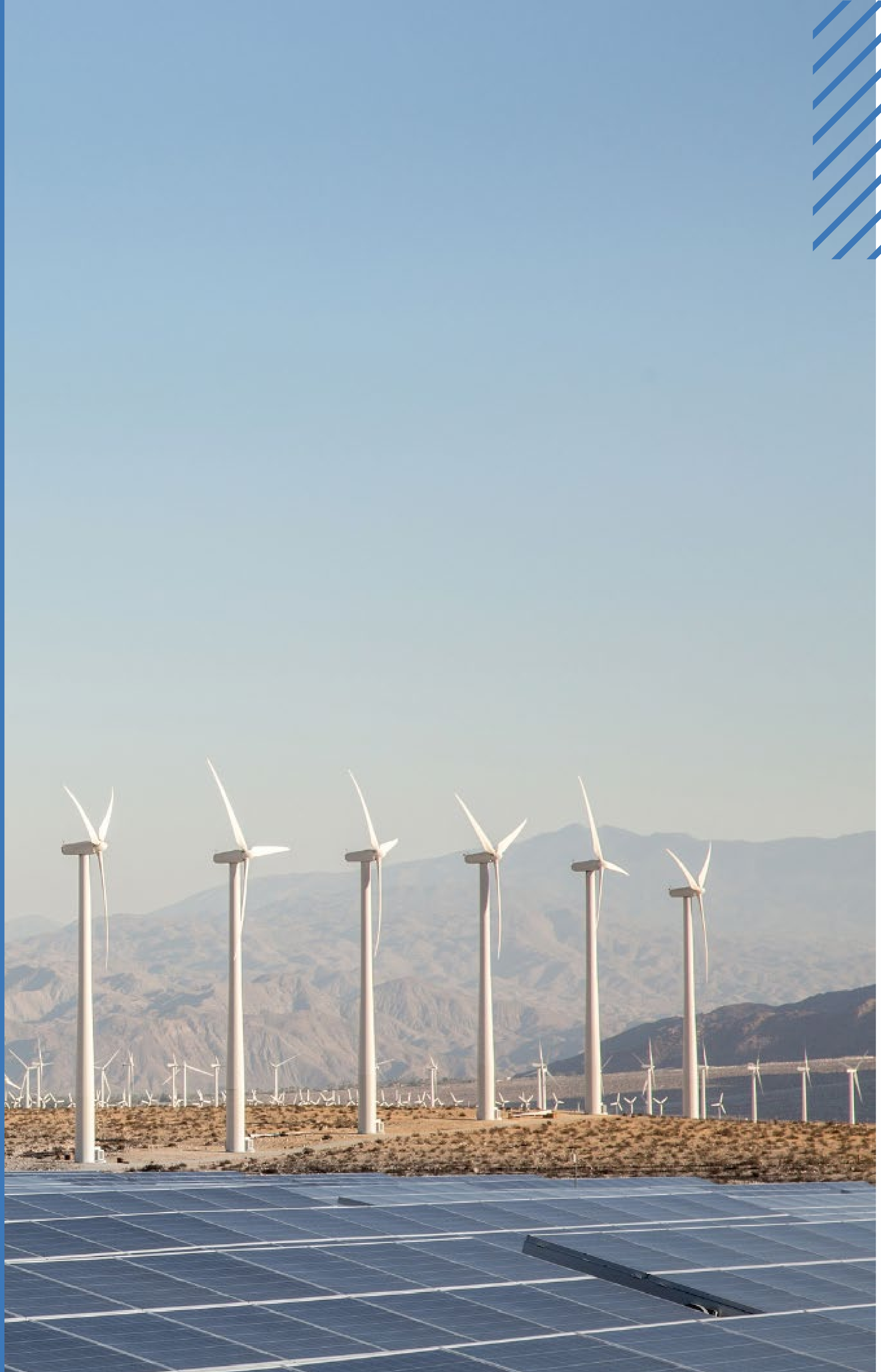
ELECTRIC POWER



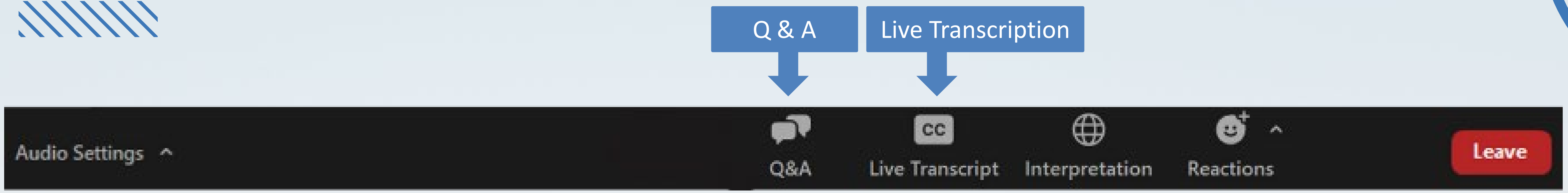
INVESTING IN AMERICA CLIMATE ACTION FUNDING FAIR

CPRG

U.S. Environmental Protection Agency

August 7, 2023

Housekeeping



- This session is being recorded. A copy of the recording and presentation slides will be posted on the website in the near future.
- **Live transcription**: Automated live transcription is available by clicking the "Live Transcript" icon in your Zoom toolbar.
- **Live interpretation**: Live Spanish interpretation is available by clicking the "Interpretation" icon and selecting Spanish.
    - Note, to mute English audio when listening in Spanish, click "Mute Original Audio."

Housekeeping

Q & A

Live Transcription

- Esta presentación está siendo grabada. La EPA publicará una copia de la grabación y las diapositivas de la presentación en su sitio web en un futuro próximo (https://www.epa.gov/inflation-reduction-act/investing-america-climate-action-funding-fair).
- **Transcripción simultánea**: La transcripción simultánea automatizada está disponible al hacer clic en el icono "Live Transcript" en la barra de herramientas de Zoom.
- **Interpretación simultánea**: La interpretación simultánea al español está disponible al hacer clic en el icono "Interpretation" y seleccionar español.
  - Tenga en cuenta que para silenciar el audio en inglés cuando escuche en español, haga clic en "Mute Original Audio".

Housekeeping

- Chat has been disabled.
- Feel free to use the Q&A feature for
any specific questions you have during the webinar.
- All participants are muted.
- Please be respectful as we are all here to learn and take away valuable insights about these funding opportunities.

