



OFFICE OF THE GOVERNOR  
NEVADA STATE OFFICE OF ENERGY

## MILESTONE MINDER

### American Reinvestment & Recovery Act (ARRA) and Grants Updated 12/14/09

The Nevada State Office of Energy ("NSOE") is the recipient agency for the U.S. Department of Energy ("DOE"), Office of Energy Efficiency and Renewable Energy grants for the State Energy Program (SEP) ARRA, the Energy Efficiency and Conservation Block Grant ARRA, State Energy Efficient Appliance Rebate Program and Energy Assurance Planning within the State of Nevada. The office has received four awards under the provisions of the ARRA. Following is a summary of each program grant along with an overview, implementation steps, a timeline and milestones accomplished.

All projects funded by these grants are considered to be federally funded and will be required to meet all federally required National Environmental Policy Act restrictions, Davis-Bacon Act provisions on wages and Buy American provisions of the ARRA. Wherever appropriate, projects may also be required to comply with Historical Preservation provisions.

### A. State Energy Program (SEP ARRA)

The State Energy Program is a formula grant program which funds energy offices in states and territories. The base program is supplemented through the addition of an ARRA component to foster energy efficient projects in several sectors. The total SEP ARRA award to the State of Nevada is \$34,714,000. The specific sectors and amount of actual project funding includes the following:



#### I. State Buildings

##### Overview

\$7,945,000 has been budgeted as a part of the grant award to be used to provide energy efficiency and renewable energy upgrades to existing state-owned buildings. NSOE is working with the State Public Works Board and has determined the candidate buildings that are being nominated by the agencies who own the buildings including the Nevada System of Higher Education ("NSHE"), the Office of Veterans' Services and the State Legislature.

Projects include lighting replacement to more efficient T-8 fluorescent lights and long-life Light Emitting Diode (LED) lights; lighting control systems that turn off lights in rooms when there are no personnel present; energy saving window treatments; heating, ventilation and air conditioning (HVAC) system upgrades to newer, more efficient systems and similar projects which are designed to save the State significant energy costs such as installation of photovoltaic systems. Projects should strive to meet ARRA SEP goals of an annual energy savings of at least 10 MBtu for each \$1,000 of total investment.

### Implementation

The program will be implemented in a series of steps.	COMPLETE
1. Cabinet members, NSHE representatives, the Legislative Counsel Bureau and the Office of Veterans who occupy and/or operate state-owned buildings have received a request from the NSOE to identify their most inefficient buildings.	
2. The NSOE has evaluated the proposals in consultation with the state's utilities, State Buildings and Grounds, State Purchasing and the State Public Works Board to determine and prioritize a list of buildings and projects to include in the program.	
3. Following the evaluation, the NSOE will hold meetings with the applicants to discuss the priorities and to engage the public and provide them with an opportunity to comment, as well as hold a webinar meeting using the ARRA-dedicated website.	
4. Building owners will be notified of the final decisions.	
5. NEPA forms (EF-1) will be submitted to DOE for approval for each required project prior to expenditure of funds.	
6. Competitive bids, interagency transfers and other purchasing mechanisms will be issued to initiate the projects.	
7. The NSOE will inform the public by posting project description and awardees on the NSOE's ARRA website.	
8. Project will be initiated.	
9. Project managers will begin quarterly project reports. Building managers will be required to use EPA ENERGYSTAR Portfolio Manager to track their energy use before and after the installation of any lighting, window performance or renewable energy system.	
10. The NSOE will conduct mid-project physical reviews.	
11. Upon completion of the project, NSOE will verify all metrics, milestones and energy savings.	

### Timeline

August 2009-February 2010	Complete Steps 1-5
February 2010-May 2010	Complete steps 6-7
May 2010	Initiate step 8
September 2010	Begin step 9
Mid-Project	Conduct step 10
No later than January 2012	Complete project and conduct step 11

### Milestones

\$540,000 in energy efficiency projects have been identified and are in the process of engineering, which should lead to contracts in early January. Additionally, \$600,000 has been dedicated to two solar projects: one at the Legislative Building in Carson City and another at the DMV Building in Henderson. These projects are in the engineering phase and requests for proposals ("RFPs") have been sent.

State agency nominated buildings are currently undergoing evaluation and the NSOE will meet the commitment dates established in the ARRA Grant of March 2010 which mandated that projects be clearly identified and ready to be bid. State Purchasing has agreed to facilitate the purchasing process and comply with Buy American Act requirements.



