



Slicing the Pie of EE Funding in IIJA and IRA



April 18, 2023

Housekeeping

- Attendees please stay muted
- Questions? Enter them in the question box
- Presentation will be recorded and sent out after

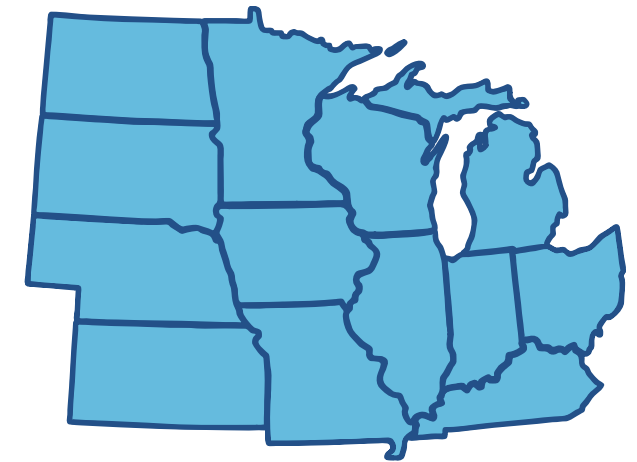
General Agenda

Overview

- What is MEEEA?
- Caveats
- Overview of IIJA and IRA
- Major EE provisions of IIJA and IRA
- Q&A

Midwest Energy Efficiency Alliance

At MEEA, we leverage our unique position as the **Midwest's trusted resource on energy efficiency policy and programs** to help identify, understand, and implement cost-effective strategies that provide economic and environmental benefits.



MEEA is a non-profit membership organization with 160+ members, including:



Energy service companies & contractors



State & local governments



Academic & research institutions



Electric & gas utilities

WARNING!

Caveats

- These are massive bills, so today will be surface-level and FAST
- This list might not be definitive – it's our best judgment
- There are additional provisions that have tangential relationships to EE
 - e.g., clean hydrogen, grid resilience, environmental & climate justice block grants
- BUT we can/will dig in more deeply during future webinars
- For many programs, details, funding opportunity announcements (FOAs) still pending or TBD

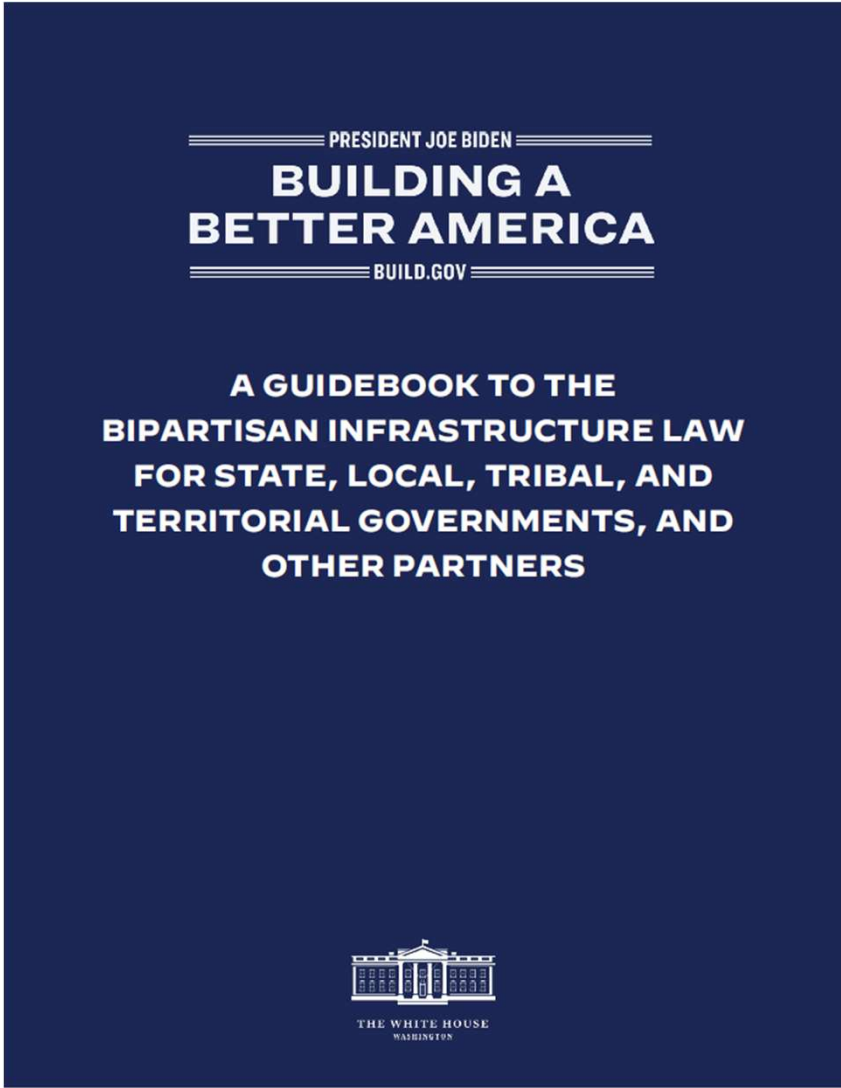
Overview

Infrastructure Investment and Jobs Act (IIJA)

