ML STRATEGIES

Washington Update: Sustainable Energy & Infrastructure — April 2026

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VIEWPOINT TOPICS

- Energy & Sustainability Washington Update

Federal energy policy this month reflects a strong push toward scaled deployment and supply chain security, led by the Department of Energy's (DOE) multibillion-dollar funding announcements across transmission, critical minerals, AI, and geothermal. The transfer of ENERGY STAR to DOE may, in the long term, signal greater clarity for the program, while Congress continues to focus on affordability amid tightening budget constraints.

At the same time, strengthened US-Japan coordination on critical minerals highlights the growing importance of allied industrial strategy. Overlaying these developments, sustained high oil prices driven by the conflict in Iran are reinforcing both domestic production priorities and the near-term economic case for alternative energy sources.

DOE and the Department of War Roll Out New Funding Opportunities

DOE has announced several new funding opportunities aimed at speeding energy technology deployment and strengthening key supply chains.

- **$1.9 Billion for Transmission Modernization via the SPARK Program:** DOE's Office of Electricity **unveiled** roughly $1.9 billion for the next round of the Speed to Power Through Accelerated Reconductoring and Other Key Advanced Transmission Technology Upgrades (**SPARK**) program. The initiative aims to replace existing power lines with higher-capacity conductors and deploy additional Advanced Transmission Technologies (ATTs) to increase grid capacity, improve efficiency, reduce costs, and enhance reliability. Concept papers are due April 2, 2026, and full applications are due May 20, 2026.
- **$500 Million for Critical Minerals and Battery Materials:** DOE **released** a **Notice of Funding Opportunity** offering up to $500 million to grow US capacity for critical minerals and materials processing, battery component manufacturing, and recycling. Letters of Intent (encouraged but not required) are due March 27, 2026, and full applications are due April 24, 2026. For a deeper dive into this opportunity, explore our full breakdown **here**.
- **$293 Million for AI-Driven National Challenges:** DOE also **launched** a $293 million Request for Applications inviting cross sector teams — from national laboratories, industry, and academia — to apply cutting-edge AI frameworks to more than 20 national challenges in areas such as advanced manufacturing, biotechnology, nuclear energy, critical materials, and quantum information science.
- **$171.5 Million for Next-Generation Geothermal:** These announcements build on DOE's $171.5 million **funding opportunity** from last month for next-generation geothermal field scale demonstrations and exploratory drilling to characterize and potentially confirm promising geothermal prospects. Letters of Intent were due March 27, 2026, and full applications are due April 30, 2026.

Alongside DOE, the Department of War's (DOW) Defense Industrial Base Consortium (DIBC) announced a Request for Proposal focused on 13 strategic and critical minerals. Unlike DOE grants, DIBC awards will use a combination of debt and equity, with anticipated funding awards for individual projects exceeding $500 million. Projects from mineral sourcing and beneficiation through to metal production, recycling, and supply chains are eligible. Applicants must be members of DIBC, which is available cost-free to US, UK, Canadian, and Australian companies. Phase 1 Quad Sheet applications were due March 20, 2026.

Taken together, this wave of new funding signals a meaningful acceleration in federal energy investments and is the clearest indicator yet that DOE is positioning 2026 as a year of scaled deployment and technological expansion.

ENERGY STAR Transitions from EPA to DOE

Adding to the month's shifts, the Trump administration officially moved oversight of the ENERGY STAR program from the Environmental Protection Agency to DOE. For more than 30 years, EPA has served as the lead agency for ENERGY STAR, most recently receiving $33 million to run it in the January minibus. DOE's historical investment has been significantly smaller — typically under $2 million annually. While the administration was debating eliminating the program altogether, this unexpected transfer maintains the program but raises questions about its future structure, funding, and operations under new management.

