



## FEDERAL POLICY WORKING GROUP MEETING 12/14/22

### Agenda

1. Administration Activities
2. Legislative Landscape/Updates
3. EESG Takeaways

### Notes

#### 1. Administration Activities

**On December 12**, the DOE announced \$2.5 Billion in loans for three domestic battery cell manufacturing facilities under the American Battery Materials [Initiative](#). You can read the conditional commitment [here](#) and visit the portfolio project page [here](#).

**On December 7**, the DOE announced the newly proposed rule to electrify and cut emissions from new or newly renovated federal buildings. Starting in 2025, those facilities will be required to reduce their on-site emissions associated with energy consumption of the building by 90% relative to 2003 levels. That standard will target full decarbonization of on-site emissions by 2030. The new rule aims to accelerate the electrification of the federal building stock by phasing out on-site fossil-fuel usage for end-uses such as heating and water heating. The rule will not penalize agencies for using fossil fuels to conduct mission-critical activities such as national security.

Interested persons are encouraged to submit comments using the Federal eRulemaking Portal at [www.regulations.gov](http://www.regulations.gov), under docket number EERE-2010-BT-STD-0031.

In the coming weeks, DOE will solicit comment on the new rule from all entities that may be affected. On January 5th, 2023, DOE will host a [webinar](#) on the scope of the rule and the proposed implementation timeline. You can learn more [here](#).

**On November 29**, the DOE announced the [opening of applications](#) for the [Renew America's Schools grant program](#). The initial funding round includes up to \$80 Million of the \$500 Million program available to public schools to perform energy improvements in the highest-need K-12 districts. The Renew America's Schools grant program will support the implementation of infrastructure improvements in schools, with a focus on local education agencies (LEAs) that qualify as rural and/or high poverty. Eligible projects can include a variety of energy improvements, including new heating, ventilation and air conditioning (HVAC). The deadline for applicant concept papers is January 26, 2023 and full applications are due April 21, 2023.

**On November 22**, the [Office of State and Community Energy Program](#) (SCEP) under the US Department of Energy (“DOE”) issued a [Notice of Intent](#) (“NOI”) to issue administrative and legal requirements for the [Energy Efficiency and Conservation Block Grant Program](#) (EECBG) under the Infrastructure Investment and Jobs Act (“IIJA” or Bipartisan Infrastructure Bill).

The EECBG provides federal grants to states, units of local government, and tribes to assist eligible entities in implementing strategies to reduce fossil fuel emissions, to reduce total energy use, and to improve energy efficiency. Eligible entities and uses can be found at the EECBG webpage linked above. About \$550 Million total is allocated to the EECBG and is available until it is fully expended.

The funding will be distributed to eligible units of local governments, states, and Indian tribes. From there, those entities will distribute or invest the funding amounts they have been allocated. Eligible governmental units must submit an Energy Efficiency and Conservation Strategy to be approved by the DOE.

EECGB funding can be invested in several exciting potential investment channels. More information can be found [here](#) and at the links above.

**On November 18**, the DOE and the Biden Administration announced \$13 Billion in new financing opportunities for expanding and modernizing the electric grid. This funding opportunity is funded by the IIJA, the [Grid Resilience Innovative Partnership](#) (GRIP) Program, and the Transmission Facilitation Program. This funding opportunity in line with another \$2.3 Billion for States and Tribes is known as the [Building a Better Grid Initiative](#). GRIP will deliver projects re:

- \$2.5 Billion for [Grid resilience utility and industry grants](#): transmission and distribution technology solutions that can help mitigate hazards.
  - Eligible applicants include electric grid operators, storage operators, generators, transmission owners or operators, distribution providers, and fuel suppliers.
- \$3 Billion for [Smart grid grants](#) to increase flexibility, efficiency, reliability, and resilience. The effort is aimed at mitigating risks, increasing transmission capacity, helping integrate EVs, building electrification, etc.
  - The program is open to domestic entities including institutions of higher education, for-profit entities, non-profit entities, state and local government entities, and tribal nations.
- \$5 Billion for Grid innovation program to states, tribes, local governments, and public utility commissions towards collaborative projects re: transmission, storage, and distribution infrastructure to advance resilience and reliability.

The DOE also announced the [first round of funding](#) for GRIP. [Registration](#) required. The DOE also reviewed [registratio](#)n and program information for the [Transmission Facilitation Program](#). A webinar was held late November.

