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House Approves Republican Energy Package

Four Democrats joined with all Republicans to approve, in a 225-204 vote, a massive House energy bill on March 30. While the bill will almost certainly not advance in the Senate, it lays out Republican energy policy priorities ahead of the 2024 election. H.R. 1, the **Lower Energy Costs Act**, largely focuses on expanding the production and export of fossil fuels, increasing production and processing of critical minerals, and reducing regulatory burdens and making permitting reforms. Even if approved by the Senate, the White House has **stated** that President Biden would veto the legislation if sent to him for signature.

Treasury Issues Guidance on Inflation Reduction Act EV Tax Credit

The **Treasury Department** on March 31 issued proposed guidance on the new clean energy vehicle provisions of the Inflation Reduction Act. According to Treasury "Notice of Proposed Rulemaking (NPRM) provides clarity and certainty to manufacturers on the Inflation Reduction Act requirements that vehicles eligible for the clean vehicle credit undergo final assembly in North America and do not exceed a Manufacturers Suggested Retail Price of $80,000 for a van, pickup truck, or sport utility vehicle, or $55,000 for any other vehicle." Treasury also outlines how manufacturers may satisfy the critical mineral and battery component requirements under the Inflation Reduction Act. The NPRM is filed for public inspection and will be published in the Federal Register on April 17, 2023. Vehicles placed-in-service on or after April 18, 2023 will be subject to the critical mineral and battery component requirements laid out in the rule. On that date, **FuelEconomy.gov** will contain a list of eligible clean vehicles that qualified manufacturers have indicated to the IRS meet the requirements to claim the new clean vehicle credit, including the amount of the credit.

Biden Administration Offshore Wind Energy Strategy

On March 29 the U.S. Department of Energy (DOE) released the first-ever national **Offshore Wind Energy Strategy**, aimed at helping the U.S. to meet President Biden's goal of deploying 30 gigawatts of offshore energy by 2030 and set the nation on the pathway to 110 gigawatts or more by 2050. The Strategy also supports the Administration's goals to deploy 15 gigawatts of floating offshore wind and achieve a carbon-free electricity sector by 2035. The strategy categorizes DOE's offshore wind efforts into four pillars:

- **NOW:** Lower costs from $73 per megawatt-hour (MWh) to $51 per MWh by 2030, develop a domestic supply chain, and inform sustainable, just deployment of fixed-bottom offshore wind.
- **FORWARD**: Achieve the **Floating Offshore Wind Shot** goal of reducing cost by over 70% to $45/MWh by 2035, establish U.S. leadership in floating offshore wind design and manufacturing, and inform sustainable, just deployment of floating offshore wind.
- **CONNECT:** Enable reliable and resilient transmission solutions for large-scale offshore wind deployment.
- **TRANSFORM**: Expand offshore wind co-generation technologies for widespread electrification and decarbonization.

New Private and Public Sector Investments for Affordable Electric Vehicles

The White House was joined by a number of companies and non-profits in **announcing** the first set of public and private commitments to support the nation's transition to electric vehicles (EV) under the EV Acceleration Challenge. Specific to the Federal government, the announcement states that the government has already acquired 13,000 light- and medium-duty zero emissions vehicles in Fiscal Year 2023, is committed to deploying an additional 24,000 charging stations at Federal facilities by the next fiscal year, and has created a **Station Locator Tool** which will provide date by state.

Bipartisan Bill Addresses Climate Change and Cyberattacks at Military Installations

New bipartisan **legislation** introduced by Reps. Jason Crow (D-CO), Don Bacon (R-NE), and Scott Peters (D-CA) would protect and strengthen military bases from the effects of climate change while protecting critical defense grid systems from cyberattacks. The *Guaranteeing Resilient Installations for Defense (GRID) Act* would allow the Secretary of Energy to proactively improve the resilience of critical defense infrastructure and reduce the risk of disruption to the electrical grid, and provide military installations with essential support to better protect the critical electric infrastructure against threats posed by severe weather, terrorism, or cyberattacks.

Hydrogen Infrastructure Initiative

Sens. Chris Coons (D-DE) and John Cornyn (R-TX) introduced a package of four bills – known as the **Hydrogen Infrastructure Initiative** – to support the adoption of hydrogen in energy-intensive sectors.

- The ***Hydrogen for Ports Act*** would support the demonstration of hydrogen- and ammonia-fueled equipment at ports and in shipping applications.
- The ***Hydrogen for Industry Act*** would support commercial-scale demonstration projects for end-use industrial applications of hydrogen, including in the production of steel, cement, glass, and chemicals. Industrial processes have specific technical requirements that limit the options for substituting heat sources.
- The ***Hydrogen for Trucks Act*** would support the demonstration of heavy-duty fuel cell vehicles and hydrogen fueling stations while collecting critical data to inform future investments in hydrogen trucking infrastructure.
- The ***Hydrogen Infrastructure Finance and Innovation Act (HIFIA)*** would create a pilot financing program to provide grants and flexible, low-interest loans for retrofitted or new hydrogen transport infrastructure, storage projects, and refueling stations.

Sens. Ben Ray Luján (D-NM), Bill Cassidy (R-LA), John Hickenlooper (D-CO), Lisa Murkowski (R-AK), and Martin Heinrich (D-NM) are original cosponsors of the bills.

Bipartisan Infrastructure Law & Inflation Reduction Act Opportunities

In March, DOE announced a number of opportunities, including:

- **Clean Hydrogen Electrolysis, Manufacturing and Recycling** (Funding Opportunity Announcement) providing funding for research, development, and demonstrations to: 1) improve the efficiency, increase the durability, and reduce the cost of producing clean hydrogen using electrolyzers to less than $2 per kilogram by 2026, 2) advance new manufacturing technologies and techniques for clean hydrogen production and use equipment, specifically for electrolyzer and fuel cell technologies, and 3) create innovative and practical approaches to increase the reuse and recycling of clean hydrogen and fuel cell technologies. Concept papers are due by April 19, 2023 and full applications by July 19, 2023.
- **Industrial Demonstrations Program** (Funding Opportunity Announcement) representing a more than $12 billion opportunity, when combined with private sector cost share, to catalyze high-impact, large-scale, transformational advanced industrial facilities to significantly reduce greenhouse gas emissions in energy-intensive industrial sectors. DOE will prioritize a portfolio of projects that offer deep decarbonization, timeliness, market viability, and community benefits. DOE is seeking first- or early-of-a-kind commercial-scale projects. Concept papers are due April 21, 2023 and full applications by August 4, 2023.
- **Energy Improvements in Rural or Remote Areas** (Funding Opportunity Announcement) to provide financial investment, technical assistance, and other resources to advance clean energy demonstrations and energy solutions that are replicable and scalable. The program will fund clean energy projects with three specific goals: 1) deliver measurable benefits to energy customers in rural or remote areas by funding replicable energy projects that lower energy costs, improve energy access and resilience, and/or reduce environmental harm, 2) demonstrate new rural or remote energy system models using climate-resilient technologies, business structures that promote economic resilience, new financing mechanisms, and/or new community engagement best practices, and 3) build clean energy knowledge, capacity, and self-reliance in rural America. Concept papers are due by April 14, 2023 and full applications by June 28, 2023.

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.