

Funding Opportunities of Interest



Focus Areas

- Energy Recovery
- Clean Diesel Grant Program
- Broadband
- Smart Grid
- Finance
 - CREBs, Tax, and Bonds
- Water

Overview of Broadband Programs of Interest NTIA & RUS

- Eligible entities
 - States
 - Political subdivisions (includes local governments)
 - Public-private partnerships
 - Non-profits
 - Indian tribes and native Hawaiians
 - Other entities, including private service or infrastructure provider, that *by rule will* meet “public interest” test (TBD)
- Types of projects/services
 - Wide range of equipment, networking, hardware, software, and other infrastructure and facilities
 - Not only for end-user broadband services, but also for backhaul, middle-mile, wholesale transit, tower services, etc.
 - Includes costs of construction and deployment, but not ongoing operating expenses
 - Must serve statutory purposes or other purposes approved by NTIA
 - Must comply with network non-discrimination and interconnection requirements to be established by NTIA

Broadband Technology Opportunities Program

National Telecommunications and Information Administration (“NTIA”)

U.S. Department of Commerce

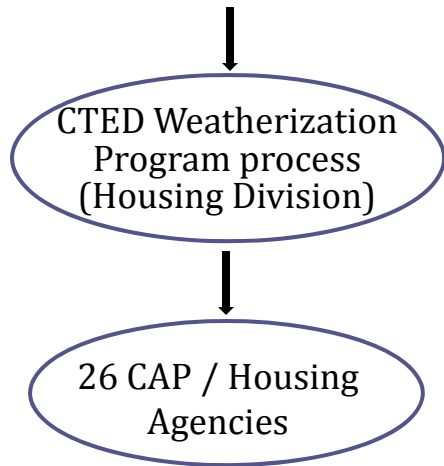
- **\$3.89 Billion in competitive grants to:**
 - Provide access in “unserved” areas
 - Improve access in “underserved” areas
 - Provide broadband support to schools, libraries, medical and health care providers, higher education institutions, other community-based groups that support vulnerable populations, and “job-creating strategic facilities” in various programs
 - Increase access to, and use of, broadband by public safety agencies
 - Stimulate demand for broadband, economic growth, and job creation
- Funds can be used for equipment, construction, deployment, hardware and software, etc.
- Preference to projects that will deliver the highest possible next generation broadband speeds wherever possible
- NTIA to issue rules, application requirements
- Three rounds of funding opportunities: 6/09, 10-12/09, 4-6/10
- NTIA must award grants by September 30, 2010; grantees must complete projects within 2 years of award

Distance Learning, Telemedicine and Broadband Rural Utility Service (“RUS”) U.S. Department of Agriculture

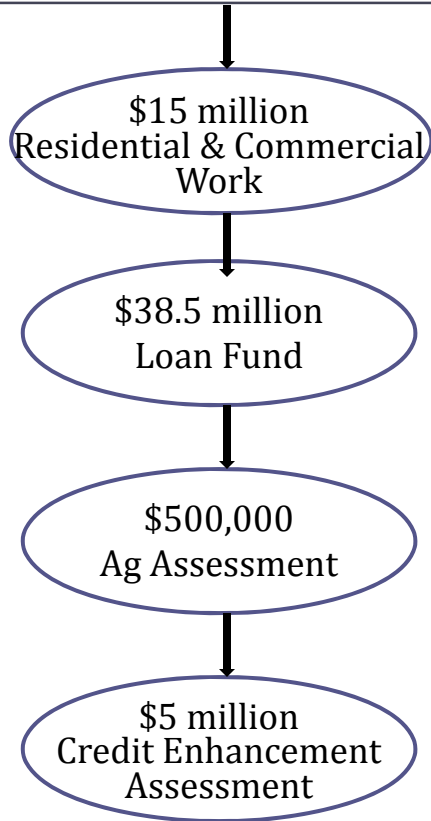
- \$2.5 billion in new RUS funding under ARRA
- At least 75% of the area to be served by a project receiving funds must be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development
- Statutory “priorities” of the program:
 - Projects that “will deliver end users a choice of more than one service provider”
 - Projects that “will provide service to the highest proportion of rural residents that do not have access to broadband service”
 - Applications from or including current or former RUS funding recipients
 - Projects in which all elements will be fully funded
 - Projects that will be commenced promptly
 - Projects that will be fully completed
- USDA to issue a report on planned spending by May 18, 2009
- May 22, 2009 is the deadline for the FCC/USDA report to Congress on comprehensive rural broadband strategy

Energy Recovery Funds

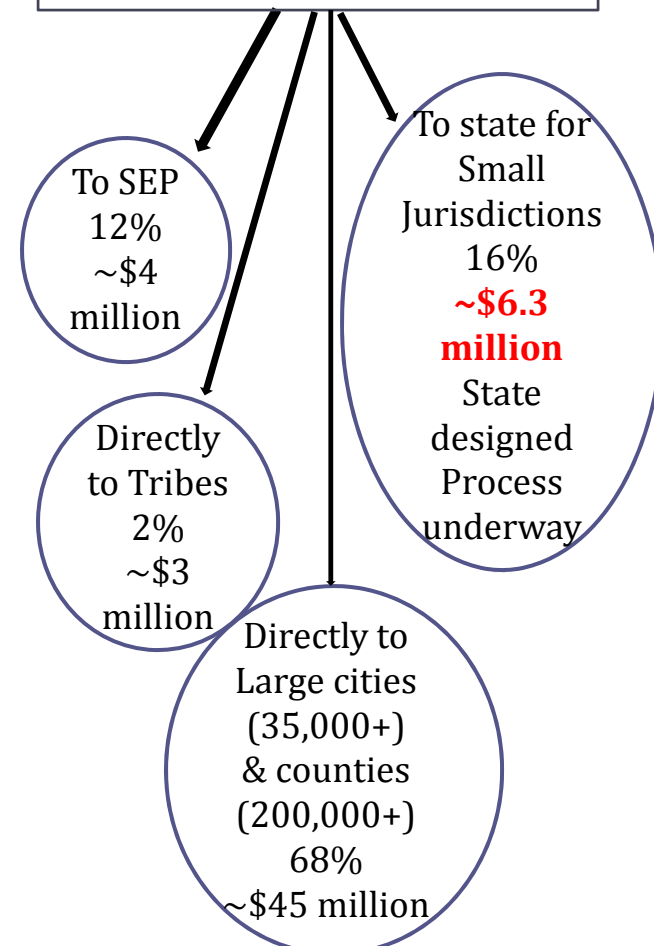
\$59.5 million
Low Income Weatherization
(WA)