**Excerpt of our 11/18 Newsletter on GRIP:**

\$13 Billion To Modernize And Expand America's Power Grid

On November 18, the US Department of Energy (DOE)

announced \$13 Billion in new financing opportunities through the Grid Resilience Innovative Partnership (GRIP) program, funded by the Infrastructure Investment and Jobs Act (AKA “IIJA” or the “Bipartisan Infrastructure Law”). This influx of funding is the first investment under a total of \$20 Billion allocated in the Building a Better Grid Initiative.

IIJA provides \$10.5 Billion to the GRIP program, which is comprised of three programs: Grid Resilience Utility and Industry Grants (\$2.5 Billion), Smart Grid Grants (\$3 Billion), and Grid Innovation Program (\$5 Billion).

The first round of funding for GRIP totals \$3.8 Billion for FY 2022 and ‘23.

**On November 17**, the DOE (and Office of Energy Efficiency & Renewable Energy) celebrated one year of the [Communities Local Energy Action Pilot Program](#) (Communities LEAP) to empower a key set of priority communities -- low-income and energy burdened communities.

**On November 15**, the DOE celebrated one full year since the Infrastructure Investment & Jobs Act (IIJA, or Bipartisan Infrastructure Law (BIL)) passed. In the [first year](#) since President Biden signed the Bipartisan Infrastructure Law, DOE has launched programs offering nearly \$40 billion in funding opportunities and technical assistance. Also, the DOE has opened applications that will strengthen the American grid, improve energy security and provide cleaner electricity and fuels.:

- \$10.5 billion to modernize the electric grid;
- \$7 billion to create regional clean hydrogen hubs;
- Over \$3 billion for weatherization and energy efficiency in homes and businesses; and
- \$250 million to fund state loan programs for energy efficiency upgrades in residential and commercial buildings.

## 2. Legislative Landscape/Updates

**Sen. Kyrsten Sinema** [switch](#) from Democrat to Independent may not have significant implications for the Democratic majority in the Senate (as she will not caucus with the Republicans and will retain her committee assignments), however, it may have (some) implications for partisan shuffling looking towards 2024. It is also not clear where and how the Senate’s 50 or 51 vote majority will shake out looking ahead, or if anything will change at the Congressional level. This majority may not be as relevant as it is now given the Republicans will control the House.

The Senate 2024 map does not look to favor Democrats in contested seats - Ohio, Montana, and West Virginia are all up for reelection. Note: Sen. Manchin is up for reelection in WV. The Senator has noted interest in Sen. Sinema’s political shift, but has stated he will not take any action any time soon.

**Rep. Kevin McCarthy** has still yet to secure sufficient votes for Speakership, despite having a relatively broad swath of support. A handful of Republican Representatives required to elect Rep. McCarthy as Speaker of the House have demanded that he agree in advance to a snap vote to get rid of the speaker at any time - known as the

motion to vacate. Rep. McCarthy has refused to accept that demand and argued the threshold to vacate should be changed, it is reported he may have to give up his refusal. 36 lawmakers voted against him in a secret ballot vote in November (effectively a test run), four of whom have vowed not to change their vote in January. The new speaker will be elected January 3.

**It is not apparent** that Congressional leaders will act to raise the debt ceiling before Republicans take control of the House. Republicans have vowed to fight raising the debt ceiling, potentially laying the groundwork for significant Congressional challenges. Focus has remained on addressing a potential government shutdown. Consider the challenges and implications of a new majority entering the House in a government shutdown.

A stopgap spending bill/Continuing Resolution lapses December 16 - if Congress does not pass a new spending bill, there will be a government shutdown. As of Tuesday (12/13) evening, it is [reported](#) that Congressional negotiators have stated they have reached an agreement on a funding bill through the end of the current fiscal year (September 30, 2023). Though no details have (yet) been released, the likely order of actions will be the passage of another Continuing Resolution to extend the current deadline past December 16, and the possibility to see an omnibus appropriations package by December 23.

**It is reported** that Senator Manchin will see a floor vote for his environmental permitting overhaul legislation as an amendment to the National Defense Authorization Act. A vote on his reform proposal was a legacy agreement in return for his support of the IRA. Sen. Manchin's proposal would make energy project permitting easier - generally - for both fossil and renewable projects.