Electric Power

Agenda

1. Introduction & Key Note
2. Panel Discussion
3. Agency Presentations
4. Questions
5. Closing

Welcome

Joe Goffman

EPA

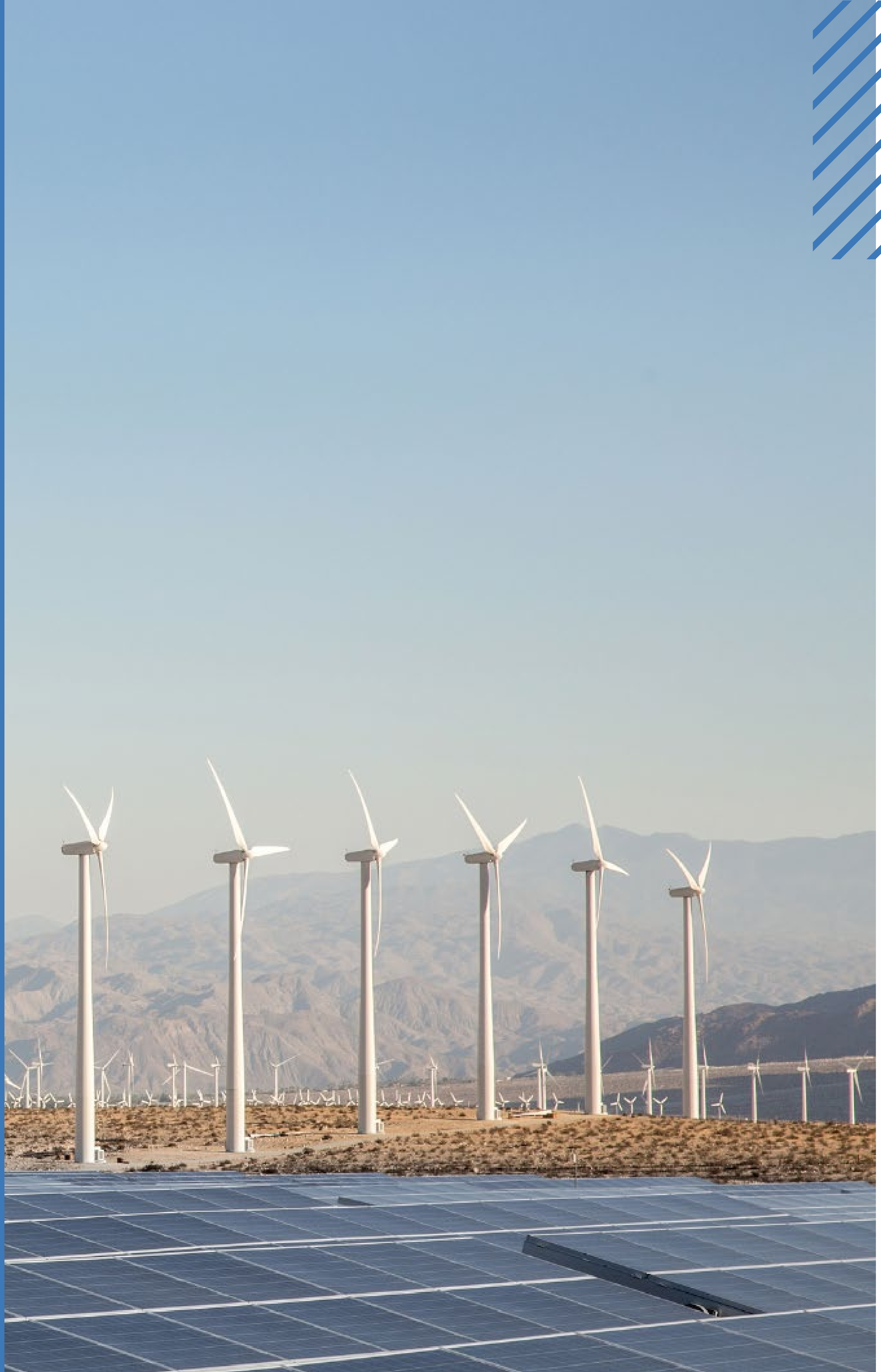
Principal Deputy Assistant Administrator

