FEDERAL POLICY WORKING GROUP MEETING
07/12/23

Agenda

1. Administration Activities
2. Legislative Landscape/Updates
3. Support updated energy efficiency standards for affordable housing
4. Joint Comments: EE Standards for New Construction of HUD- and USDA-Financed Housing: Preliminary Determination
5. Draft Letter to DOE to guide HEEHR state electrification rebate programs
6. PG&E Applies for $7 Billion Loan from DOE LPO

Notes

1. Administration Activities

On July 10, the DOE announced $72 Million in investments for small business R&D grants. These grants were funded through the DOE's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR), focusing on Phase I and II. You can find relevant CA projects receiving funding under this release here.

On July 6, the DOE announced that California is among the third tranche of recipients (totalling $207.6 Million) in Grid Resilience State and Tribal Formula Grants (to total $2.3 Billion). The funding is under the Grid Deployment Office through the Infrastructure Investment and Jobs Act.

California will reduce the frequency and duration of power outages for communities while ensuring the benefits of clean, safe, affordable, and reliable energy are shared by all, particularly those in disadvantaged communities and communities with critical energy resilience needs. Selected projects will be used to advance California's goal of achieving 100 percent clean energy through resilience solutions that deploy zero-carbon energy resources and reduce reliance on fossil fuels. (Amount: $67.5 million). You can find the fact sheet here.

Utility Dive story here.

On June 30, the DOE released the DOE Public Access Plan which describes how DOE-funded research and digital data will become more open and available to the public and how DOE will use persistent identifiers to help ensure scientific and research integrity. The previous DOE Public Access Plan was released July 2014. The new plan intends to:

- Provide free, immediate access to peer-reviewed, scholarly publications;
- Provide immediate access to scientific data displayed in or underlying publications and increased access to other data;
- Use persistent identifiers (PIDs) for research outputs, researchers, organizations, and awards.

The Plan supports the August 2022 White House Office of Science and Technology Policy ("OSTP") memo driving transparency across federal publications. Most requirements and guidance will be in place by the end of 2024 with implementation by the end of 2025. DOE's model for implementing access to publications and scientific data will be similar to existing practices—for publications, through submissions of accepted manuscripts or open access articles which will be made available through DOE's public access repository, and for data, through submission of data management and sharing plans to DOE.

On June 28, the DOE released/announced the 2023 U.S. Energy and Employment Report (USEER) designed to track and understand employment trends across the energy sector. The 2023 USEER shows that the energy workforce added almost 300,000 jobs (+3.8% growth) in 2022. Clean energy jobs grew 3.9% adding 114,000 jobs nationally, increasing to over 40% of total energy jobs.

Clean energy jobs grew across all 50 states and D.C. The top-three states for clean energy jobs growth are:

- California, which added 13,000 jobs (+3.2%);
- West Virginia, which added 7,000 jobs (+19%); and
- Texas, which added 5,100 jobs (+3.5%).

On June 27, the DOE announced applications are open for the $25 million Enhancement & Innovation (part of $3.5 billion for the Weatherization Assistance Program) competitive grant program under the Investing in America agenda that aims to advance clean energy demonstration projects. Successful grant projects will support low-income households in a variety of ways, including expanding the number of weatherization-ready homes, increasing renewable energy technology, expanding health and safety measures, and disseminating new weatherization best practices. In addition, it encourages weatherization providers to hire, train, and retain employees with good-paying jobs.

DOE intends to issue multiple awards, with a maximum individual award amount of $2 million. Eligible entities include existing WAP Grantees, WAP Subgrantees, and other nonprofit organizations. An optional, informational webinar will be held on July 20, 2023 for potential applicants. Concept Papers are due on August 31, 2023 and **Full Applications are due on January 5, 2024**. DOE plans to announce E&I selections in June 2024.

On June 20, the DOE finalized EE standards for microwave and countertop convection microwaves and for built in and over the range convection microwaves. The standards, which take effect in 2026, would save 0.06 quads of energy over 30 years, a 19-percent reduction from a case with no changes in standards, DOE estimated. Current standards were adopted in 2013 and took effect in 2016.

On June 15, FERC issued Order No. 895, adopting new regulations permitting regional transmission organizations ("RTO") and independent system operators ("ISO") to share, amongst each other, credit-related information of their market participants, and requiring RTOs/ISOs to adopt tariff or similar rules for providing credit-related information sharing in order to better assess market participants' credit risks.

FERC's final rule: (1) permits RTOs/ISOs to share credit-related information about any market participant without obtaining prior consent or providing prior notice to said market participant; (2) permits an RTO/ISO to use credit-related information received from other RTOs/ISOs to the same extent as credit-related information received from its own market participants; and (3) requires any RTO/ISO that receives credit-related information from another RTO/ISO to treat

that information as confidential, just as it would for credit-related information received from its own market participants.

On June 15, the DOE announced $135 million following the Industrial Decarbonization Roadmap and funded through the Industrial Efficiency & Decarbonization Office to reduce emissions in the industrial sector across 40 projects and targeting cement and concrete, chemicals, food and beverage, iron and steel, and petroleum refining. Some projects include:

- Decarbonizing chemicals:
  - Lawrence Livermore National Laboratory (Livermore, CA)
  - RedoxBlox Inc. (San Diego, CA)
- Decarbonizing Iron & Steel:
  - Molten Industries (Oakland, CA)
- Decarbonizing Food & Beverage Products:
  - Palo Alto Research Center Inc. (Palo Alto, CA)
- Decarbonizing Cement & Concrete:
  - None in CA
- Decarbonizing Paper & Forest Products:
  - None in CA
- Cross-Sector Decarbonization Technologies:
  - None in CA

On June 14, the Biden Administration released their Semi-Annual Agenda of Regulatory and Deregulatory Actions. According to Politico, the agenda in general will be one of the busiest for the Administration. You can find the DOE's agenda here.

