Small-Scale Renewable Energy Projects/Federal Hazard Mitigation: GAO Report Addressing The Federal Emergency Management Agency Funding



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The United States Government Accountability Office ("GAO") has issued a June 23rd report titled:

Federal Hazard Mitigation: FEMA Has Funded Small-Scale Renewable Energy Projects and Requires Applicants to Demonstrate Project Cost Effectiveness ("Report").

See GAO-26-108470.

The Report examines:

- Funding the Federal Emergency Management Agency ("FEMA") has provided for renewable energy projects from fiscal years 2022-2024.
- What FEMA requires from applicants to demonstrate cost effectiveness of projects.

The Report notes that FEMA manages projects that communities can apply to for project funding that can help fund measures to mitigate the impacts of natural hazards. This included $13.6 million for 14 renewable energy projects through hazard mitigation assistance programs from fiscal years 2022 through 2024. The projects have included small-scale energy generation, such as rooftop solar panels, microgrids, or solar generators for backup power for communities or public buildings, including hospitals.

FEMA is noted to generally require funding applicants to analyze the costs and benefits of proposed projects. The cost-benefit analysis includes a quantitative analysis comparing the project's avoided future damage to the costs over the project lifetime. This is necessary because under federal laws and FEMA policy, only cost-effective hazard mitigations are eligible for funding from:

- Hazard Mitigation Grant Program.
- Pre-Disaster Mitigation Congressionally Directed Spending.
- Building Resilient Infrastructure and Communities program.

FEMA applicants are stated to be provided with a benefit-cost analysis toolkit to assist applicants with conducting their benefit-cost analysis.

The Report discusses the challenges applicants face performing a benefit-cost analysis which includes the amount of resources and data needed along with the steps FEMA was taking to make completing benefit-cost analyses easier for state and local jurisdictions.

GAO describes itself as an independent, non-partisan agency that works for Congress. It describes its role as examining how taxpayer dollars are spent and provides Congress and federal agencies with objective, non-partisan, fact-based information to help the government save money and work more efficiently.

A copy of the Report can be found here.