John Podesta

White House

Sr. Advisor to the President for Clean Energy Innovation and Implementation

ELECTRIC POWER



Panel Discussion

Moderated by Jennifer Macedonia

EPA, Associate Deputy Assistant Administrator

Meet Our Panelists

Jennifer Macedonia
EPA

Associate Deputy Assistant Administrator for Implementation, OAR

Clare Sierawski
USDA

Sr. Energy Counselor in the Office of the Under Secretary for Rural Development

Stephanie Grumet
EPA

Sr. Policy Advisor for Office of Air Quality Planning and Standards, OAR

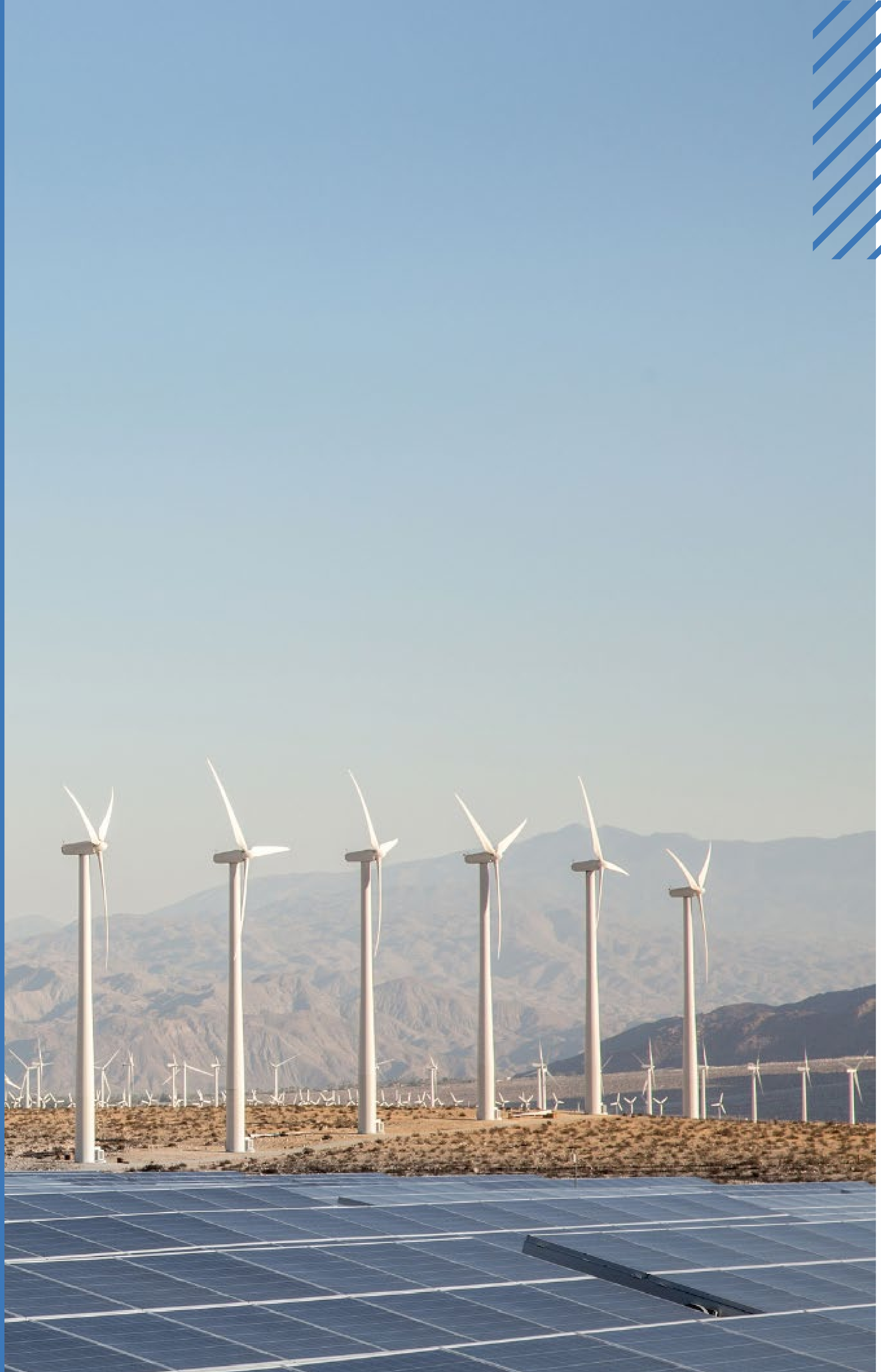
Carrie Jenks
Harvard EELP

Executive Director, Environmental & Energy Law Program, Harvard Law School

Whitney Muse
DOE

Sr. Advisor in Grid Deployment Office

ELECTRIC POWER



Federal Agency Presentations

USDA: Aliza Drewes & Clare Sierawski

Treasury, Seth Hanlon

DOE: Ariane Benrey & Jeff Dennis

EPA: Ellie Charchenko

Empowering Rural America (New ERA)

Who is Eligible?	• Rural electric cooperatives (generation, transmission or distribution coops)
What Does Program Do?	• Expands clean energy & zero-emission systems, including refinancing stranded assets at 0% • Competitive scoring based on GHG reductions achieved
Key Dates	• **LOI deadline: September 15, 2023** • Select: December 2023 • Award: Q1 2024
Amount	• Program size: $9.7 billion • Award size: Up to $970 million
Eligible Projects?	• Renewable energy, nuclear, carbon capture and storage systems, transmission
