

Energy & Sustainability Washington Update — June 2023

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Bipartisan Infrastructure Law & Inflation Reduction Act Opportunities

Curious about federal clean energy opportunities for your organization? Our [Energy Funding Matrix](#) serves as a resource for identifying potential opportunities to leverage federal dollars in your clean and renewable energy efforts. We update the matrix on a biweekly basis and welcome any inquiries about how the Bipartisan Infrastructure Law and Inflation Reduction Act, along with other relevant federal opportunities, may impact your business or organization.

In May, the U.S. Department of Energy (DOE) announced the following clean energy infrastructure program and funding opportunities:

- **National Interest Electric Transmission Corridor Designation Process** (Notice of Intent and Request for Information). This program will inform an applicant-driven, route-specific process to designate National Interest Electric Transmission Corridors (NIETCs) that will unlock new financing and regulatory tools to spur immediate investments. The RFI seeks feedback on final guidelines, procedures, and evaluation criteria for the designation process. A [public webinar](#) was held on May 17. The Federal Power Act authorizes the Secretary of Energy to designate any geographic area as a NIETC if the Secretary finds that current or anticipated future electric energy transmission capacity constraints or congestion are adversely affecting consumers. These routes can vary in length up to several hundred miles. Designation of NIETCs can assist in focusing commercial investments, signal opportunities for beneficial development to transmission planning entities, and unlock siting and permitting tools for transmission projects in identified areas. All comments must be received by 5:00 p.m. ET on June 29, 2023.
- **Maintaining and Enhancing Hydroelectricity Incentives** (Application Guidance). One of three Bipartisan Infrastructure Law–supported programs administered by DOE’s Grid Deployment Office, the Maintaining and Enhancing Hydroelectricity Incentives was created to maintain and enhance hydroelectric facilities to ensure generators continue to provide clean, affordable electricity while integrating renewable energy resources such as wind and solar, improving dam safety, and reducing environmental impacts. On May 8, the Grid Deployment Office released [application guidance](#) and opened the solicitation for the Maintaining and Enhancing Hydroelectricity Incentives (EPA Act 2005 Section 247). Letters of Intent will be accepted through the [Clean Energy Infrastructure Funding Opportunity eXCHANGE](#) for a 45-day period starting May 8, 2023, through 5:00 p.m. ET on June 22, 2023. Full applications will be accepted for a 105-day application period starting June 23, 2023, through 5:00 p.m. ET on October 6, 2023. To be eligible to file a full application, prospective applicants must first file a Letter of Intent.
- **Clean Fuels & Products Shot™**: This is a new initiative that aims to significantly reduce greenhouse gas emissions (GHGs) from carbon-based fuels and products. This is the seventh [DOE Energy Earthshot](#) and focuses on reducing carbon emissions from the fuel and chemical industry through alternative, more sustainable sources of carbon to achieve a minimum of 85% lower GHG emissions as compared to fossil-based sources by 2035. The Clean Fuels & Products Shot™ supports the national goal of achieving net-zero emissions by 2050 by developing the sustainable feedstocks and conversion technologies necessary to produce crucial fuels, materials, and carbon-based products that are better for the environment than current petroleum-derived components. It aims to meet projected 2050 net-zero emissions demands for 100% of aviation fuel; 50% of maritime, rail, and off-road fuel; and 50% of carbon-based chemicals by using sustainable carbon resources.
- **Renew America’s Nonprofits grant** (Funding Opportunity Announcement). This opportunity will support projects to reduce energy use in buildings owned and operated by 501(c)(3) nonprofits. DOE will award 5 – 15 larger grants to nonprofits interested in serving as Prime recipients that will recruit and provide technical assistance to eligible projects. These Prime recipients will assemble and support a group of energy-efficiency projects in the facilities of other nonprofit organizations. The Renew America’s Nonprofits grant aligns with the [Justice40 Initiative](#) and encourages applicants to show how their projects will benefit historically disadvantaged communities. DOE will host information webinars on June 8, 2023. Letters of Intent are due by June 29, 2023 and full applications by August 3, 2023.

