

State of Connecticut

GENERAL ASSEMBLY

STATE CAPITOL

HARTFORD, CONNECTICUT 06106-1591

To: Representative John Geragosian
Senator Toni Harp
Co-chairpersons, Appropriations Committee

Representative Vickie Nardello
Senator John Fonfara
Co-chairpersons, Energy and Technology Committee

From: Christopher G. Donovan, Speaker of the House
Donald E. Williams, Jr., Senate President Pro Tempore

Re: American Recovery and Reinvestment Act of 2009
Energy Efficiency and Conservation Block Grant Allocation Plan

Date: May 5, 2010

Pursuant to Connecticut General Statutes Section 4-28b, we are submitting to you for your approval or modification the Governor's reallocation plan for the American Recovery and Reinvestment Act of 2009 Energy Efficiency and Conservation Block Grant.

Because the federal government has established firm deadlines for committing and expending the grant funds, the Secretary of the Office of Policy and Management has requested that you finalize your approval or modifications promptly. We ask that you provide your feedback as soon as possible.

Thank you for your hard work and cooperation.

Sincerely,

Christopher G. Donovan
Speaker of the House

Donald E. Williams, Jr.
Senate President Pro Tempore

Cc: Susan Keane, Senior Committee Administrator, Appropriations Committee
David MacDonald, Clerk, Energy and Technology Committee
Anne Foley, Senior Policy Advisor, Office of Policy and Management



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

April 5, 2010

The Honorable Donald E. Williams, Jr.
Senate President Pro Tempore
Legislative Office Building
Hartford, Connecticut 06106

The Honorable Christopher G. Donovan
Speaker of the House
Legislative Office Building
Hartford, Connecticut 06106

Dear Senator Williams and Representative Donovan:

Pursuant to Connecticut General Statutes, Section 4-28b, I am submitting the attached proposal for the reallocation of funds within the American Reinvestment and Recovery Act 2009 (ARRA), Energy Efficiency and Conservation Block Grant (EECBG).

As you may recall the program that the General Assembly's Committees of Cognizance approved on May 4, 2009 provides formula funding under the ARRA to the 142 Connecticut municipalities not eligible for direct funding through the U.S. Department of Energy (DOE). The program has two components, a formula grant for all of the 142 municipalities and a competitive grant for communities that partner to implement energy projects of a regional scope.

This proposal will reallocate unused funds from the formula program and provide additional funding to the competitive regional program under this grant.

I look forward to the continued implementation of this block grant. The staff of the Energy Unit here at the Office of Policy and Management will be happy to answer any questions you may have regarding this reallocation of funds. Feel free to contact Raymond Wilson directly at 860-418-6441.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Genuario", written over a horizontal line.

Robert L. Genuario
Secretary

American Reinvestment and Recovery Act of 2009, Energy Efficiency and Conservation Block Grant

Proposed Revision for the Reallocation of Funds within the Program

On May 4, 2009, pursuant to Connecticut General Statutes, Section 4-28b, the Connecticut General Assembly, Committees of Cognizance approved the plan application for the use of funds under the American Reinvestment and Recovery Act 2009 (ARRA), Energy Efficiency and Conservation Block Grant (EECBG). Subsequent to this approval the application was submitted and approved for funding by the United States Department of Energy (USDOE).

Program Overview:

Two programs were developed and approved for implementation under the EECBG.

1). Municipal Energy Efficiency and Conservation Program

Ninety percent of Connecticut's \$9,593,500 energy efficiency and conservation block grant, or \$8,634,150, to be used to provide formula sub-grants to the 142 units of local government that are not eligible for direct formula grants from USDOE. Grants made available to each unit of local government are comprised of a \$25,000 base amount plus an additional amount based on municipal population (See Attached List

2). Supplemental Regional "Bonus Pool" Program

Ten percent of Connecticut's \$9,593,500 energy efficiency and conservation block grant, or \$959,350 to be used to provide competitive sub-grants to towns that partner with other towns to implement projects that will be of a regional benefit. Application approval under this grant program will be based on criteria that prioritize projects based on energy saved, renewable energy generated, green house gas reduction, estimated job creation, the regional impact of the aforementioned categories and if other funding is leveraged through the use of these program funds.

Proposed Recommendation for Reallocation of Funds Within the Program:

Under the "formula grant" portion of the program, seven municipalities (Branford, Canaan, East Windsor, Lisbon, Lyme, Union, and Voluntown) have waived their rights to receive funding. The result is \$320,761 in funding that must either be returned to the USDOE or be reallocated to other related purposes within the grant. Given the demand for funding under the competitive Bonus Pool program it is recommended that these funds be reallocated primarily to the Supplemental Regional Bonus Pool Program for energy projects with a small amount reallocated to OPM for administrative needs as follows:

	ORIGINAL APPROVED ALLOCATION	PROPOSED RECOMMENDATION for REALLOCATION	PROPOSED NET FUNDING CHANGE
Municipal EECBG (formula grants to towns)	\$8,634,150	\$8,313,389	-\$320,761
Supplemental Regional Bonus Pool (competitive program)	\$959,350	\$1,228,310	+\$268,960
OPM Administration costs	\$0	\$51,801 (0.5% of grant total)	+\$51,801
TOTAL	\$9,593,500	\$9,593,500	



**STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT**

May 5, 2010

Honorable Toni Nathaniel Harp, Chair
Honorable John C. Geragosian, Chair
Honorable Dan Debicella, Ranking Member
Honorable Craig Miner, Ranking Member
Appropriations Committee
Room 2700, Legislative Office Building
Hartford, CT 06106

Honorable John W. Fonfara, Chair
Honorable Vickie Orsini Nardello, Chair
Honorable Kevin Witkos, Ranking Member
Honorable Sean Williams, Ranking Member
Energy and Technology Committee
Room 3900, Legislative Office Building
Hartford, CT 06106

Re: ARRA Energy Efficiency & Conservation Block Grant

Dear Senators Harp and Fonfara and Representatives Geragosian and Nardello,

On April 5, 2010 I submitted a request to modify the above referenced block grant program to Speaker Donovan and President Pro Tempore Williams. It has recently come to my attention that that communication may have been waylaid - resulting in the failure of the request to be formally transmitted to your committees.

As an attempt to expedite any reviews by your committees please allow me to briefly explain the current situation regarding the requested modification.

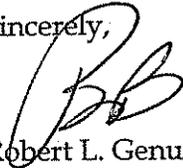
One of the many federal ARRA grants that OPM has received is the referenced Energy Efficiency and Conservation Block Grant (EECBG). This is a new federal block grant program. On May 4, 2009, your committees approved the allocation of the funding available under this program into two program areas: a formula grant program and a competitive grant program (more background is provided in the attached April 5, 2010 communication). The pending request is to reallocate \$320,761 from the formula program to the competitive program. These funds are available for reallocation as towns have opted not to participate in the formula grant

program. After administrative expenses, we are proposing to reallocate the available funds in a manner consistent with the formula previously approved by the committees.

We are under some tight federal time frames with ARRA grants to commit and expend the funds. As such, it is my hope that you can review quickly this modest programmatic reallocation of funds. The funds will continue to be used for the purposes originally envisioned and approved by the legislature.

If you have any questions, I or other staff of the Office of Policy and Management are available to meet and review the proposal with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'RB', written over a faint circular stamp or watermark.

Robert L. Genuario
Secretary