

AGENDA NOTE – HRPDC EXECUTIVE COMMITTEE MEETING

ITEM #12: REGIONAL GREENHOUSE GAS EMISSIONS INVENTORY

SUBJECT:

Update on the status of the Regional Greenhouse Gas Emissions Inventory, approved by the HRPDC at its May 19, 2010 Executive Committee Meeting.

BACKGROUND:

Over the past two years the HRPDC staff has worked with Hampton Roads localities to facilitate cooperation and coordination on programs developed in response to the federal Energy Efficiency and Conservation Block Grant Program (EECBG). One result of this facilitation was a proposal for a regional greenhouse gas emissions inventory. This proposal was included in the successful grant applications submitted by the Cities of Chesapeake, Norfolk, and Virginia Beach, with each government dedicating one percent of its EECBG funding toward the inventory project, which would cover the entire planning district region. HRPDC staff worked with staff representatives from each of the three funding cities and faculty from Old Dominion University to develop a scope of work and Memorandum of Agreement for the proposal.

At its May 19, 2010 Executive Committee Meeting, HRPDC staff presented the proposal to the Commission. The Commission authorized the HRPDC Executive Director, to execute the Memorandum of Agreement with Hampton Roads localities and the contract with Old Dominion University. HRPDC and locality staff worked with ODU faculty to shape the scope of work based on available technical capabilities and budget limitations. This process resulted in a proposal that was acceptable to all parties by late 2010.

In December 2010, locality staff received notification from the Department of Energy (DOE) that, although the GHG inventory was a previously approved activity, it may not meet new interpretations established by DOE Counsel. DOE indicated that regional studies such as the proposed Hampton Roads Regional Greenhouse Gas Emissions Inventory were no longer eligible for funding since EECBG funds would be used to benefit non-eligible entities, unless the funding locality could prove they received a proportional benefit. Requests for clarification from DOE staff produced no definitive statements as to whether the proposal was or was not eligible under the new interpretation, and although the participating localities believed that a proportional benefit would be received and could be documented, DOE would not provide definitive approval of the activity. Eligible entities were also warned that entities with projects later found to be ineligible would be required to reimburse DOE for the ineligible funds spent. Based on the initial approval of the proposal and conflicting statements by DOE, a case could be made to defend the project, if it were challenged by DOE. However, the lack of clear direction from DOE prompted the locality representatives to recommend diverting the funds set aside for this proposal to other eligible EECBG projects.

Because the Regional Greenhouse Gas Emissions Inventory was contingent on EECBG funding from Chesapeake, Norfolk, and Virginia Beach, it is no longer possible at this time to pursue the project. HRPDC staff will monitor for grant opportunities in the future that will enable this project to go forward. Locality representatives have requested that the HRPDC send a letter to DOE summarizing issues with the manner in which this project's eligibility was handled.

The staff has drafted the attached letter to the DOE.

RECOMMENDED ACTION:

Authorize the Executive Director to send the attached letter to DOE.

STAFF COMMENTARY:

The Regional Greenhouse Gas Emissions Inventory was planned to leverage EECBG funding from three Hampton Roads localities with HRPDC staff time to take advantage of ODU technical expertise and flexibility. Considerable preparatory work was done by the localities, HRPDC staff, and ODU in designing this project, and these parties have agreed that the project merits being conducted in the future if funding becomes available.

Attachment

DRAFT Letter to U.S. Department of Energy
RE: EECBG Funding for Regional Greenhouse Gas Emission Inventory

March 17, 2011

DOE Contact
EECBG Program Address

To Whom It May Concern:

The Energy Efficiency and Conservation Block Grant (EECBG) Program, funded by Congress in 2009, provided significant funds to several localities in Hampton Roads to aid the implementation of four goals: reducing fossil fuel emissions, reducing the total energy use of funded localities, improving energy efficiency in various sectors, and creating and retaining jobs. This funding made possible many opportunities for those localities which received funds. Existing regional programs in Hampton Roads encouraged those funded localities to discuss best practices and coordinate potential regional activities. Three Hampton Roads localities, the Cities of Chesapeake, Norfolk, and Virginia Beach, elected to fund a regional greenhouse gas emissions inventory that would collect and analyze various datasets from all sixteen localities in the Hampton Roads Planning District and provide guidance on ways to reduce energy use and fossil fuels emissions and improve energy efficiency across the region, befitting the program's goal of maximizing "benefits for local and regional communities." This proposal was included in the grant applications for each of the three localities and was approved by DOE along with the rest of their applications.

However, later communications from DOE staff in December 2010 implied that the use of EECBG funds for regional projects including non-eligible entities was no longer considered eligible. Based on the inability of DOE staff to provide a definite answer as to the proposal's eligibility, the three funding localities and the Hampton Roads Planning District Commission, as the coordinating entity, agreed that the proposal could no longer be pursued in the absence of clear guidance and approval of project funding by DOE.

The Hampton Roads Planning District Commission, along with the Cities of Chesapeake, Norfolk, and Virginia Beach, continues to advocate the goals of the EECBG Program to reduce energy use and fossil fuel emissions and believes that regional greenhouse gas emissions inventories are excellent means of achieving those goals. While we are disappointed that the regional proposal was no longer officially approved, we hope that DOE will consider funding for regional energy efficiency projects and planning efforts in the future.

Sincerely,

Dwight Farmer
Executive Director/Secretary

BJM

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