\$60.9 million
State Energy Program (SEP)



\$58.6 million
State & Local Energy Efficiency
&
Conservation Block Grants



Washington State Clean Diesel Grant Program Environmental Protection Agency via Department of Ecology

- Each state to receive allocation of \$1.7 million
- Approximately \$300,000 reserved for idle reduction projects
- Ecology will prioritize public fleets, including cities, counties, municipal associations, PUDs, port and transit authorities and state agencies
- Eligible categories of idle reduction technologies are limited to those verified under EPA's National Clean Diesel Campaign. They include:
 - Electrified Parking Spaces (truck stop electrification)
 - Auxiliary Power Units and Generator Sets
 - Fuel Operated Heaters
 - Battery Air Conditioning Systems
 - Thermal Storage Systems

Washington State Clean Diesel Grant Program Environmental Protection Agency via Department of Ecology

- Funding purpose includes:
 - Retrofit exhaust emission control technologies
 - Idle reduction technologies
 - Engine rebuilds or repowers on heavy-duty diesel vehicles and equipment
- Eligible projects are evaluated based on
 - Reduction of exposure to diesel emissions
 - Improvement to public health
 - Priority will be given to applications received by March 27, 2009
- No matching funds are required for the purchase and installation of the retrofit emission control technology or idle reduction technology
- Winning applicants notified by April 17, 2009
- 100% of grants must be spent by September 30, 2010

Clean Renewable Energy Bonds (CREB)

Department of the Treasury

- \$2.4 billion (\$1.6 billion from Stimulus; \$800 million previously authorized)
- To finance facilities that generate electricity from sources that include:
 - Wind, hydropower, geothermal, small irrigation, open and closed loop biomass, geothermal, landfill gas, marine renewables
 - Funds subdivided into thirds for qualifying projects
 - 1/3 for government projects
 - 1/3 for public power providers
 - 1/3 for electric cooperatives
 - Under the new program 70% of the interest is tax exempt
 - Internal Revenue Service issued solicitation notice on April 6, 2009
- Applications are due August 4, 2009

Other Programs of Interest

Current Bond Issue Considerations

- **Alternate Minimum Tax**
 - Department of the Treasury
 - Provides refinancing of certain tax-exempt bonds subject to the alternative minimum tax (conversion of existing bonds)
 - Provides for issuing new bonds without being subject to alternative minimum tax
- **Build America Bonds**
 - Program allows state and local governments to issue taxable bonds for capital projects and to receive a new direct federal subsidy payment for a portion of their borrowing costs.
 - Provides a Federal subsidy through a refundable tax credit paid to state or local governmental issuers by the Treasury Department and the IRS in an amount equal to 35 percent
 - Being evaluated for Lake Chelan Modernization funding

Drinking Water State Revolving Funds

Department of Health

- Total funds expected for Washington State: \$36 million
- Public water systems can apply for \$6 million per project
- Provides loans to public water systems for capital improvements
 - Aimed at increasing public health protection
 - To provide a source of funds for other Safe Drinking Water Act activities
- 50% of funds will be allocated to projects that can begin construction by June 16, 2009
- 50% of funds allocated to disadvantaged communities as grants in the form of principal forgiveness
- 20% of construction allocated to projects addressing green infrastructure, including water efficiency
- All funded projects must begin construction by February 16, 2010
- Applications were due February 27, 2009
- District staff submitted three applications but did not receive awards

Smart Grid Demonstrations

U.S. Department of Energy
National Energy Technology Laboratory

- \$400 million
- Financial support provided to smart grid demonstration projects in urban, suburban, tribal and rural areas including areas where electric systems assets are controlled by investor-owned utilities
- Projects include regional demonstrations for technology research to verify:
 - smart grid technology viability
 - quantify smart grid costs and benefits
 - validate smart grid business models
- 50% cost share for qualifying advanced grid technology investment
- BPA's proposed creating a partnership with utility partners to participate in a regional smart grid demonstration project
- Letter of Interest from interested utility partners is due to BPA on May 18
- BPA expects to submit aggregated proposal to DOE by July 1

Smart Grid

Department of Energy

Smart Grid Investment Program

- \$4.5 billion
- Purpose is to stimulate rapid deployment and integration of advanced digital technology to:
 - Provide digital upgrades to the electric grid
 - Enhance effective integration of renewable and energy efficient technologies and demand management practices
 - Promote grid modernization
- Eligible participants:
 - Investor and municipality-owned utilities and rural electric cooperatives
 - Electric load serving entities or distribution companies providing services
 - System operators which coordinate, control, and monitor operation of the electrical power transmission systems within a state or region
 - Manufacturers of appliances and equipment to enable smart grid functionalities
- Grant Program to provide 50% of qualifying Smart Grid investment
- Notice of Funding Opportunity expected June 17, 2009