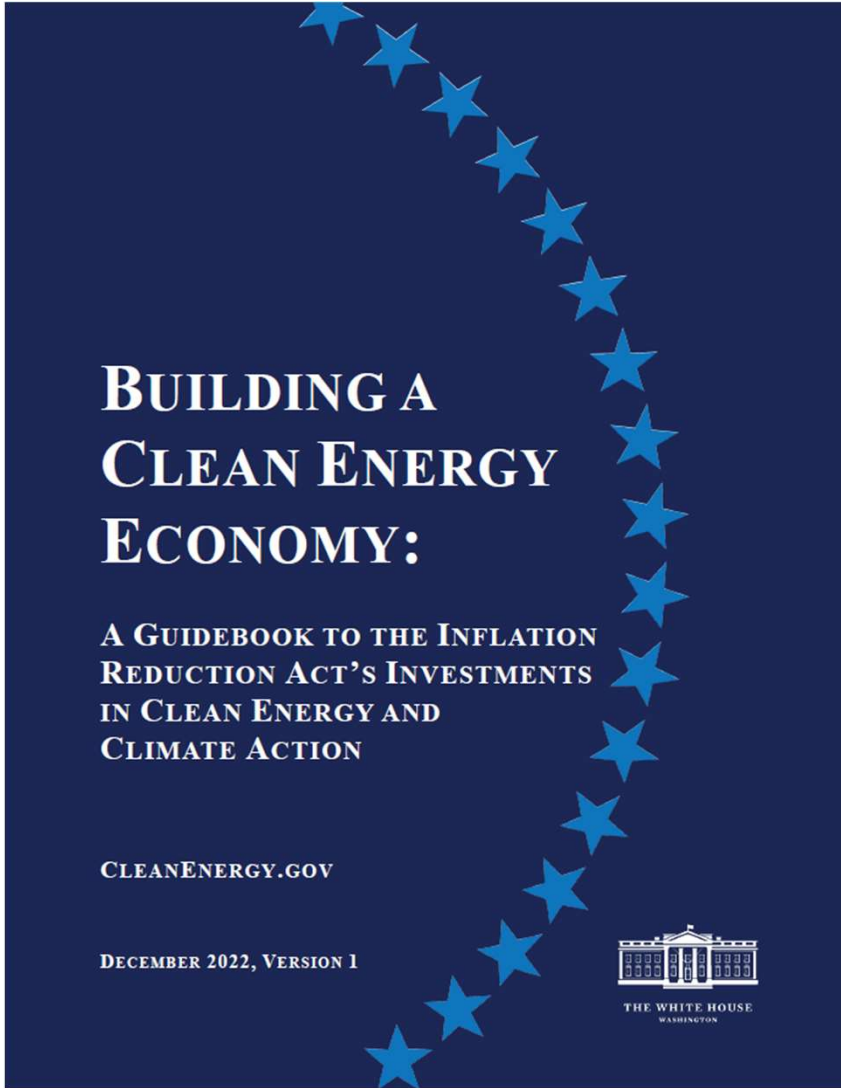
- \$550B in new spending over 5 years
- \$75B for clean energy and power
- Passed US Senate 69–30 / US House 228–206
- Signed by President Biden on November 15, 2021
- aka Bipartisan Infrastructure Law (BIL)

Inflation Reduction Act (IRA)

- Passed US Senate 51-50 / US House 220-207
- Signed by President Biden on August 16, 2022
- \$370B (estimated) in new spending on climate and energy initiatives
- Projected to reduce carbon emissions 31-44% below 2005 levels by 2030, up from 24-35%



Build.gov



CleanEnergy.gov

Infrastructure Investment and Jobs Act (IIJA)

Which Bill – Statutory Location – Responsible Agency

Name of Program

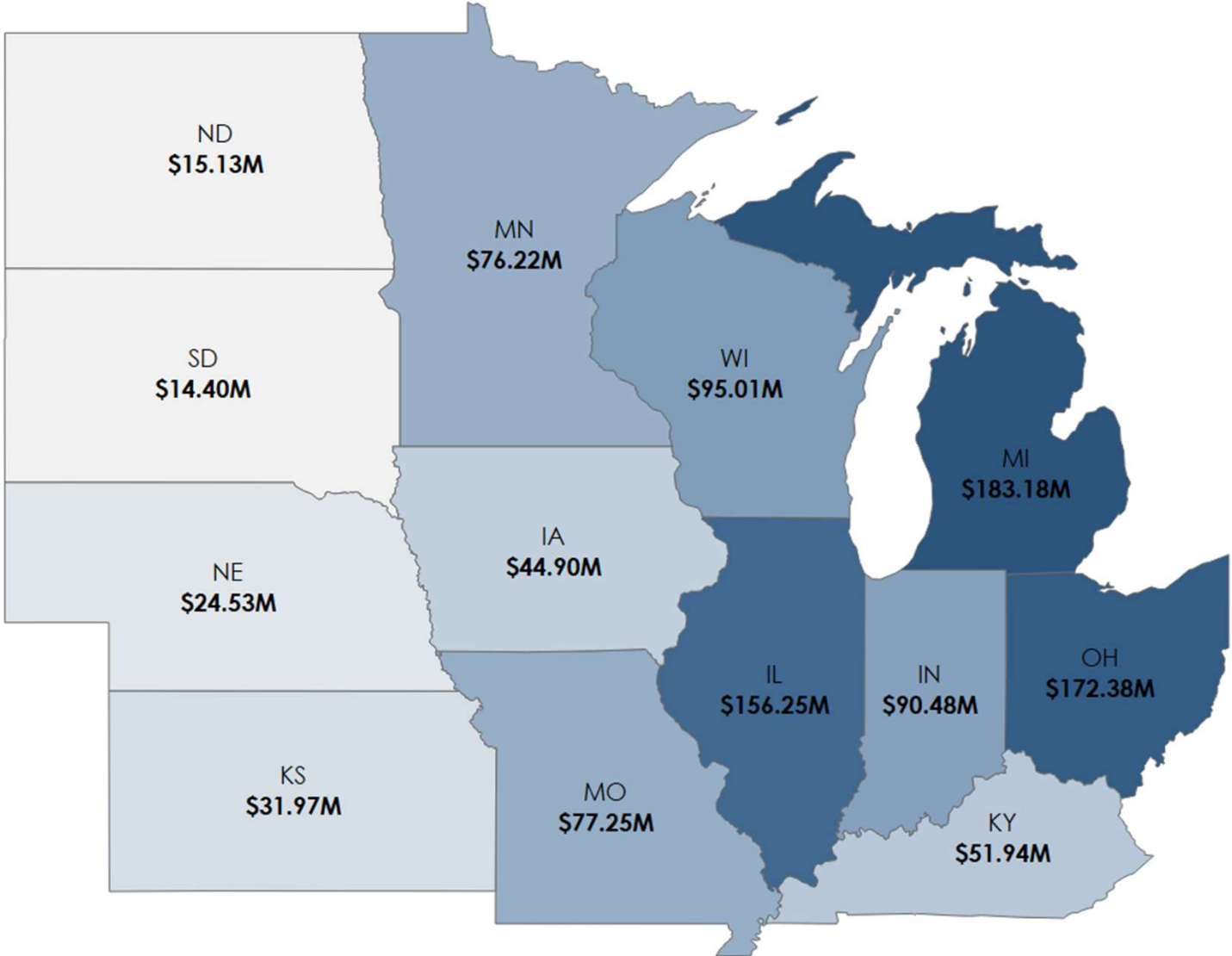
- Funding amount and duration
- Type of funding
- Eligible entities
- Purpose
- Additional info
- Status
- MEEA role (if any)

