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**Testimony of Kerry O'Neill, President and CEO of Earth Markets, LLC
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Good afternoon and thank you for the opportunity to address the Appropriations and Energy & Technology Committees regarding the ARRA plans for EECBG dollars. My name is Kerry O'Neill, President and CEO of Earth Markets, a Connecticut-based social venture that develops and finances community-based residential energy efficiency projects. Earth Markets is also a founding member of the Connecticut Energy Efficiency Alliance.

The Energy Efficiency and Conservation Block Grant monies are a unique opportunity for Connecticut's cities and towns. These funds could act as a force multiplier when combined with other funding sources, or they could be a down payment on long term energy plans.

We recommend forming a Municipal Energy Stimulus Workgroup to ensure that municipalities have all the necessary information and tools to effectively plan and apply for EECBG funds, whether direct formula, sub-grants, regional sub-grants or competitive federal grants.

Challenges facing municipalities:

- **Deadlines are approaching:**
 - June 25: Top 26 cities must submit direct formula EECBG applications, providing program details on how they intend to use the money
 - September 15: Deadline for smaller municipalities sub-grant application with OPM
- **Local conflicting priorities:**
 - Energy is important, but budgets are a more pressing issue. Imagine a small town considering \$50,000 of stimulus funds and the complications of writing an application and submitting quarterly reports – the transaction costs may be too high.
- **Municipalities are not all equipped to complete detailed applications in time:**
 - DOE requires measurable goals and objectives, details of program and how existing programs and strategies relate to each other.
 - Jobs created and/or retained
 - Energy (kwh/therms/gallons/BTUs/etc.) saved
 - Renewable energy generated
 - GHG emissions reduced
 - Cost savings
 - Funds leveraged

Goals of a Municipal Energy Stimulus Workgroup:

1. **Develop Guidance Documentation** – developing a simple and consistent set of guidance documents and instructions for towns to use that outlines the key points that they need to understand and the steps that they need to undertake to be successful in this process – including guidance in calculating jobs created or retained, energy savings, CO₂ savings, dollar savings, and other metrics required for the application package;

2. **Sample Programs Consistent with Statewide Goals and Objectives** – providing access to a sample set of municipal programs for consideration including those for municipal facilities, the local residents within the community, small business and non-profit assistance, and other key areas important to the state and local municipalities;
3. **Template Application** – developing a model application for municipalities to use to help them prepare the best and most thorough applications for the EECBG;
4. **Outreach and Advice** – proactively contacting municipalities of all sizes and offer them the opportunity to ask questions and share concerns and frequently asked questions with all municipalities; and
5. **Ongoing Engagement** – the state should initiate conference calls with the municipalities. The agenda for the call could include:
 - a. Updates on Progress – where do municipalities stand and what are expectations for local response;
 - b. Implementation Pathways – examples from leading municipalities in the region on transparency, process, and stakeholder engagement; and
 - c. Needs from the state – guidance, toolkits, calculators (jobs, CO₂, energy savings, etc.). These things need to be standardized as much as possible for otherwise we will lose an opportunity to compare and contrast approaches later.

Borrowing from California

- **Thinking strategically about their stimulus dollars and facilitating communication and sharing of best practices.**
- **Running a series of stakeholder workshops and meetings across the state, typically also webcast with all presentations available online.** A few excellent examples:
 - This week, running several meetings across the state on the EECBG funds – see the agenda at: http://www.energy.ca.gov/recovery/meetings/2009-05-eecc/AGENDA_BLOCK_GRANT_MEETINGS.PDF
 - Last week ran an in-depth workshop on just 1 concept – a municipal tax financing model for energy efficiency and renewable energy improvements and how the stimulus \$'s might be leveraged to seed these programs, so communities had a sustainable financing model after the stimulus \$'s were gone:
 - 10 presentations from municipalities sharing how their program worked
 - Each municipality covered how they would like to see stimulus \$'s used as well as any legislative items that were also needed
 - See <http://www.energy.ca.gov/recovery/meetings/index.html#042909> for links to agenda, presentations, webcast on the day-long program

One of the best things that could come out of the EECBG (and other energy stimulus) funding opportunities in Connecticut is that best practices are shared across the state – from program design, to implementation, to ongoing measurement & verification. A state-level working group could be the facilitator of this, allowing us to look at projects/programs in an objective way, studying what worked, what didn't, and why. In that way, we can be thinking beyond the stimulus funding.

I thank you for your time today and the opportunity to address the members of this committee.