

## Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provided \$3.2 billion for the Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant Program (EECBG) to develop and manage projects to improve energy efficiency and reduce energy use and fossil fuel emissions. The Recovery Act requires GAO to review funds made available under the act and to comment on recipients' estimates of jobs created or retained. GAO examined (1) how EECBG recipients used EECBG funds and challenges they faced, if any; (2) DOE and recipients' oversight and monitoring activities and challenges, if any; (3) the extent to which the EECBG program is meeting Recovery Act and program goals for energy savings; and (4) the quality of jobs data reported by Recovery Act recipients, particularly EECBG recipients. GAO also updates the status of open recommendations from previous bimonthly and recipient reporting reviews. GAO analyzed DOE recipient data and interviewed DOE officials and a nonprobability sample of EECBG recipients, among other things.

## What GAO Recommends

GAO recommends that DOE (1) explore a means to capture information on recipients' monitoring activities, and (2) solicit information on recipients' methods for estimating energy-related impact metrics and verify that recipients use the most recent version of DOE's estimating tool. DOE generally agreed with GAO's recommendations.

View [GAO-11-379](#) or key components. For more information, contact Mark E. Gaffigan at (202) 512-3841 or [gaffiganm@gao.gov](mailto:gaffiganm@gao.gov) or Yvonne D. Jones at (202) 512-6806 or [jonesy@gao.gov](mailto:jonesy@gao.gov).

## RECOVERY ACT

### Energy Efficiency and Conservation Block Grant Recipients Face Challenges Meeting Legislative and Program Goals and Requirements

## What GAO Found

According to DOE data, EECBG recipients primarily used funds for 3 of the 14 activities eligible for EECBG funding. These activities are energy-efficiency retrofits, financial incentive programs, and buildings and facilities projects. Some DOE officials, recipients, and others identified challenges in obligating and spending funds due to local jurisdictional requirements and staff and resource limitations. In addition, in April 2010 DOE determined that many recipients were not on a trajectory to obligate and spend funds within specified time frames, so DOE issued new milestones for obligating and spending funds. Many recipients reported having had difficulty meeting the new milestones. DOE is taking steps to address these difficulties.

According to DOE officials and documentation, DOE follows a programwide monitoring plan to oversee the use of Recovery Act funds and uses a variety of techniques to monitor recipients. Overall, recipients also use various methods to monitor contractors and subrecipients, but DOE does not always collect information on recipients' monitoring activities. As a result, DOE does not always know whether the monitoring activities of recipients are sufficiently rigorous to ensure compliance with federal requirements. Some DOE officials, recipients, and others have reported to GAO that some DOE staff and recipients faced challenges with overseeing the use of funds, including (1) technical challenges with a Web-based reporting application DOE uses as a primary oversight tool and (2) staffing and expertise limitations, such as some recipients' unfamiliarity with federal grant procedures.

Recipients contacted and some DOE officials reported to GAO that recipients are using EECBG funds to develop projects designed to reduce energy use and increase energy savings in line with Recovery Act and program goals. However, DOE officials have experienced challenges in assessing the extent to which the EECBG program is meeting those goals. Because actual energy savings data are generally available only after a project is completed, DOE officials said that most recipients report estimates to comply with program reporting requirements. DOE takes steps to assess the reasonableness of these estimates but does not require recipients to report the methods or tools used to develop estimates. In addition, while DOE provides recipients with a tool to estimate energy savings, DOE does not require that recipients use the most recent, updated version of its estimating tool.

GAO's analysis of the Recovery.gov data that recipients reported, including jobs funded, shows data quality this quarter reflects minor amounts of inconsistencies or illogical data. The portion of EECBG recipients reporting some jobs funded has continued to increase. DOE headquarters and field officials continue to address data quality concerns, including ensuring that recipients and reviewers had the updated Office of Management and Budget guidance on narrative descriptions. However, data across reporting periods may not be comparable because, in earlier periods, some confusion existed about methods for calculating jobs funded.