SAMPLE
SLIDE

Weatherization Assistance Program

- \$3.5B (until expended) - \$3.2B grantees, \$300M other (including competitive grants)
- Formula grant to states and tribes
- To increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their energy expenditures, improve healthy and safety
- States/tribes can use 7.5% for administration (additional 7.5% for subgrantees)
- **Status:** Underway, must meet milestones for 2nd 50%; FOAs for competitive grants fall 2023 (tentative)

Weatherization Assistance Program



Smart Grid Investment Matching Grant Program

- \$3B (\$600M/year for 5 years until expended)
- Grants
- Utilities
- For investments in demand flexibility and Smart Grid functions
- 50% cost share
- **Status:** Concept papers submitted Dec. 2022

Energy Improvements in Rural or Remote Areas

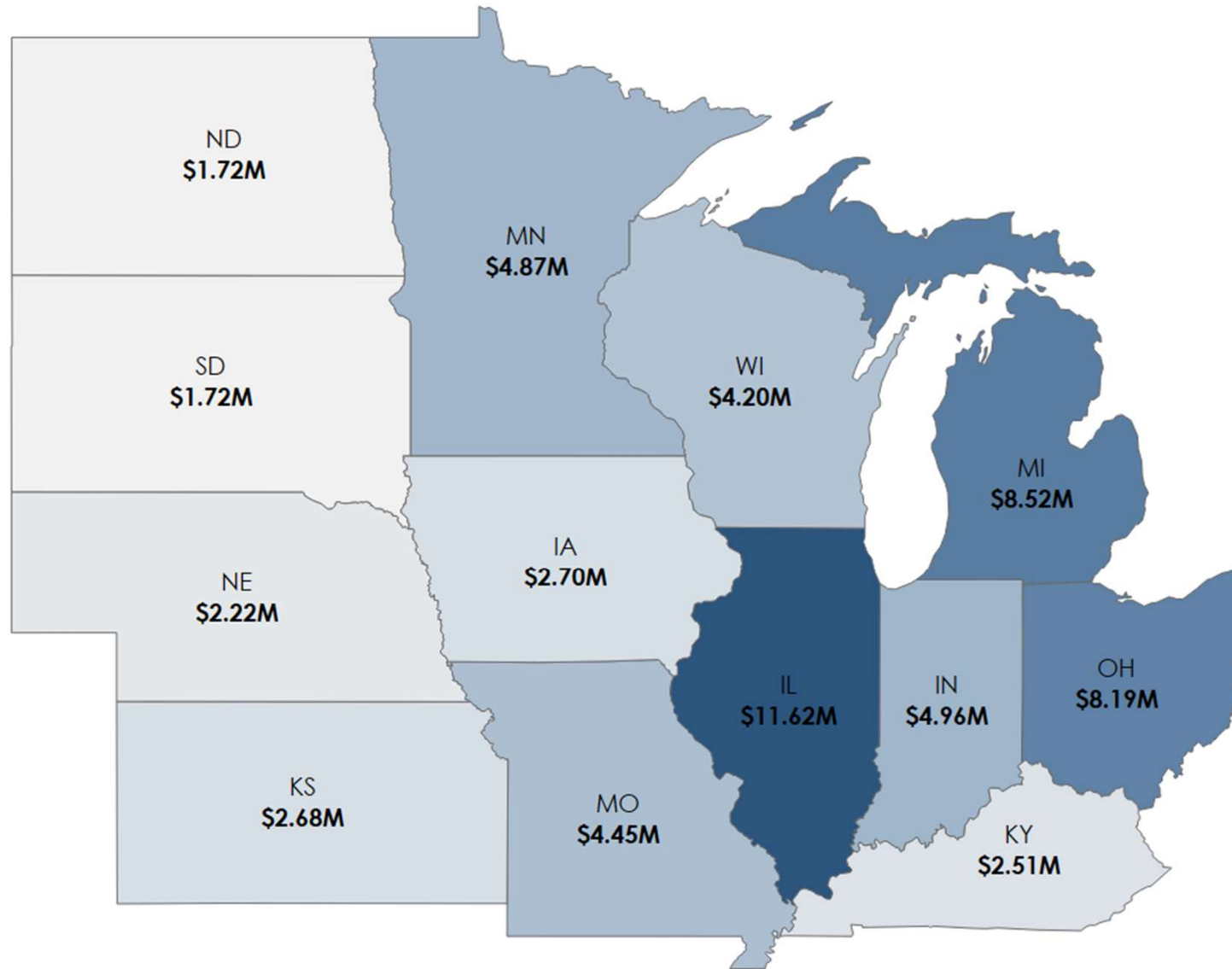
- \$1B (\$200M/year until expended)
- Grants, coop agreements, or other
- Cities, towns, unincorp areas w/10K+ inhabitants
- Wide uses: cost-effectiveness of energy systems, transmission/distribution, reducing GHG emissions, modernizing electric generation facilities, developing microgrids, increasing EE
- **Status:** Concept papers submitted April 14, 2023. Full applications due June 28, 2023. Energizing Rural Communities Prize applications due May 24, 2023.

