

INTERAGENCY AGREEMENT (IAA) BETWEEN
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT
THE UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT (HUD)
AND
THE UNITED STATES DEPARTMENT OF ENERGY (DOE)
OAK RIDGE NATIONAL LABORATORY
Executed September 27, 2003

This document sets forth terms of collaboration between the Office of Community Planning and Development (CPD) of the Department of Housing and Urban Development (HUD) and the Department of Energy Oak Ridge Operations Office (DOEORO) to promote the use of combined heat and power (CHP) in housing and communities.

I. PURPOSE

The cooperative activities are to provide material for technical assistance and guidance in the use of combined heat and power in housing and community development target neighborhoods. Products will include case studies and guidelines for expanding such activities. This agreement will consist of the components as outlined below.

To promote understanding of the potential for CHP in community development and housing, DOEORO will assist in the preparation of case studies and present and facilitate the presentation of the findings from its combined heat and power and distributed electric generation activities at forums, workshops, web sites and training sessions, including those developed or identified by HUD. Presentations will include results from DOE funded research and demonstrations in the use of cogeneration or combined heat and power in buildings and in new development or redevelopment of Brownfield neighborhoods. This will include the incorporation of community development analysis into the process of determining feasibility and of defining the scope and activities of combined heat and power projects.

DOEORO and CPD will jointly fund research, demonstration, evaluation and technical assistance activities.

II. BACKGROUND

The President's *National Energy Policy* supports efforts by DOE and EPA to work with local and state governments to promote the use of combined heat and power and other clean and efficient power generation. HUD has a history of support under the Community Development Block Grant (CDBG) Program and the Urban Development Action Grant (UDAG) Program for community energy systems based on cogeneration, or combined heat and power. Working with DOE during the 1980s, about \$3 million of feasibility and design studies were funded for CDBG communities. The following rationale accompanied HUD's first request for proposals in 1981:

"HUD is interested in the potential of such systems to contribute significantly to CDBG communities' ability to achieve the nationally established objectives of community development articulated in Title I of the Housing and Community Development Act of 1974. The system would lower energy costs, reduce environmental pollution, and expand local economic opportunity, particularly for persons of low and moderate income."

UDAG grants also helped some get started, such as Saint Paul where the President announced his *National Energy Policy*.

HUD adopted in 2002 a twenty-one point Energy Action Plan in support of the President's National Energy Policy. One action is to promote the use of combined heat and power in multifamily housing and in Brownfields economic development, Empowerment and Enterprise Zones and in other HUD programs. HUD can now make a significant contribution to the EPA and DOE efforts by bringing its housing, community development and energy system experience to bear on the current CHP program efforts.

III. OBJECTIVES

The objective of this Interagency Agreement (IAA) is to extend the benefits of combined heat and power, promote energy efficiency and reduce utility costs in housing and community development, particularly in low and moderate income neighborhoods. Neighborhood rehabilitation under the Community Development Block Grant program will be included. The focus will be the various potential multifamily markets for private, public and nonprofit ownership. This will include existing public and assisted housing multifamily projects and nursing homes, new housing construction under CDBG, HOME and the HUD HOPE VI public housing program and new development or redevelopment in Brownfields. Other opportunities may include projects assisted by the DOE State Energy Program (SEP) managed by the DOE Office of Energy Efficiency and Renewable Energy and others under the interagency/industry Partnership for Advancing Technology in Housing (PATH) managed by HUD.

Specific activities in the near term should include working with the communities in which DOE and EPA are exploring combined heat and power projects and developing case studies of the use of CHP in existing multifamily properties. HUD intends to supplement DOE and EPA's environmental and technology efforts with studies that examine the potential load for CHP systems in target low and moderate income neighborhoods, including those in and around Brownfield study areas, and in Empowerment Zones and Enterprise Communities. This might include measuring and mapping the load for supporting small combined heat and power systems and for distributed generation that may eventually connect with each other. The activities should also produce a set of guidelines or checklists on potential community redevelopment opportunities that a Brownfield/clean energy project could yield. This would be made available on the Internet for CDBG and other communities.

TASKS

1. Case Studies: Find additional cases in other states and regions.

Goal is to have examples for public housing, assisted housing, market housing in each region.

2. Market Analysis

Where there are no cases to study, turn to market analysis.

Identify obstacles, e.g. lack of information, lack of guidelines, resistance from utilities, price structure not appealing to developers, owners. Chart courses for dealing with each of them

3. Cogeneration Manual

Update the NY "Cogeneration Manual" for use by public housing, nonprofit housing, market housing

4. Brownfields and CDBG Redevelopment

Develop some case examples by working with the EPA and HUD
Brownfields programs
Provide technical assistance for CHP for CDBG development

5. Peer Exchange

Establish networks of e.g. PHA directors who have chp in their projects. Make them available by telephone, at workshops, written pieces, to other PHAs who are interested. Do the same for market and for nonprofit groups.

6. Regional CHP Application Centers

Work with the CHP Application Centers on the Peer Exchange agenda. Establish contacts with each one. Prepare a packaged workshop that can be delivered by Application Center in each region.

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