## II. Energy Efficient Schools

### Overview

\$8,522,500 has been budgeted to provide \$441,176 to each of Nevada's 17 school districts to assist with energy efficient lighting, HVAC, window treatments, lighting control systems and renewable energy installations in the schools. This program creates a partnership between the NSOE, the State's K-12 schools and utilities to implement energy efficiency and renewable energy projects.

Projects should strive to meet ARRA SEP goals of an annual energy savings of at least 10 MBtu for each \$1,000 of total investment. The program will communicate leadership and best practices through partnerships and a public education campaign. The NSOE is negotiating appropriations of more funding to the larger per capita schools, including Washoe and Clark County.

### Implementation

The program will be implemented in a series of steps.	COMPLETE
1. School districts have received a request from the NSOE to identify their most inefficient buildings.	
2. The NSOE has evaluated the proposals, in conjunction with the state's utilities and the Nevada Department of Education, to determine and prioritize a list of buildings and projects to be retrofitted.	
3. The NSOE will hold meetings with the applicants to discuss the priorities and to engage the public and provide them with an opportunity to comment, as well as hold a webinar meeting using the NSOE's ARRA-dedicated website.	
4. Districts will be notified of the final decisions.	
5. NEPA forms (EF-1) will be submitted to DOE for approval for each required project prior to expenditure of funds.	
6. Competitive bids and other purchasing mechanisms will be issued to initiate the projects.	
7. The NSOE will inform the public by posting project description and awardees on the NSOE's ARRA website.	
8. Projects will be initiated.	
9. Project managers will begin quarterly project reports. Building managers will be required to use ENERGYSTAR Portfolio Manager to track their energy use before and after the installation of any lighting, window performance or renewable energy system.	
10. The NSOE will conduct mid-project physical reviews.	
11. Upon completion of the project, NSOE will verify all metrics, milestones and energy savings.	

### Timeline

October 2009-April 2010	Complete steps 1-5
May 2010-June 2010	Complete steps 6-7
July 2010	Initiate step 8
November 2010	Begin step 9
Mid-Project	Conduct step 10
No later than January 2012	Complete project and conduct step 11

### Milestones

The NSOE has conducted workshops and school districts have identified the projects. The NSOE is diligently working with the school districts to ensure that all required assurances are being

completed and that identified projects will commence by summer 2010 when the school remodeling work can be done.

Inter-local agreements will be prepared with the school districts which will require Board of Examiners approval. The NSOE has been informed that this approval will be expedited to the extent permitted by law.


### **III. Energy Efficient Street Lighting & Traffic Signals**

#### Overview

\$1,702,500 has been budgeted to replace street lighting and traffic signals with energy efficient lights throughout Nevada. This program will allow the Nevada Department of Transportation, regional transportation commissions and various Nevada communities to work in conjunction with each other to replace street lights with more energy efficient lighting technologies and to replace traffic signals with more energy efficient and highly visible lights using LED technology.

This program should not only boost energy savings, but should also increase safety at intersections by increasing visibility.

#### Implementation

The program will be implemented in a series of steps.	COMPLETE
1. The NSOE, in coordination with the Department of Transportation, has requested information from regional transportation commissions on intersections with traffic signals and/or street lights that are energy inefficient and would reduce traffic accidents if better illuminated.	
2. The NSOE has evaluated the lists in consultation with the Department of Public Safety and state's utilities to determine and prioritize a list of intersections and streets to be included in the program.	
3. The NSOE will hold a public meeting, or meetings, with the Department of Transportation and regional transportation commissions.	
4. The awardees will be notified of the final decisions.	
5. Competitive bids, interagency transfers and other purchasing mechanisms will be issued to initiate the projects.	
6. The NSOE will inform the public by posting project description and awardees on the NSOE's ARRA website.	
7. Projects will be initiated.	
8. Project managers will begin quarterly reports.	
9. Mid-project physical reviews will be held.	
10. Complete projects, conduct final project verification which includes site monitoring visits (selected projects).	

#### Timeline

October 2009-April 2010	Complete steps 1-3
May-June 2010	Complete steps 4-6
July 2010	Initiate step 7
October 2010	Begin step 8
Mid-Project	Conduct step 9
No later than January 2012	Complete project and conduct step 10

### Milestones




Environmental worksheets are being developed and the development of environmental disposal procedures is completed. The NSOE anticipates that the actual projects under this activity, coupled with a similar activity in the EECBG program, will be able to commence in the near future.