Infrastructure Investment and Jobs Act - 40552 - DOE

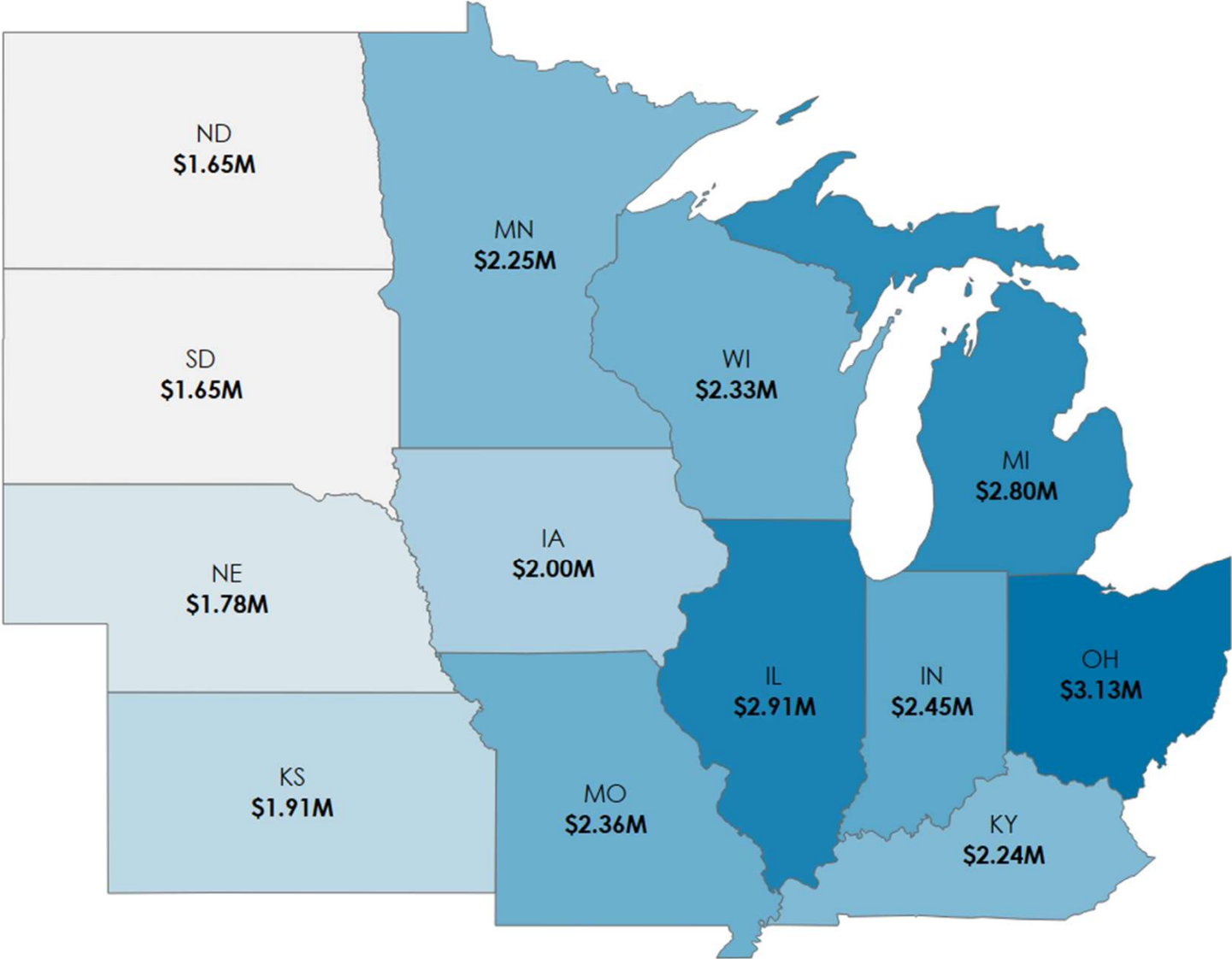
Energy Efficiency and Conservation Block Grant Program

- \$550M (until expended)
- Block and competitive grants to states, local governments, tribes
- For implementation of strategies to reduce energy use, GHG emissions, and improve EE
- Many, many options for programs
- **Status:** Pre-application process underway. Due date April 28, 2023.

EECBG - Local Governments



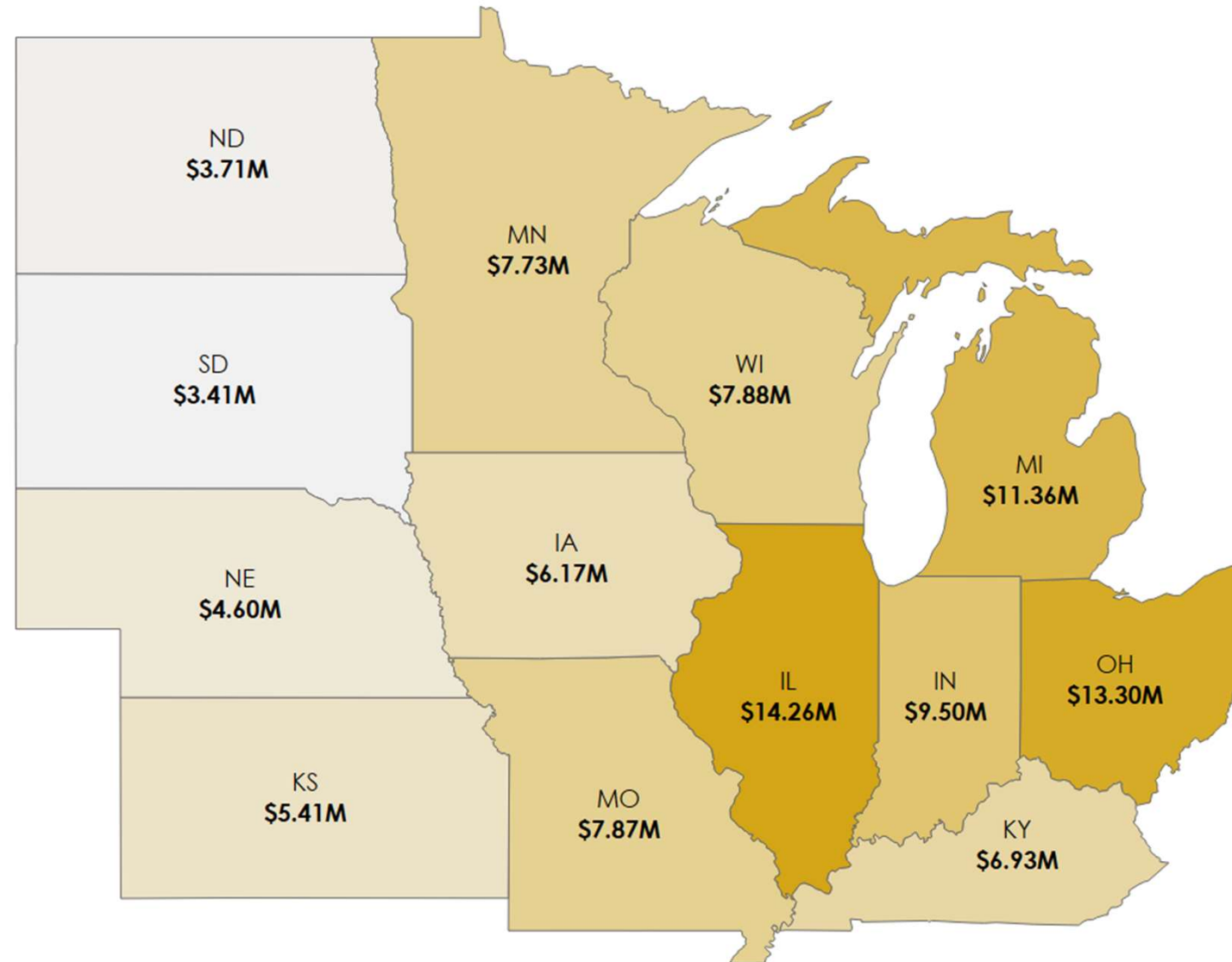
EECBG - State Governments



State Energy Program

- \$500M (until expended)
- Formula grant to states (SEOs)
- To support state efforts regarding transmission and distribution and reduction of carbon emissions in all economic sectors (including EE measures)
- States must complete an State Energy Strategic Plan to receive future SEP funding
- Transformation Collaboratives (voluntary)
- **Status:** Applications for formula grants submitted 2022

State Energy Program



Industrial Emission Demonstration Projects

- \$500M (until expended)
- Grants, coop agreements, or other
- Wide eligibility (public, private, academic, nonprofit)
- To fund demonstration projects that test and validate technologies that reduce industrial emissions (incl. EE)
- **Status:** Open FOA. Concept papers due April 21, 2023. Full applications due August 4, 2023.

