS administrative and facilities staff, the City’s DPW, and the City’s Energy team have put together a comprehensive suite of projects that should allow for us to be competitive in the grant opportunity as we seek the maximum \$15 million in funding for this grant round.

Proposed Approach:

Our team is proposing to complete Deep Energy Retrofits (DERs) in 10 Schools that are located in Disadvantaged Communities, as defined in the grant. By completing multiple Energy Conservation Measures (ECMs) simultaneously, deeper energy and emissions savings can be realized in a shorter period of time. Proposed ECMs include: LED lighting, weatherization, energy management system controls, retro-commissioning of mechanical systems, refrigeration energy-savings opportunities, roof replacements, windows, and other building-specific ECMs that might be identified before full proposal submission. In FY 22, Lowell completed DERs at Morey Elementary School with year-over-year measured savings of: 33% electricity use, 50% natural gas use, 42% overall energy use, and 41% emissions. We are looking to replicate the DER model to achieve similar savings across our portfolio.

Schools included in the application are:

Butler Middle School	LHS Freshman Academy
Bartlett Community Partnership	McAuliffe Elementary School
Bailey Elementary School	Murkland Elementary School
Daley Middle School	Shaughnessy Elementary School
Greenhalge Elementary School	STEM Academy

The teams from LPS, DPW, and Energy have been preparing for this historic funding opportunity for our public schools through regular collaboration, data sharing, and preparation of shovel-ready projects to include in the application. Although the grant is expected to be very competitive, we remain optimistic that our projects which focus on schools in Disadvantaged Communities, innovative partnership structures available through the City’s Strategic Energy Management Partnership with the utility, a track record of energy-savings results, and preparation for the grant announcement are likely to put us at an advantage for the funding.

Timeline:

The following table summarizes the timeline for major milestones within the funding announcement.

Submission Deadline for Concept Papers:	1/26/2023 5:00pm ET
Submission Deadline for Full Applications:	4/21/2023 5:00pm ET
Expected Submission Deadline for Replies to Reviewer Comments:	5/22/2023 5:00pm ET
Expected Date for DOE Selection Notifications:	6/16/2023
Expected Timeframe for Award Negotiations:	6/17/2023 - 9/15/2023