Before and After the American Recovery and Reinvestment Act: What will become of the US Department of Energy's State Energy Program?

Timothy Pettit, KEMA Consulting, Fairfax, VA
Kathleen Gaffney, KEMA Consulting, Oakland, CA
Mitchell Rosenberg, KEMA Consulting, Burlington, MA
Martin Schweitzer, Oak Ridge National Laboratories, Chapel Hill, NC

Summary

The Department of Energy's (DOE) State Energy Program (SEP) provides grants and technical support to the states and U.S. territories to carry out a wide variety of cost-shared energy efficiency and renewable energy activities to address national and unique state policy objectives. Under the American Recovery and Reinvestment Act (ARRA) the amount of funding available to support the states' SEP activities has increased dramatically from $33 million in formula grants in 2008 to $3.1 billion for the 2009 to 2012 period. Funding is expected to return to a level much closer to the pre-ARRA period in 2013.

The DOE Office of Weatherization and Intergovernmental Program (OWIP), which manages the SEP, is sponsoring a national evaluation to measure key outcomes for the last full program year prior to ARRA (PY 2008) and the first two and a half years of the ARRA period (PY 2009 through CY 2011). The sudden and dramatic increase in funding under ARRA has caused SEP offices to dial up resources significantly to respond to the temporary challenge of administering program funding that is orders of magnitude higher than past funding levels, as well as plan for the period afterward in which funding is likely to return to levels much closer to the pre-ARRA period. The composition of the SEP program portfolio in the post-ARRA period is uncertain, and it is not yet known how closely it will resemble what was observed for 2008 and how much it will be influenced by the ARRA-period activity mix. This issue applies at the state energy office level as well.

The characteristics of the post-ARRA programmatic activities in terms of implementation strategy, funding priorities, programmatic portfolios, continuity with ARRA-funded activities, and funding leverage could take two paths: 1) A similar path to PY 2008, or 2) a path that has been influenced by ARRA funding in a lasting way.

The national SEP evaluation will ultimately employ probability sampling techniques to estimate the energy and cost savings achieved by the portfolio of SEP activities and report on key outcomes from the pre- and post-ARRA periods, including the extent to which SEP under ARRA contributed to carbon emission reductions, job creation, and influenced the market for energy efficiency and renewable energy products and services. As an intermediate step to assess these outcomes, the evaluation contractor team will review all programmatic activities funded during both periods according to categories established through various sources, including past SEP evaluation research, DOE guidance, and the ARRA legislation. The distribution of program activities among those broad categories will then be compared between the two periods to assess the composition, relative funding levels, and relative expected energy impacts to assess similarities and differences.