Infrastructure Investment and Jobs Act - 40541 - DOE

Grants for Energy Efficiency and Renewable Energy Improvements at Public School Facilities

- \$500M (until expended) – first round of \$80M
- Grants
- Consortia of one local ed agency and one or more schools, nonprofit, private, and/or community partners
- EE, renewables, alternative fuel vehicles
- Also Energy CLASS Prize (energy manager training for school officials)
- **Status:** First-round concept papers submitted Jan. 26, 2023; full applications due April 21, 2023. Energy CLASS Prize applications submitted Feb. 28, 2023.

Infrastructure Investment and Jobs Act - 40521 - DOE

Industrial Research and Assessment Center Implementation Grants

- \$400M (until expended)
- Grants
- Small- and medium-sized manufacturers
- For upgrades that have been recommended in assessment by an Industrial Assessment Center, Combined Heat and Power Tech Assistance P'ship, or approved third party
- **Status:** “estimated application opening date 1st quarter 2023”

Infrastructure Investment and Jobs Act - 41001 - DOE

Energy Storage Demonstration and Pilot Grant Program

- \$355M (until expended)
- Grants, coop agreements, or other
- Technology Developers, Industry, State and Local Governments, Tribal Organizations, Community Based Organizations, National Laboratories, Universities, and Utilities
- For 3 energy storage system demo projects
- EE is an eligible use
- **Status:** “Estimated application opening date is Q3 of CY 2023”

Infrastructure Investment and Jobs Act - 40554 - DOE

Assisting Federal Facilities with Energy Conservation Technologies Grant Program

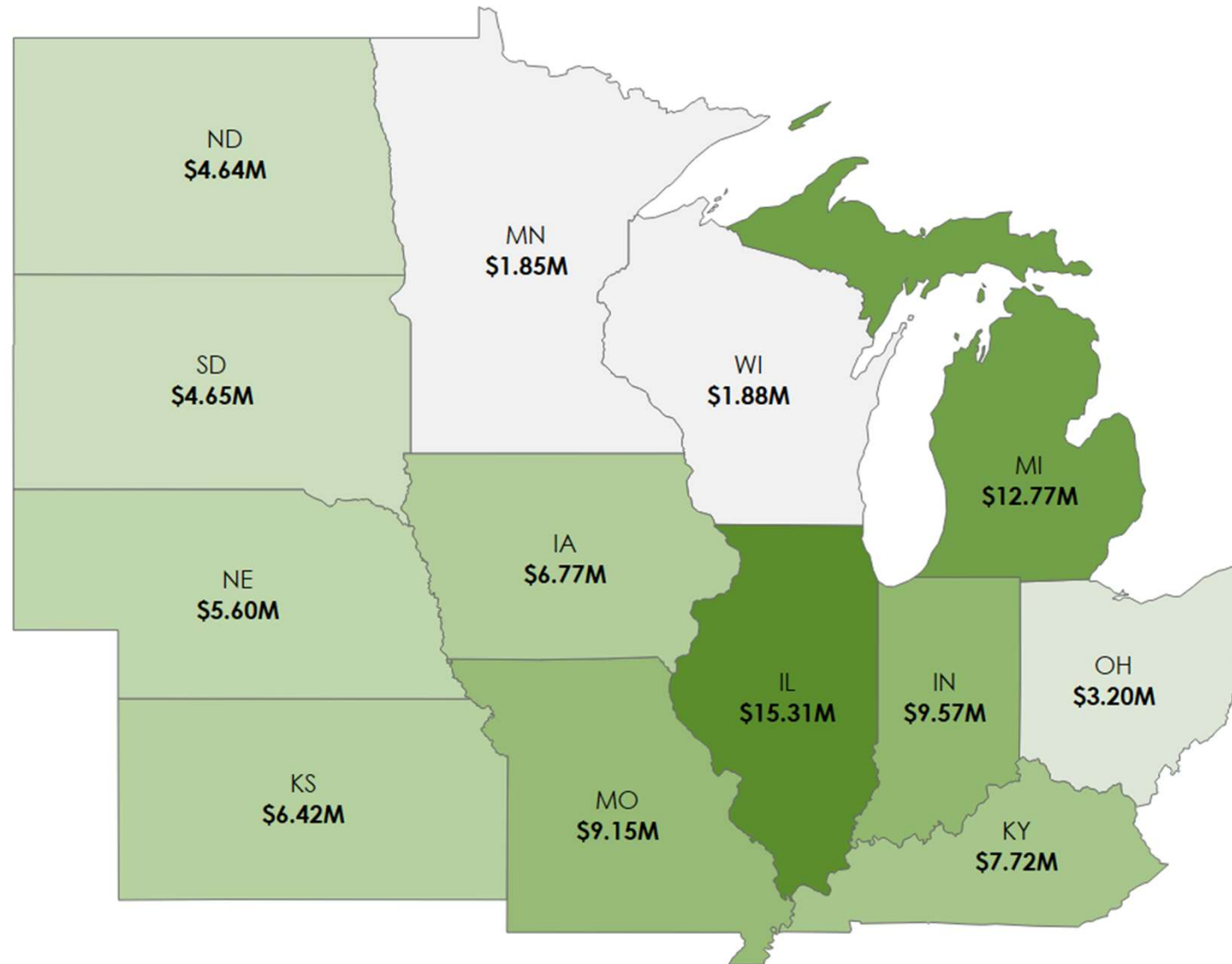
- \$250M (until expended)
- Grants
- Federal agencies
- Grants (to leverage with private capital) to improve water and energy efficiency in federal buildings
- **Status:** “Estimated application will open before the end of 2022”

