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Energy & Sustainability Washington Update — December 2022

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Congress returned to Washington following the Thanksgiving holiday for a lame duck session to close out the 117th Congress. On the agenda are a number of "must pass" items such as the annual National Defense Authorization Act and completion of the budget for the current fiscal year, while other items are also possible such as the Respect for Marriage Act, aid to Ukraine, retirement legislation, the debt ceiling, and reform of the Electoral Count Act.

Energy Permitting Reform Potentially on Lame Duck Agenda

Less certain is the energy permitting reform legislation Sen. Joe Manchin (D-WV) was promised would see a vote in exchange for his support of the Inflation Reduction Act. As shared in our previous update, there has been opposition to the reform bill by progressives who oppose the legislation's support for fossil fuels, and by Republicans hesitant to give Sen. Manchin a legislative success. With that said, the White House has continued to state its support for the permitting reform legislation and Sens. Manchin and Senate Majority Leader Schumer (D-NY) have continued discussions about how to achieve passage. The most likely scenario for the bill to see passage this year is by being attached to the omnibus spending bill or the defense bill.

Biden Administration Seeks to Improve Energy Efficiency & Indoor Air Quality in Schools

Through the Renew America's Schools grant program, the U.S. Department of Energy has announced an initial funding round of up to $80 million (of a $500 million program) for K-12 schools. The funding opportunity has two areas of focus: 1) energy improvements that result in direct reduction to school energy costs, increase energy efficiency, and lead to improvements in teacher and student health, including indoor air quality; and 2) innovative energy technology packages that incorporate a combination of energy efficiency measures, renewable energy technologies, alternative fueled vehicle infrastructure on school grounds, and the purchase or lease of alternative fueled vehicles to be used by a school. DOE anticipates making approximately 20-100 awards under this funding opportunity, with individual awards varying between $500,000 and $15 million. DOE maintains a Teaming Partner List for organizations that may wish to participate on an application to express their interest to other applicants and to explore potential partnerships. Read more about this opportunity by clicking **HERE**.

EPA Seeking Public Comment on Renewable Fuel Standard

The Environmental Protection Agency (EPA) is seeking public input on required volumes of biofuel for the next one to three years and on a series of important modifications to strengthen and expand the program. EPA is also seeking comment on how this rule can intersect with continued viability of domestic oil refining assets, including merchant refineries, how best to support novel fuels like sustainable aviation fuels and clean hydrogen, and how to account for the new and updated incentives in the Inflation Reduction Act. EPA is also proposing new regulations governing the generation of qualifying renewable electricity made from renewable biomass that is used for transportation fuel in electric vehicles. Click **HERE** to read more.

Bipartisan Infrastructure Law Opportunities

Over the next several years, the Bipartisan Infrastructure Law will stand up 60 new DOE programs, including 16 demonstration and 32 deployment programs, and expand funding for 12 existing Research, Development, Demonstration, and Deployment (RDD&D) programs.

In November, DOE announced the following funding opportunities:

- **Transmission Facilitation Program** (Request for Proposals) to award $2.5 billion for new regional interregional transmission lines across the country. This is a revolving fund program that will provide Federal support to overcome the financial hurdles in the development of large-scale new transmission lines and upgrading existing transmission as well as the connection of microgrids in select states and U.S. territories. Initial responses are due February 1, 2023.
- **Grid Resilience and Innovation Partnership Programs** (Funding Opportunity Announcement) to award $5 billion in fiscal years 2022-2026 for innovative approaches to transmission, storage, and distribution infrastructure to enhance grid resilience and reliability. Eligible applicants are states

(individual or combined), tribes and territories, local governments, and public utility commissions. Concept papers are due January 13, 2023.

- **Grid Resilience Utility and Industry Competitive Grants** (Funding Opportunity Announcement) to provide up to $2.5 billion over five years ($500 million/year FY 22-26). Eligible applicants include electric grid operators, electricity storage operators, electricity generators, transmission owners or operators, distribution providers, and fuel suppliers. Concept papers are due December 16, 2022.
- **Energy Efficiency Revolving Loan Fund Capitalization Grant Program** (Funding Application) for states to establish loans and grants for energy efficiency audits, upgrades, and retrofits to increase energy efficiency and improve the comfort of buildings. Reponses are due April 21, 2023.
- **Energy Storage Demonstration and Pilot Grants and Long-Duration Energy Storage Demonstration Initiative and Joint Program** (Funding Opportunity Announcement) for emerging Long-Duration Energy Storage (LDES) demonstration projects capable of delivering electricity for 10-24 hours or longer to support a low-cost, reliable, carbon-free electric grid. This $349 million effort seeks LDES demonstration projects that will validate new technologies, enhance the capabilities of customers and communities to integrate LDES more effectively, and sustain American global leadership in energy storage. Eligible entities are technology developers, industry, state and local governments, tribal organizations, community based organizations, national laboratories, universities, and utilities. Letters of intent are due by December 15, 2022.
- **Energy Efficiency Materials Pilot Program for Non-Profits** (Request for Information) $50 million in grants to provide energy efficiency materials between fiscal years 2022 – 2026 in buildings owned and operated by charitable nonprofits. Public comment is due by December 22, 2022.

As implementation of the Bipartisan Infrastructure Law and Inflation Reduction Act continues, ML Strategies professionals, along with our colleagues at the Mintz law firm, welcome the opportunity to answer any questions about how these landmark laws may impact your business or organization.

Authors



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Neal Martin brings more than two decades of experience in government and federal relations to his work, helping clients navigate a wide range of issues. He provides strategic guidance to organizations seeking to advance their legislative priorities and enhance their visibility before Congress and federal agencies.