Type of Funding Available	• Grants up to 25 percent of the total project cost • Loans for two percent, or Treasury rate • Loans as low as zero percent for refinancing stranded assets to invest in eligible projects; • Loans as low as zero percent for distressed, disadvantaged or energy dependent communities
More Info	• Empowering Rural America New ERA Program | Rural Development (usda.gov) • **Contact your State & Local USDA Rural Development Office**

Powering Affordable Clean Energy (PACE)

Who is Eligible?	• Any entity (not individuals)
What Does Program Do?	• Funds clean energy that is resold into the electric system in rural communities
Key Dates	• ****LOI portal opened July 2023**** • First-come, first-served
Amount	• Program size: $1 billion • Awards: $1 million to $100 million
Eligible Projects?	•Renewable power generation from: wind, solar, geothermal, hydropower, or biomass • Storage supporting renewable energy • Producing for resale and serve at least 50 percent rural customers
Type of Funding Available	• 20 percent loan forgiveness for all • Up to **40 percent loan forgiveness for Energy Communities; or Distressed or Disadvantaged Communities.** • Up to 60 percent total loan forgiveness if in Tribal, US territories or compact states
Website	• rd.usda.gov/inflation-reduction-act • Pocket Guide of Rural Clean Energy Funding Opportunities Across Federal Agencies - rd.usda.gov/inflation-reduction-act

