

## **Executive Summary American Recovery and Reinvestment Act**

The House of Representatives and the Senate passed the American Recovery and Reinvestment Act of 2009 (ARRA) on Friday the 13th of February. The vote in the House was 246 to 183 and 60 to 38 in the Senate. It is being reported that the President will sign this landmark legislation into law on Tuesday, February 17th in Denver, Colorado.

The bill will inject billions of dollars into energy efficiency programs. The ARRA contains several energy efficiency programs that will benefit NAIMA members. The following is a summary of key provisions important to the industry.

- **Existing Homes Energy Efficiency Tax Credit:** The tax credit to improve the energy efficiency of existing homes has been enriched and extended. The maximum tax credit for insulation was \$500 (up to 10% of the purchase price of the insulation). Now the maximum credit is \$1500 (up to 30% of the purchase price) for qualified energy efficiency products. As an example a homeowner can take the maximum credit for insulation alone or for a portfolio of qualified energy efficiency products including insulation. The credit for insulation does not include labor. To receive the credit for insulation it must meet the minimum R-values per the prescriptive path of the 2009 International Energy Conservation Code. The credit expires December 31, 2010.
- **First Time Home Buyer Tax Credit:** The tax credit was increased to \$8000 and the provision that required the credit to be paid back was eliminated. It allows tax credit homebuyers to participate in the mortgage revenue bond program. In addition state housing finance agencies are permitted to help buyers at closing by advancing the credit amount as a loan using tax exempt bond proceeds. The credit remains refundable or claimable regardless of the tax payer's tax liability. Also, the credit was extended to December 1, 2009. [see also: http://www.federalhousingtaxcredit.com/2009/home2.html](http://www.federalhousingtaxcredit.com/2009/home2.html)
- **Weatherization Assistance Program, \$5 billion :** The program was enhanced so that it increases the number of homeowners eligible to participate and increases the amount that may be spent for weatherization per dwelling unit from \$2500 to \$6500. It also encourages the Secretary of Energy to give priority to using the funds for the most cost-effective efficiency activities "*which may include insulation of attics*", if in the Secretary's view, such funds would increase the effectiveness of the program.
- **Housing and Urban Development, \$2.25 billion:** Section 8 project based housing owners will receive these funds in grants and loans. There will be \$250 million allocated to support a program to upgrade HUD sponsored low income housing to increase energy efficiency.

- **Public Housing Capitol Fund, \$1 billion:** Provides funding for renovations and energy efficiency retrofit investments. This includes investments that leverage private sector funding for financing these projects.
- **Home Investment Partnerships Program, \$2.25 billion:** These funds will be used to help build and renovate low income housing which includes green technologies and energy efficiency.
- **Native American Housing, \$500 million:** This is a block grant to renovate and improve the energy efficiency of homes.
- **State Energy Program, \$3.1 billion :** The Department of Energy which provides grants and funding to state energy offices for energy efficiency and renewable energy programs is "conditioned" on state Governors *making assurances* regarding building code requirements, prioritization of existing state programs and regulatory requirements. The state or applicable units of government that have authority to adopt building codes will implement a building code(s) for residential buildings that meet or exceeds the most recently published International Energy Conservation Code or achieves equivalent or greater energy savings. For commercial buildings throughout the state the code will be ANSI/ASHRAE/IESNA Standard 90.1-2007 or one that is equal to or exceeds it. A plan for the jurisdiction achieving compliance with the building energy code or codes will be implemented within 8 years of the date of enactment of ARRA. To the extent possible states will expand their energy efficiency programs for energy efficiency retrofits of buildings and industrial facilities.
- **Energy Efficiency and Conservation Block Grants, \$3.2 billion:** This funding is provided to local governments to enable them to implement energy efficiency programs. Funds can be used to hire and train energy code officials and retrofit homes.
- **Energy Efficiency Bonds, \$2.4 billion:** This increases and expands the bond limitation on energy conservation bonds for loans and grants to implement Green Community Programs.
- **Federal Buildings, \$4.5 billion:** The Government Services Administration will use this funding to convert their facilities to High Performance Green Buildings. The funds should be spent in accordance with the measurement and verification and other benchmarks contained in Section 432 of EISA, which will maximize the energy savings derived from all this funding. An additional \$400 million will be used to establish the Office of Federal High Performance Buildings.
- **Department of Defense, \$3.9 billion:** The funding will be used to improve, repair and modernize DOD facilities, restore and modernize real property to include barracks and invest in the energy efficiency of DOD facilities. The funding is available for obligation until September 30, 2010. Funds will be allocated as follows:

1. Air Force >\$1.1 billion
2. Air Force Reserve >\$13 million
3. Air National Guard >\$26 million
4. Army >\$1.5 billion
5. Army Reserve >\$98 million
6. Army National Guard >\$266 million
7. Marine Corp >\$114 million
8. Marine Corp Reserve >\$39 million
9. Navy >\$657 million
10. Navy Reserve >\$55 million

- **Institutional Loans and Grants, \$1.6 billion:** Grants will be used to make schools and hospitals more energy efficient.
- **Green Schools, \$9.75 billion:** A portion of the funding will be used for modernization, renovation or repair of public school facilities and public institutions of higher education facilities that are consistent with a recognized green building rating system.
- **Green Jobs, \$500 million:** Funding will be used for research, labor exchange and job training projects to prepare workers for careers in energy efficiency and renewable energy industries. An additional \$37.5 million will be provided for Job Corps Centers, which may include training for careers in energy efficiency.