

Federal Legislation Introduced to Support Nonprofit Organizations Improve Energy Efficiency

September 28, 2012

Legislation introduced in the United States Senate would establish a program offering as much as \$50 million per year to assist nonprofit organizations wishing to improve the energy efficiency of their buildings.

The Nonprofit Energy Efficiency Act, introduced by Senators Amy Klobuchar (D-Minnesota) and John Hoeven (R-North Dakota), calls for the Secretary of Energy to allot \$50 million for each of fiscal years 2013 through 2016 to a grant fund for the purpose of supporting nonprofit organizations that retrofit their buildings with energy-efficient improvements. Under the proposed law, an energy-efficient improvement is one that results in the reduction in demand by the nonprofit organization for energy or fuel supplied from outside the nonprofit organization's building.

The legislation contemplates that buildings that might be eligible for federal support include hospitals, youth centers, schools, social-welfare program facilities, houses of worship, as well as other nonresidential and noncommercial structures. Each grant awarded under the legislation would be capped at 50% of the cost of the improvement, up to \$200,000.

Under the proposed legislation, nonprofit organizations would be required to submit funding applications to the Secretary of Energy. Awards would be granted based on performance-based criteria adopted by the Secretary of Energy, including the cost-effectiveness of the improvement and the nonprofit's plan for evaluating, measuring and verifying its energy savings.

The Nonprofit Energy Efficiency Act is the latest example of a bipartisan effort on the part of Senators Klobuchar and Hoeven to work together to promote energy independence.

Foley Hoag will continue to closely monitor the Nonprofit Energy Efficiency Act. We are available to advise nonprofit organizations that may wish to apply for grant funds should the legislation become law.

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