Infrastructure Investment and Jobs Act - 40502 - DOE

Energy Efficiency Revolving Loan Fund Capitalization Grant Program

- \$250M (until expended)
- Formula grants
- States
- To help capitalize revolving loan funds that provide loans and grants for energy efficiency audits, upgrades, and retrofits
- **Status:** Applications from states, territories, and DC due May 26, 2023

Energy Efficiency Revolving Loan Fund Capitalization Grant



Cost-effective Codes Implementation for Efficiency and Resilience

- \$225M (until expended)
- Competitive grants
- States and state partnerships
- To advance training and materials to builders and code officials, collect and disseminate quant data, develop/implement plan for code implementation and compliance, implementation needs, implement energy code upgrades
- **Status:** Concept papers submitted Jan. 2023, full apps March 2023. DOE will announce recipients in June, negotiate through Aug.
 - MEEA – included in 8 applications

Industrial Research and Assessment Centers

- \$150M (until expended)
- Competitive grants
- Higher ed institutions, community college, trade school, or union training program
- To provide in-depth assessments of small- and medium-sized manufacturing plant sites to evaluate the facilities, services, and manufacturing operations, including opportunities for EE optimization; to serve as a clearinghouse for industrial and EE technical assistance resources; etc.
- **Status:** Bipartisan Infrastructure Law: IACs at Trade Schools, Community Colleges, and Union Training Programs and Building Training and Assessment Centers (BTAC) Program concept papers due May 25, 2023; full applications due July 31, 2023

Energy Efficiency Materials Pilot Program

- \$50M (until expended)
- Competitive grants
- Nonprofits
- To provide grants to supply nonprofit buildings with energy-efficient materials
- **Status:** FOA expected May 2023. Teaming list is live.

Energy Auditor Training Grant Program

- \$40M (until expended)
- Grants
- States
- To provide grants to eligible States to train individuals to conduct energy audits or surveys of commercial and residential buildings
- **Status:** “Estimated application opening date is Q1 2023”

Energy Efficient Transformer Rebates

- \$10M (until expended)
- Rebates/grants
- Owners of industrial or manufacturing facilities, commercial buildings, or multifamily residential buildings, a utility, or an energy service company
- To purchase a qualified transformer to replace an energy-inefficient transformer
- **Status:** Implementation guidance issued Dec. 2022, “Estimated application opening date, 4th quarter 2022.”

Career Skills Training

- \$10M (until expended)
- Grants
- Nonprofit partnerships
- To provide grants to pay the Federal share of career skills training programs for an industry-related certification to install energy efficient building technologies
- **Status:** “Estimated application opening date, 1st quarter 2023.”

Inflation Reduction Act (IRA)

Greenhouse Gas Reduction Fund

- \$27B through September 30, 2024
- Competitive grants
- “Eligible recipients” (nonprofit green banks) - \$20B
- States, local govts, tribal govts eligible recipients - \$7B reserved for low-income and disadvantaged communities
- **Status:** Guidance documents released Feb. 2023. FOAs expected summer 2023.

Funding for DOE Loan Programs Office

- \$3.6B in credit subsidy available through September 30, 2026
- \$40B of loan authority
- Loan guarantees
- States, local govts, tribal govts, educational institutions, housing authorities, nonprofits, businesses
- To support the cost of loans for innovative clean energy technologies, incl. EE
- **Status:** In effect

Tribal Energy Loan Guarantee Program

- \$75M available through September 30, 2026
- Raised total loan authority from \$2B to \$20B
- Loan guarantees
- Tribal governments
- To support the cost of loans for energy resources, products, and services, incl. EE
- **Status:** In effect

Advanced Energy Project Credit (aka Section 48C)

- \$10B in allocations, at least \$4B of which must be in energy communities
- Projects that re-equips, expands, or establishes industrial or manufacturing facilities that make/recycle clean energy equipment, that reduce GHG emissions by at least 20%, or that handle critical minerals – EE projects qualify
- Tax credit of 6% of qualifying investment
- Bonus credit expands to 30% for meeting prevailing wage and registered apprenticeship requirements
- **Status:** IRS initial guidance issued

Electric Loans for Renewable Energy

- \$1 B available through Sept. 2031
- Loans/loan forgiveness
- State/local/tribal govts, nonprofits, businesses
- To finance electric facilities for rural areas, incl. EE programs, DSM
- **Status:** Unclear

Rural Energy for America Program (REAP)

- \$1.72B available through Sept. 2031
- Grants
- Rural small businesses, ag producers
- To provide guaranteed loan funding and grants for RE systems or to make EE improvements (ag producers can buy new energy-efficient equipment)
- **Status:** Applications opened April 1, 2023, for first of six quarterly cycles. Due June 30, 2023.

Inflation Reduction Act - 22002(b) - USDA

Rural Energy for America Program (REAP) – Underutilized Renewable Energy Technologies

- \$304M available through Sept. 2031
- Grants
- Rural small businesses, ag producers
- For underutilized RE technologies
- **Status:** EE NOT currently eligible

USDA Assistance for Rural Electric Coops

- \$9.7B available through Sept. 2031
- Loans, loan mods, loan costs, other financial assistance incl. grants
- Electric coops in rural areas
- Loans and other financial assistance to achieve the greatest reduction in GHGs associated with rural electricity, incl., EE improvements to generation/transmission systems
- **Status:** Unclear

Tribal Electrification Program

- \$150M available through Sept. 2031
- Direct federal spending, grants, contracts, agreements
- Direct federal spending and tribes
- To provide financial and technical assistance to Tribes to increase the number of Tribal homes with zero-emission electricity.
- Measures include home repairs and retrofitting needed to prepare homes for electrification
- **Status:** “TBD.”

Advanced Industrial Facilities Deployment Program

- \$5.8B available through Sept. 2026
- Grants, rebates, cooperative agreements
- Owners or operators of domestic, nonfederal, nonpower industrial or manufacturing facilities engaged in energy-intensive industrial processes
- To provide financial support for complete demonstration and deployment projects that reduce a facility's GHG emissions through advanced industrial technologies (or engineering studies in preparation)
- **Status:** “Anticipated application opening in Q1 2023.”

Climate Pollution Reduction Grants

- \$5B available through Sept. 2031
 - \$250M for planning - \$3M/state, \$1M metro area
 - \$4.75B for implementation
- Grants
- Primarily states, municipalities, tribes, air pollution agencies
- To develop and implement plans to reduce GHG pollution
- **Status:** Notice of intent to participate due from states Mar. 31, metro areas Apr. 28, 2023. Iowa, Kentucky, and South Dakota did not submit. So far, one Midwest metro has submitted: Grand Rapids.