Bipartisan Debt Ceiling Compromise & Impact on the Energy Sector

With just days to spare before a first-ever default by the U.S. government, President Biden and Speaker McCarthy (D-CA) announced a compromise debt ceiling and budget bill titled the Fiscal Responsibility Act

(FRA). The agreement does not impact the Bipartisan Infrastructure Law, the CHIPS and Science Act, or key parts of the Inflation Reduction Act, including clean energy. In addition to a two-year debt limit suspension (through January 1, 2025) and a two-year federal spending deal, the FRA includes certain policy provisions, including many of the key provisions from the Building U.S. Infrastructure through Limited Delays and Efficient Reviews (BUILDER) Act, which was passed in the House of Representatives as a part of H.R. 1, the Lower Energy Costs Act. Specifically, the bill makes changes to the National Environmental Policy Act (NEPA), including:

- Implementing the One Federal Decision framework for all projects that must undergo NEPA review, facilitating the designation of a lead agency to set a permitting schedule, and utilization of a single document for environmental reviews involving multiple agencies.
- Setting 150-page limits for environmental impact statements (300 pages if the project is of extraordinary complexity) and 75-page limits for environmental assessments.
- Setting time limits of one year for environmental assessments and two years for environmental impact statements and providing a right of action to project applicants if the agency does not adhere to these deadlines.
- Permitting project sponsors to assist agencies in conducting environmental reviews to help speed up the process.
- Allowing agencies to adopt categorical exclusions utilized by other agencies through a streamlined process.
- Clarifying the definition of a "major federal action" under NEPA, including a list of actions that do not qualify as a "major federal action."
- Directing the Council on Environmental Quality to conduct a study on modernizing the NEPA process by utilizing digital technologies to create an online portal to streamline communications and data sharing between agencies and project applicants.

According to a White House official, "These changes will help us build more quickly and responsibly; build more solar, build more wind, EV chargers, transmission, and the other infrastructure we need to secure a clean energy economy." It is expected that the permitting changes in the FRA will help achieve President Biden's goal of net-zero emissions by 2050.

The FRA is expected to pass on a bipartisan basis in both the House and Senate and be signed into law by President Biden before the Treasury Department's default deadline of June 5.

GSA Interim Inflation Reduction Act Pilot of Low Embodied Carbon Materials Requirements

The U.S. General Services Administration on May 16 **announced** a pilot of new requirements calling for the procurement of construction materials with substantially lower embodied carbon for GSA projects funded by the Inflation Reduction Act. The **requirements** were developed with market insights gathered from domestic manufacturers, local suppliers, small businesses, and environmental and labor groups. The Pilot Program consists of 11 new construction projects, land port of entry projects, limited scope modernization projects, and paving projects.

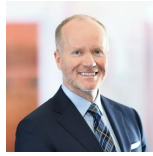
Energy Emergency Leadership Act Advances Out of Committee

The bipartisan Energy Emergency Leadership Act (**H.R. 3277**), introduced by Reps. Tim Walberg (R-MI) and Lisa Blunt Rochester (D-DE), was unanimously advanced by the House Committee on Energy & Commerce on May 24. The bill would amend the Department of Energy Organization Act to require the Secretary of the Department of Energy to assign energy emergency and energy security functions to an assistant secretary, including responsibilities concerning infrastructure and cybersecurity. The bill was approved in a bipartisan vote by the House of Representatives in the previous Congress but was not advanced in the Senate.

CLEAR Act Would Reduce Emissions from Refineries

Rep. Lizzie Fletcher (D-TX) on May 10 reintroduced the Carbon Limiting Emissions At Refineries (CLEAR) Act (**H.R. 3182**) to support the research and development of projects that reduce greenhouse gas emissions in the downstream energy sector. The CLEAR Act authorizes a \$200 million program at the DOE to provide grants for demonstration projects in promising technologies, such as carbon capture, advanced catalysts, energy reduction, hydrogen firing, and electrification of heat and steam generation, which will help reduce emissions and lower carbon intensity at refineries. The bill was first introduced in the 117th Congress.

Authors



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