Earmarks: Senate Bars DOE Energy Projects for FY2027

Appropriations season is well underway, though the President has not yet released the FY2027 budget. This year, the Senate Appropriations Committee announced that DOE-funded "Energy Project" earmarks will not be eligible in FY2027, despite nearly $100 million in local project funding awarded last year. The House banned similar earmarks last year and will continue the prohibition for FY2027. DOE Secretary Chris Wright is slated to testify before the House Appropriations Committee on April 15 about DOE's budget request.

Legislative Activity on Energy Affordability

Legislative efforts continued to cluster around clean energy, affordability, and grid security.

On March 18, House Energy and Commerce Subcommittee on Energy Ranking Member Kathy Castor (D-FL) joined Sustainable Energy and Environment Coalition Co-chairs Reps. Sean Casten (D-IL) and Mike Levin (D-CA) in leading 122 Democrats on the introduction of the **Energy Bills Relief Act**. The sweeping, 400-plus-page bill proposes to undo clean energy tax credit rollbacks included in H.R. 1, reinstate terminated clean energy grants, reauthorize the Weatherization Assistance Program, expand community solar, and strengthen interregional transmission planning, among other measures.

Senate Committee Advances Under Secretary of Energy Nomination

The Senate Energy and Natural Resources Committee approved the pending nominations of Kyle Haustveit to be Under Secretary of Energy, David LaCerte to be a member of the Federal Energy Regulatory Commission, and Steven Pearce to be Director of the Bureau of Land Management. A floor vote is not expected until the end of April.

Strengthening US-Japan Cooperation on Critical Minerals

On the international level, the US and Japan deepened their strategic partnership by **signing** a new **Action Plan on Critical Minerals** designed to harmonize trade tools, investment strategies, and industrial policy between the two countries. The plan signals an intent to coordinate trade approaches — including exploring border-adjusted price floors or similar mechanisms for certain mineral imports — while jointly identifying mining, processing, and manufacturing projects in the US, Japan, and third countries that could qualify for financing or policy support.

Alongside this agreement, Commerce Secretary Howard Lutnick and Japan's Minister of Economy, Trade, and Industry Akazawa Ryosei signed a separate **Memorandum of Cooperation** focused on deep sea mineral development. The new bilateral working group established through the memorandum will facilitate research collaboration, technology sharing, and industry engagement — marking a clear step toward accelerating seabed mining capabilities to secure critical mineral supply chains.

Impact of the War in Iran

While the full impacts of the war in Iran on the energy sector are still far from certain, conclusions are beginning to emerge. The most apparent is the increase in oil prices, with Brent Crude futures peaking at over $110 a barrel and holding currently at over $100. Even if a resolution is reached over the next several weeks, the potential for future restrictions on 20% of the world's oil supply through the Strait of Hormuz will likely prompt countries and companies to rethink their energy and related supply chains to minimize the risk from this part of the world.

The Trump administration will likely continue to push increased domestic oil and gas production as a Middle East alternative as insulation for the US, sharpening the contrast with China and other countries, which will likely continue to look at renewables as a viable option. Nuclear deployment will continue to be something all sides can agree on.

With damage to Iranian and other regional infrastructure currently estimated to require years to rebuild and over $25 billion in investment, oil prices will continue to stay high for the foreseeable future. That will cause continued headwinds for the administration on questions of affordability going into the midterms. It remains to be seen whether that will change Congressional policy support for renewables, such as solar and storage, which in many cases will still be the best available near-term alternative to address the growing demand from data centers and other sources. Natural gas will also continue to play a strong role for this demand, and US natural gas exports will see an increased global role to supplement damage to Qatari facilities.

Conclusion

ML Strategies continues to closely monitor the policy areas outlined above, along with broader developments in the energy sector. We welcome the opportunity to connect. Please feel free to reach out with any questions or to explore potential opportunities.

Authors



John Lushetsky, Senior Vice President

John Lushetsky draws on over 30 years of experience in government and industry to help clients identify strategic opportunities, secure federal funding, and position innovative technologies for success within evolving energy and infrastructure policy landscapes. He has successfully helped clients navigate complex issues through a variety of federal agencies.



R. Neal Martin, Senior Director of Government Relations

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.

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