

# Monthly Update on Federal Energy Programs

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Presented by: Pilar Thomas, Partner

MTERA

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# Presenter

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# Agenda

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○ Update on BIL Implementation

○ Update on IRA Implementation

○ Appropriations Update (FY 2022)

○ Other Major Agency Actions

# Update on BIL Implementation

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- DOT – no updates yet on EV funding for communities
- EPA – no funding yet for clean buses or DERA
- DOE – open funding opportunities
  - Building codes funding
  - Energy efficient schools
  - Grid resiliency
  - Transmission facilitation program

# Update on IRA Implementation

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- Treasury – issuing new guidance on tax credits
- DOE – no updates on electrification rebates
- EPA – finalizing GHGRF program
- USDA – open applications for REAP

# ITC Guidance

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- Treasury issued guidance on November 30 for prevailing wage, apprenticeship, and 60 day safe harbor
- Prevailing wage – DOL determined, SAM.gov
- 60 day safe harbor – Jan. 29, 2023
  - 5% of total cost
  - Substantial start of construction

# Tax Benefits – Clean Vehicles

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- Clean commercial vehicle tax credits
  - 15% of cost; 30% if no fossil fuel
  - Up to \$7500 if < 14,000 lbs.
  - Up to \$40,000 if > 14,000 lbs.
- Treasury issued FAQs in December to clarify the qualified commercial clean vehicle tax credits
  - Qualified manufacturer
  - Electric vehicle or fuel cell

# Tax Benefits – Commercial Energy Efficiency

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- Amended 179D to allow tribes to allocate deduction to "designer".
- Tax deduction (not a credit) of up to \$5 per sq. ft.
  - Sliding scale based on efficiency gains
  - Prevailing wage requirement
- Minimum 25% efficiency improvement.



# Tax Benefits – Residential Energy Efficiency

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- Two Types of Tax Credits
  - Energy Efficiency
  - Clean Energy Generation (i.e., solar and wind)
- Energy Efficiency Tax Credits
  - Up to 30% of costs - \$1200/year max (\$2000 if doing heat pumps)
  - Per technology limits
- Clean Energy Generation (solar, wind, geothermal heat pumps, storage)
  - Increased back to 30% tax credit until 2032, then phase out.
  - Added storage.
- Treasury has issued FAQs in December to clarify
  - One note: tenants are eligible for the tax credits, but not the landlord

# Environmental Programs

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- Greenhouse Gas Reduction Fund - \$27 billion
  - Amends the Clean Air Act to give EPA authority to make grants to states, tribes, non-profits and invest in non-profit, state and local financing institutions to deploy low-zero emission technologies; available until Sept. 30, 2024.
  - \$7 billion in competitive grants (states, tribes) for financial and technical assistance.
  - \$12 billion to lending institutions to leverage private investment.
  - \$8 billion in competitive grants to non-profits.
- EPA using ERAB to design program

# Environmental Programs cont.

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- Climate Pollution Reduction Grants - \$9 billion
  - Achieve or facilitate GHG emission reduction.
  - Planning and implementation grants.
- Environmental and Climate Justice Block Grant - \$3 billion
  - Community led – Partnerships with tribes and non-profits.
  - Climate resiliency, low-zero emission/resiliency technologies, education
- EPA accepting comments from tribes until mid January

# USDA Energy Programs

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- REAP – Received \$2 billion
  - Open application for funding, due Mar. 31
- RUS – received \$10 billion in additional lending authority
- USDA conducted tribal consultation in mid December
  - Accepting written comments until Jan. 15

# Appropriations Update

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- DOE Indian Energy – increase in funding to \$75 million
- DOE TELGP - \$2 million for credit subsidies
- DOI BIA - \$1.9 billion
- DOI BIA Loan Guarantee - \$14million
- LIHEAP - \$4 billion
- EPA DERA - \$100 million
- HUD - \$1.02 billion for Native housing
- USDA RUS - \$8.2 billion in loan authority

# Update on Other Major Federal Agency Action

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- White House Tribal Nation Conference
  - EV Initiative For Tribal Nations - a joint agency effort to support electric vehicle and charging station infrastructure deployment
  - READI (Renewable Energy Accelerated Deployment Initiative for Indian Country) - a DOI initiative to support clean energy deployment
  - Tribal Energy Purchase Preference - revised the DOE program to support the federal purchase of clean energy and energy products from tribes
- National Blueprint for Transportation Decarbonization
  - Interagency MOU
  - Blueprint

# Questions? Thank you

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