## **IV. Alternative Fuel Infrastructure**

### Overview

\$170,250 has been budgeted to replace a fueling tank at the Nevada State Motor Pool in Las Vegas with a dual capacity tank that allows Ethanol blend fuel (E85) to be stored and dispensed into flexible fuel vehicles (currently in the State inventory). This program will allow additional flexible fueled vehicles to be ordered as a future strategy aimed at reducing the use of petroleum fuels in Nevada.

### Implementation

The program will be implemented in a series of steps.	<b>COMPLETE</b>
1. The NSOE has requested information from the State Motor Pool on the necessary actions to replace the existing gasoline tank with the divided fuel tank.	
2. Interagency agreements and other purchasing mechanisms have been issued to initiate the project.	
3. NEPA forms (EF-1) have been submitted to DOE for approval for each required project prior to expenditure of funds.	
4. Project will be initiated.	
5. Project managers will begin project quarterly reports.	
6. Mid-project physical reviews will be held.	
7. Projects will be completed and project metrics will be verified by the NSOE.	

### Timeline

October 2009-April 2010	Complete steps 1-2
May-June 2010	Complete step 3
July 2010	Initiate step 4
November 2010	Begin step 5
Mid-Project	Conduct step 6
No later than January 2012	Complete project and conduct step 7

### Milestones

Preliminary bids for this project have been received and an RFP is being sent out by State Purchasing. Completion of this project is anticipated within the next 90 days as permits are issued by the appropriate authorities.

## **V. Revolving Loan Program**

### Overview

\$9,348,100 has been budgeted to provide short term, low cost loans to developers of energy efficiency, energy conservation and renewable energy projects in Nevada. These loans will serve as a bridge financing option to provide necessary funding for the various startup costs associated with these projects. Once the projects reach a mature level and when total project financing is in place, the loans will be repaid.

### Implementation

The program will be implemented in a series of steps.	COMPLETE
1. The NSOE will, in consultation with the Nevada Energy Commissioner, develop the revolving loan criteria.	
2. The NSOE will, in consultation with the Nevada Energy Commissioner, develop a request (or requests) for proposal for renewable energy projects that meet the loan program criteria.	
3. NEPA forms (EF-1) will be submitted to DOE for approval for each project prior to expenditure of funds.	
4. The NSOE will evaluate the proposals, in consultation with the Nevada Energy Commissioner, a third-party professional qualified to conduct project due diligence and/or the USDA. To engage the public and provide them with an opportunity to comment, the NSOE will hold a webinar meeting using the NSOE's ARRA-dedicated website.	
5. RFP awardees will be notified of the final decisions.	
6. Loans will be granted.	
7. The NSOE will inform the public by posting project description and awardees on the NSOE's ARRA website.	
8. Projects will be initiated.	
9. Project managers will begin project quarterly reports.	
10. Mid-project physical reviews will be conducted.	
11. Projects will be completed and metrics will be verified.	

### Timeline

August 2009-February 2010	Complete steps 1-6
February-May 2010	Complete step 7
May 2010	Initiate step 8
September 2010	Begin step 9
Mid-Project	Conduct step 10
No later than January 2012	Complete project and conduct step 11

### Milestones

Regulations establishing this program are undergoing staff review by the Legal Division of the Legislative Counsel Bureau. Once completed, public workshops and a hearing will be conducted to adopt the regulations. Once the regulations are adopted, the process to establish the fund within the Treasurer's Office can commence and funds can be transferred to the loan fund.

## **VI. Engineering, Feasibility, Permitting, EIS and Project Implementation**

### Overview

\$5,675,000 has been budgeted to provide funds to perform feasibility studies and accelerate energy projects that will provide energy savings or develop renewable energy sources within Nevada. This sector is currently under review by the NSOE.

NSOE is trying to reallocate this money toward other projects such as funding for schools and other projects being reviewed by the NSOE.