Climate Pollution Reduction Grants



Climate Pollution Reduction Grants – Eligible Metro Areas

- Chicago-Naperville-Elgin, IL-IN-WI
- Detroit-Warren-Dearborn, MI
- Minneapolis-St. Paul-Bloomington, MN-WI
- St. Louis, MO-IL
- Cincinnati, OH-KY-IN
- Kansas City, MO-KS
- Columbus, OH
- Indianapolis-Carmel-Anderson, IN
- Cleveland-Elyria, OH
- Milwaukee-Waukesha, WI
- Louisville/Jefferson County, KY-IN
- Grand Rapids-Kentwood, MI
- Omaha-Council Bluffs, NE-IA
- Des Moines-West Des Moines, IA
- Lexington-Fayette, KY
- Davenport-Moline-Rock Island, IA-IL
- Sioux Falls, SD
- Cedar Rapids, IA
- Bowling Green, KY
- Rapid City, SD

Energy Efficiency Home Improvement Credit

- Available 2022-2032
- For homeowners or renters (in some cases)
- 30%, up from 10%
 - \$1,200 annual limit, replacing lifetime cap
 - \$600 windows
 - \$500 doors
 - \$600 central AC
 - \$150 home energy audits
 - \$600 electrical panel upgrades
 - Separate \$2,000 limit for heat pumps and biomass stoves
- Roofs no longer eligible
- **Status:** In effect

New Energy Efficient Homes Credit

- Available 2023-2032
- Tax credit for homebuilders
- \$2,500 for new homes meeting Energy Star
- \$5,000 for certified zero-energy ready homes
- Multifamily:
 - \$500/unit for Energy Star
 - \$1,000/unit for zero-energy ready
 - If prevailing wage reqs met = 5x base amount
- **Status:** In effect

HOMES: Home Energy Performance-Based Whole-House Rebates

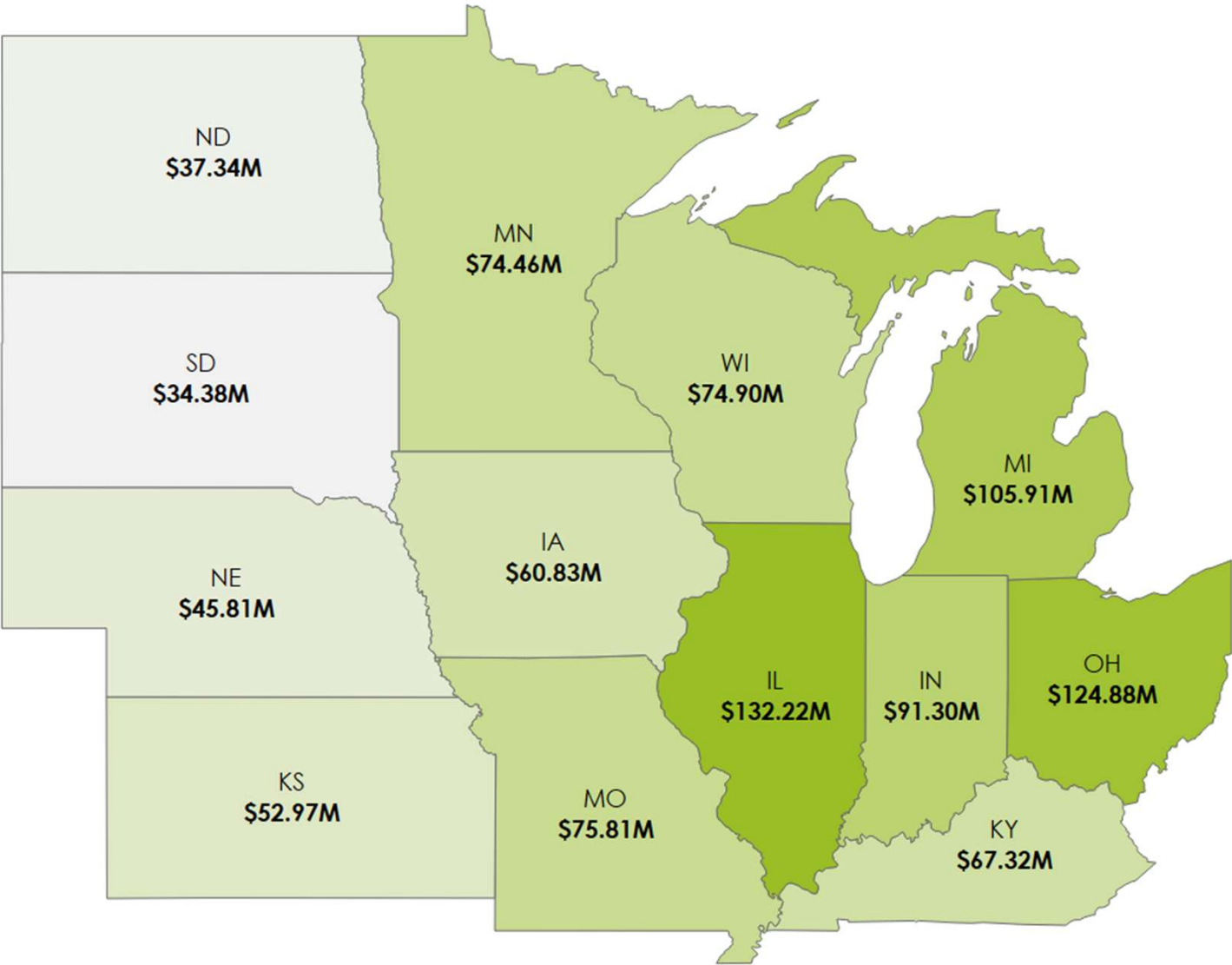
- \$4.3B available through Sept. 2031
- Formula grants to states
- For eligible equipment that significantly reduces energy consumption
- States can use up to 20% for planning, admin, tech assistance
- Cost share depending on income level:
 - >80% Area Median Income: 50% cost share
 - <80% AMI: 20% cost share

Inflation Reduction Act – 50121 - DOE

HOMES: Home Energy Performance-Based Whole-House Rebates

- **Status:**
 - MEEA submitted RFI comments to DOE and signed onto several collective comments.
 - Administrative and Legal Requirements Document published March 2023
 - States are encouraged to apply for up to 2.5%, not to exceed \$2.5M, of the total funding from each formula allocation of IRA Sections 50121 and 50122