As a reminder, Sen. Manchin's earlier proposal drew bipartisan ire as it provided runway for fossil projects while granting the federal government more power and authority over transmission planning. Sen. Manchin's [updated proposal](#) removes the transmission provision to appease some Republicans. This may lose some Democratic votes.

The NDAA has already passed the House - so amending the Bill poses additional challenges (logistically and politically) while consuming the few remaining days left for the Democrats' House majority. If Sen. Manchin's amendment fails in the NDAA is the opportunity he can incorporate it into the omnibus bill.

### 3. EESG Takeaways

At a recent meeting in DC, EESG was told that this coming spring will be full of RFIs and that people should have their voices heard through that process.

However, there were no commitments about when the IRA money would begin flowing to states. One speaker made the point that not all of the money is coming through DOE, but also EPA and HUD. The latter is likely to be slower moving, and less clear on process. (HUD was allocated \$1 billion for energy-related activities under the IRA, far less than EPA and DOE).

A separate meeting was held last week with the Deputy to John Podesta, Senior Adviser to the President for Clean Energy Innovation and Implementation. The Administration is very focused on IRA and on the tax side of stuff more than anything else. The Deputy was very open and got an earful on efficiency. She seemed very focused on siting and permitting.

On our call, EESG expressed their concern that there are messaging issues the group/industry suffers from right now (though not specified); Podesta's group may be able to help as John has always been good on energy efficiency and climate issues.

At another briefing, Kathleen Hogan, Deputy Assistant Secretary for Energy Efficiency at DOE, showed a chart of \$34 Billion on the move that has gone out and another \$60B they're working on. As the money has not gone out to the states, it is reasonable to conclude DOE was referring to internal deliverables related to those dollars.

## **RFIs**

Last week, EESG submitted comments for the EPA Greenhouse Gas Reduction Fund RFI.

Deadline this Friday the 16th for concept papers for "Grid Resilience and Innovation Partnerships (GRIP) Program for those looking to apply for those grants.

RFI coming up for the Energy Efficiency Materials Pilot Programs - a smaller IIJA program but something that maybe interesting for the nonprofits to be aware of. RFI stage right now, expecting FOA in the spring.

DOE's Sarah's Alinsky, who's running the school's program, is running this. (SCAP/SKEP Office?) looking for a lot of insight and input for program implementation. It's a little bit tricky for SCAP on the cost share side because nonprofits may not have the funds to make the cost share happen

## **IIJA and IRA Implementation**

Last week - webinar on Homes Rebates – no groundbreaking takeaways, but good to see DOE thinking about implementation.

DOE is expecting an RFI this week on workforce contractor training which will tie in the IIJA auditor program. They are trying to comingle where possible.

Attendee comment: recent meeting where the thinking is that funding won't start until mid-2023, at best. This is a complex process. Concern is how existing programs are going to link to the new federal programs, and how the state and federal stuff is going to work together to avoid confusion. Suggests RFI feedback should emphasize that DOE work with states to ensure clarity on state, utility and federal funds working together.

Reply: EESG has made comments about how things can work together. Significant funds will flow to states and through state energy offices. DOE will heavily rely on them

to coordinate with what they've got already going on in state. Outliers are rural and remote programs, and some school programs. EESG needs to keep advocating DOE uses their money in concert with other money.

Recognize that how these programs work is people tend to stove pipe as much as possible because it's easier for them. DOE remains very understaffed, so this will take work.

Participant comment: Some states are saying, "we don't know what we are allowed to do," while others say, "we have no idea whether DOE will let us do anything." No money has been released, and the lack of clarity makes it hard to plan.

Other states are upset that some funds have been pulled back to set up the Technical Assistance program. Different views expressed as to why DOE is offering TA. For example, DOE did a bunch of the accelerators under the Better Buildings framework where DOE was providing technical assistance directly to various stakeholders. EPA and the Labs also provide TA.

CEDMC briefly discussed the CPUC's OIR R.22-11-013 that will address Distributed Energy Resources (DER) cost-effectiveness issues, data use and access, and the equipment performance standards.

### **Next Meeting**

Our next Federal Policy WG meeting will be on Wednesday January 11 at **8:15 am**. Call-in coordinates are below.

[Zoom link](#)

Call-in: +13126266799,,83592457581#

Passcode: cedmc2022