### If Implemented

The program will be implemented in a series of steps.	COMPLETE
1. The NSOE will, in consultation with the Nevada Energy Commissioner, develop the RFP criteria.	
2. The NSOE will develop a request (or requests) for proposal for projects that meet the criteria.	
3. The NSOE will evaluate the proposals in consultation with the Nevada Energy Commissioner or other related stakeholders. To engage the public and provide them with an opportunity to comment, the NSOE will hold a webinar meeting using the NSOE's ARRA dedicated website.	
4. RFP awardees will be notified of the final decisions.	
5. Grants will be awarded.	
6. The NSOE will inform the public by posting project description and awardees on the NSOE's ARRA website.	
7. Projects will be initiated.	
8. Project managers will begin quarterly reports.	
9. Mid-project physical reviews will be conducted.	
10. Projects will be completed and metrics verified.	

### Timeline

August 2009-February 2010	Complete steps 1-4
February-May 2010	Complete steps 5-6
May 2010	Initiate step 7
September 2010	Begin step 8
Mid-Project	Conduct step 9
No later than January 2012	Complete project and conduct step 10

### Milestones

During program review by the Department of Energy, the NSOE was advised that all underlying projects funded under this market sector would be required to be completed within ARRA timeframes. This means that if an environmental assessment is funded by the NSOE on a potential transmission line project, the underlying transmission line project would need to be completed by the April 2012 termination date of the ARRA program. The ability to complete all of these functions is doubtful, and therefore the NSOE is reviewing alternative options for these funds.

## **VII. Energy Related Codes**

### Overview

\$1,350,650 has been budgeted to secure the adoption of 2009 International Building Codes in cities and counties within Nevada. The funds may also be used to promote and train personnel on the codes and assist in its implementation.

### Implementation

The program will be implemented in a series of steps.	COMPLETE
1. NSOE will sign an inter-local agreement with the REEEA.	
2. REEEA will adopt any necessary regulations.	
3. REEEA will develop workshops to assist jurisdictions on code training and implementation of the ARRA 90% compliance requirement within 8 years.	
4. REEEA will develop a reporting plan for compliance verification.	
5. REEEA and NSOE will begin quarterly reporting.	

### Timeline

September-November 2009	Complete step 1
November 2009-November 2010	Complete step 2
November 2009-January 2012	Initiate step 3
November 2009-March 2012	Begin step 4
January 2010	Begin step 5

### Milestones

This project requires development of a project-specific budget that outlines all proposed activities. This is a SEP formula grant requirement that the NSOE cannot give away.

## **VIII. Small Business Innovation Research Program**

### Overview

The Department of Energy will select 125 awards for Phase I grants from the Small Business Innovation Research and Small Business Technology Transfer programs. These awards are supported through ARRA funds. The SBIR program aims to increase commercialization of federally funded research and development by small innovative businesses. Winning applications will be chosen on the basis of scientific and technical merit from 939 applications submitted in 10 technical topic areas.

### Milestones

Rocky Research in Boulder City, Nevada, was awarded a \$149,427 grant for their project to develop appliances for cost-effective solar-powered building cooling. These appliances combine low-cost medium-temperature solar collections with advanced high-efficiency heat-driven cooling systems, resulting in a truly cost-effective means for utilizing solar heat to provide building air conditioning.

## **ARRA Grants (Not SEP)**

### **I. Appliance Rebate (ARRA)**

#### Overview

The NSOE has received a grant for \$2,495,000 to be used for a State Energy Efficient Appliance Rebate Program. This program will allow Nevada residents to receive rebates when they purchase energy efficient appliances after April 17, 2010. The rebates will be available to Nevada residents who replace a used appliance with an Energy Star qualified refrigerator (\$200), freezer (\$150), washing machine (\$150) or dishwasher (\$100) from a Nevada retailer.

#### Milestones

A final work plan was submitted to the Department of Energy and the grant was approved in December. A RFP for a rebate processing company has been submitted and one will be identified in January. The NSOE has received two solid letters of commitment from Home Depot and Sears/K-Mart and they both will meet the matching funds. If the Board of Examiners approves the award in February, the program will commence on Earth Day and all funds will be expended in a very rapid pace.

## **II. Energy Assurance (ARRA)**

### Overview

The NSOE has been granted \$438,573 to update and implement the State's Energy Assurance Plan. The plan is a document which outlines the structure for monitoring and overseeing energy demand and supply, and to intervene, when directed, to ensure a reliable supply of electricity, natural gas, motor vehicle fuels, propane and other heating products to the citizens of Nevada.

### Milestones

A detailed work plan that updates the existing plan to meet DOE requirements has been submitted. The plan also includes developing new energy use and disruption tracking systems, incorporating "smart grid" technology including tracking systems as the technology matures and comes into use in Nevada, and outfitting a room capable of handling the staff and personnel required to respond to any energy contingency that may develop through the implementation of the Energy Assurance Plan.