Home Energy Performance-Based, Whole-House Rebates (HOMES)



Inflation Reduction Act – 50122 - DOE

HEEHRA – High-Efficiency Electric Home Rebate Program

- \$4.5B (\$225M reserved for tribes) available through Sept. 2031
- Formula grants to states and tribes
- For rebates for high-efficiency electric home appliances
- States can use up to 20% for planning, admin, tech assistance

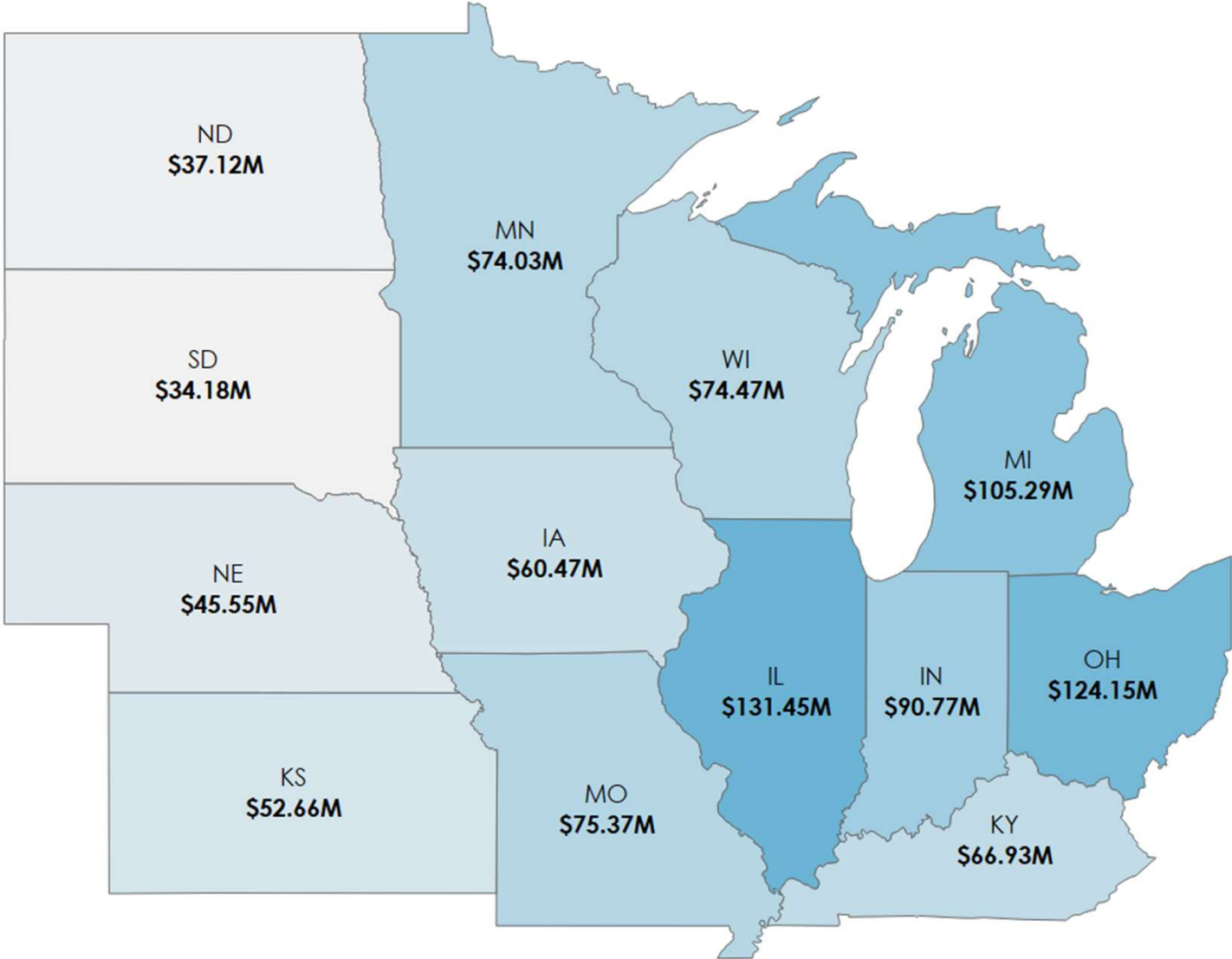
HEEHRA – High-Efficiency Electric Home Rebate Program

- Maximum rebate amount: \$14,000
 - 80%-150% AMI: 50% of project cost
 - <80% AMI: 100% of project cost
- Eligible uses:
 - Insulation, air sealing, and ventilation \$1,600
 - Heat pump water heater: \$1,750
 - Air source heat pump: \$8,000
 - Stove, cooktop, range, oven, dryer: \$840
 - Electrical panel upgrade: \$4,000
 - Electrical wiring: \$2,500

HEEHRA – High-Efficiency Electric Home Rebate Program

- **Status:**
 - MEEA submitted RFI comments to DOE and signed onto several collective comments.
 - Administrative and Legal Requirements Document published March 2023
 - States are encouraged to apply for up to 2.5%, not to exceed \$2.5M, of the total funding from each formula allocation of IRA Sections 50121 and 50122

High-Efficiency Electric Home Rebate (HEEHR)



Inflation Reduction Act - 50123 - DOE

State-Based Home Efficiency Contractor Training Grants

- \$200M available through Sept. 2031
- Grants
- States
- To develop and implement contractor education programs involved in efficiency and electrification improvements, including HOMES and HEEHRA
- **Status:** Unclear

Energy Efficient Commercial Buildings Deduction (aka Section 179D)

- Permanent tax deduction beginning 2023
- Owners and long-term lessees of commercial buildings, building designers, tax-exempt owners
- For EE improvements to commercial buildings
 - \$0.50-\$1.00/sq ft, depending on increase in efficiency
 - Deduction over four-year periods capped at \$1/sq ft
 - Or can deduct adjusted basis in “qualified retrofit plans” that reduce a building’s energy use intensity by at least 25%
 - Bonus of 5x base amount if project meets prevailing wage and registered apprenticeship requirements
- **Status:** IRS guidance not yet released.

Inflation Reduction Act – 30002(a)(1) - HUD

Green and Resilient Retrofit Program – Grants and Loans

- \$838M available through Sept. 2028
- Competitive grants, loans
- Owners of HUD-assisted properties
- For improvements to energy or water efficiency, use of clean energy, building electrification, resiliency, etc.
- **Status:** RFI responses submitted Jan. 2023

Questions?



Thank you!



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