2. Legislative Landscape/Updates

On June 15, Senator Barrasso (R - WY) introduced S. 2036 (A bill to prohibit the Secretary of Energy from changing energy conservation standards for distribution transformers for a certain period, and for other purposes). The bill proposes to impose a 5-year moratorium on EE rules for transformers.

DOE last year proposed efficiency standards for three types of distribution transformers that, if finalized, would prod manufacturers to use amorphous steel cores in place of grain-oriented electrical steel. Utility groups, including the Edison Electric Institute and the National Rural Electric Cooperative Association, support Barrasso's bill.

On June 14, the House of Representatives passed HR 1615, the Gas Stove Protection and Freedom Act (re: Consumer Product Safety Commission) by 248-180 and HR 1640, the Save Our Gas Stoves Act (re: DOE) by 249-181. "Both bills would explicitly prohibit two federal agencies from imposing regulatory bans on the appliances."

On June 7, a bipartisan bill was introduced in the Senate (S. 1411: Providing Reliable, Objective, Verifiable Emissions Intensity and Transparency—or PROVE IT—Act) is intended to identify the emissions intensity of (some) US produced goods VS those produced in other countries.

3. Support updated energy efficiency standards for affordable housing

- Rural Home stakeholder support letter here

- Works to advance EE standards with some housing assisted by HUD and USDA. Acknowledges the upfront capital investments necessary to accomplish this and the challenges rippling from those costs.
    - Protect Homebuyers Who May Lose Eligibility
    - Help identify resources to cover added costs
    - Adjust underwriting standards to take account of anticipated lower energy costs.
    - Provide Technical Assistance for State Officials, Builders, Construction Workers, and Others
    - Address Differential Rural Impacts
    - Make Adjustments as Needed to Account for ASHRAE 90.1 Standards
    - Expand Strong Energy Efficiency Requirements to Additional Assisted Housing Programs

4. **Joint Comments: EE Standards for New Construction of HUD- and USDA-Financed Housing: Preliminary Determination**
    - You can find the stakeholder support letter here.
    - Fact sheet
    - White Paper
    - Similar to the comment letter above but with a message of general support.

5. **Draft Letter to DOE to guide HEEHR state electrification rebate programs**
    - You can find the stakeholder support letter here.
    - Trying to require states who receive rebate program funding to require/include all eight categories of products and home improvements listed by Congress in IRA:

> *(A) IN GENERAL.—The term "qualified electrification project" means a project that—*
> *(i) includes the purchase and installation of—*
> *(I) an electric heat pump water heater;*
> *(II) an electric heat pump for space heating and cooling;*
> *(III) an electric stove, cooktop, range, or oven;*
> *(IV) an electric heat pump clothes dryer;*
> *(V) an electric load service center;*
> *(VI) insulation;*
> *(VII) air sealing and materials to improve ventilation;*
> *or*
> *(VIII) electric wiring[.]"*

6. **PG&E Applies for $7 Billion Loan from DOE LPO**
    - Pacific Gas & Electric, California's largest investor-owned utility, has applied for an approximately $7 billion loan from the federal government to upgrade its electric grid, as first reported by The Wall Street Journal.
        - You can also find a Word version of the article here.
    - PG&E has submitted the first part of an application to the DOE's Loan Programs Office, Paulo said. There are two parts to the application, she said, the first being a more

"generalized application" and the second getting into specific projects. It isn't clear when the second part of the application will be submitted.

- The loan, if approved, would pay for new transmission lines, to convert transmission lines to higher voltage ones, and to replace overloaded transmission conductors with higher-capacity conductor, which could potentially be undergrounded, Paulo said.

7. BlueGreen Alliance | Roadmap to Navigating Federal Funding for Public Buildings (July 10, 2023)

- The BlueGreen Alliance | Roadmap to Navigating Federal Funding for Public Buildings is targeted to state and local agencies and other stakeholders interested in upgrading Municipal, University, School and Hospital (MUSH) buildings using federal funding opportunities from BIL and IRA. This highlights programs from Treasury (including direct pay), DOE, EPA and FEMA and includes quick facts summary tables of each.

- The roadmap also includes examples of how to stack funding, a few retrofit case studies and tools for identifying disadvantaged communities.

8. Other Federal Program Links

- DOE FOA – IIJA Energy Improvement in Rural or Remote Areas (ERA) Program
    - Applications **Due 6/28/23**; $15M Energizing Rural Communities Prize Pre-Registration
- DOE FOA – IIJA/IRA Industrial Decarb and Emissions Reduction
    - Applications **Due 8/4/23**; OCED Exchange
- DOE FOA – IRA Heat Pump Defense Production Act
    - Applications **Due 8/1/23**;
- DOE FOA – IIJA IACs & BTAC
    - Applications **Due 7/31/23**
- DOE FOA – IIJA Assisting Federal Facilities with Energy Conservation Technologies (AFFECT Grants)
    - Phased Submission Deadlines for Federal Agencies – **Winter Due 11/29/23**
- DOE FOA – IIJA Energy Efficiency and Conservation Block Grant (EECGB) Competitive Program
    - Applications **Due 8/7/23**
- DOE FOA IIJA FY23 RENEW AMERICA'S NONPROFITS (EE Materials Pilot Program)
    - Letter of Intent **Due 6/29/23**; Applications **Due 8/3/23**
- DOE – IRA Home Energy Rebate Programs (HOMES & HEEHRA)

Next Meeting

Our next Federal Policy WG meeting will be on Wednesday August 9 at **8:15 am**. Call-in coordinates are below.

Zoom link
Call-in: +13126266799,,83592457581#
Passcode: cedmc2022