The DOE is negotiating the final details of this award and it is expected to be complete within the next 60 days. The NSOE has already completed the first two deliverables under this grant and will immediately undertake revision and updates to the existing Energy Assurance Plan as soon as the grant is awarded.

## **III. Energy Efficiency & Conservation Block Grant (EECBG)**

The NSOE was awarded this \$9,593,500 grant in September and it was accepted by the Interim Finance Committee in October. The NSOE immediately commenced work on the program. Letters have been sent to all included cities and counties, who are proceeding to submit their required projects and assurances. Communication with the included cities and counties has included answering questions and working to ensure completed packages are received by late November.

### **a. Cities and Counties**

#### Overview

The ten largest counties and the ten largest cities by population are awarded funding directly by the Department of Energy. These grants are independent from any NSOE grants and report directly to DOE and Government Accounting Office ("GAO").

For the purpose of this program, Carson City County is considered a city. The remaining six counties and nine cities are included in the funding which was received by the NSOE. \$5,235,000 plus administrative costs was allotted to the cities and counties using per capita numbers as the formula to determine the amount of funding to be allotted to each jurisdiction.

The portion of this program that is the responsibility to the NSOE consists of six counties (Esmeralda \$115,000, Eureka \$145,000, Lander \$530,000, Lincoln \$300,000, Mineral \$400,000 and Storey \$400,000) and nine cities (Caliente \$100,000, Carlin \$210,000, Ely \$395,000, Fallon \$835,000, Lovelock \$225,000, Wells \$140,000, West Wendover \$450,000, Winnemucca \$690,000 and Yerington \$300,000). These funds may be used for energy efficiency and energy conservation projects, as well as development of renewable energy systems.

## Milestones

Cities and counties covered by this program participated in workshops in Elko, Las Vegas and Reno. Ten percent of the funds have been dedicated to administrative costs and the remaining money was split between the cities and counties, based on population. The documents submitted had to be originals signed by the presiding officer in each of those localities. The NSOE is currently doing a checklist to make sure the required project documentation is in hand.

## **b. State Projects**

### Overview

\$3,399,150 will be awarded to the State to provide energy efficiency, energy conservation and renewable energy projects that will benefit Nevadans.

- Nevada emergency vehicle idle reduction - \$775,809. Devices will be purchased that will allow approximately 233 emergency vehicles to shut off their engines and provide up to eight hours of power for operation of computers, radios, light bars and other equipment in the vehicles. An RFP to acquire the equipment, which includes installation, will be issued in December or early January. Work will commence within 30 days of the contract.
- Natural gas and electricity monitoring for state buildings - \$221,720. This program, administered by State Buildings and Grounds, will provide for the acquisition of services for the monitoring of energy consumption within State buildings. Input was made by Legislators at the SCR19 Interim Committee on Energy hearing which is being reviewed and discussed with Buildings and Grounds. There are questions relating to the cost of this activity.
- Traffic signals and lighting - \$722,170. This project is being reviewed with a similar project in the State Energy Program funded by the DOE related to the environmental waste issue. It is anticipated that the waste management plan will be approved by the DOE, which will allow the NSOE to identify candidate intersections and lighting opportunities and proceed to contract to have the projects undertaken early in 2010.
- Workshops, training and education to support energy monitoring, energy efficiency and energy conservation measures for State buildings - \$556,090. This project is under review due to a proposed change in the utility monitoring program by Buildings and Grounds. The NSOE will provide an update regarding the outcome of this review. These funds may be reallocated as training for the natural gas and electricity monitoring for state buildings.
- Funding to reduce fossil fuel emissions, reduce total energy use and improve energy efficiency in six Nevada counties (Esmeralda, Eureka, Lander, Lincoln, Mineral & Storey) - \$2,104,061 and nine Nevada cities (Caliente, Carlin, Ely, Fallon, Lovelock, Wells, West Wendover, Winnemucca & Yerington) - \$3,724,316. Funds will be invested in program and projects that create and/or retain jobs and stimulate the economy while meeting long term energy goals.
- Contingency funding is currently being held in reserve to ensure completion of the projects identified within the grant - \$1,157,862 is held in this reserve account. Reallocation of these funds can be made to other approved activities when the NSOE is assured that the projects are completed.

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