August 2023

Overview of Inflation Reduction Act Clean-Energy Related Tax Incentives

U.S. Department of the Treasury

Disclaimer

- This deck provides an overview of certain Inflation Reduction Act tax provisions for general informational purposes only and is not itself guidance
- This deck relies on simplifications and generalizations to convey high-level points about Inflation Reduction Act tax provisions
- The content in this presentation is also based in part on proposed regulations. Treasury and the IRS will carefully consider feedback submitted during the public comment periods for proposed regulations before issuing final rules
- Please refer to guidance issued by the IRS for detailed information on the rules associated with Inflation Reduction Act tax provisions

Treasury's Role in IRA Clean Energy Implementation

- The Inflation Reduction Act makes the **largest investment in clean energy** in our nation's history, and much of that investment is **delivered via tax incentives**
- The Treasury Department is the federal agency responsible for **administering the tax code** and is **proud to be playing a central role** in implementing the Inflation Reduction Act's clean energy tax incentives
- The Inflation Reduction Act's **tax incentives cover a broad range** of activities
- The Inflation Reduction Act also includes **certain cross-cutting provisions, bonuses, and new credit monetization mechanisms** that apply to multiple incentives

Overview of IRA Clean Energy-Related Provisions

- **Incentives for:**
  - — Energy generation
  - — Carbon capture
  - — Clean vehicles
  - — Clean energy-related Manufacturing
  - — Clean fuels
  - — Energy efficiency
- **Cross-cutting provisions / bonuses**
  - — Prevailing Wage & Apprenticeship
  - — Energy Communities
  - — Low-Income Communities Bonus Credit
  - — Domestic Content
- **Credit monetization mechanisms**
  - — Elective Pay
  - — Transferability

Incentives for Energy Generation & Carbon Capture

	Tax Provision	Description	Elective Pay	Transferability
PTC	**Production Tax Credit for Electricity for Renewables** (§ 45, *pre-2025)*	**For production of electricity from eligible renewable sources,** including wind, biomass, geothermal, solar, landfill and trash, hydropower, marine and hydrokinetic energy.	✓	✓
PTC	**Clean Electricity Production Tax Credit** (§ 45Y, *2025 onwards)*	**Technology-neutral tax credit for production of clean electricity.** Replaces § 45 for facilities that begin construction and are placed in service after 2024. To qualify, the facility must have a greenhouse gas emissions rate of not greater than zero.	✓	✓
ITC	**Investment Tax Credit for Energy Property** (§ 48, *pre-2025)*	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties.	✓	✓
ITC	**Clean Electricity Investment Tax Credit** (§ 48E, *2025 onwards)*	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024. To qualify, the facility must have a greenhouse gas emissions rate of not greater than zero.	✓	✓
ITC	**Low Income Communities Bonus Credit Program** *Application required*	Provides an additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity ((§ 48E(h)) facilities (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and to benefit low-income households. Additional credit is 10 or 20 percentage point increase on base Investment Tax Credit (§ 48, 48E). You must apply and receive a capacity allocation, and then place your facility in service to claim this bonus.		

Incentives for Energy Generation & Carbon Capture

Tax Provision	Description	Elective Pay	Transferability
Zero-Emission Nuclear Power Production Credit (§ 45U)	**For electricity from existing nuclear power facilities.** Facilities in operation prior to August 16, 2022.	✓	✓
Credit for Carbon Oxide Sequestration (§ 45Q)	**Credit for carbon dioxide sequestration** coupled with permitted end uses (e.g., sequestration, use as a tertiary injectant, or utilization) in the United States	✓ (incl. businesses for five years)	✓

The Significance of Elective Pay

“The Inflation Reduction Act’s new tools to access clean energy tax credits are a catalyst for meeting President Biden’s historic economic and climate goals. They will act as a force multiplier, bringing governments and nonprofits to the table.”

“More clean energy projects will be built quickly and affordably, and more communities will benefit from the growth of the clean energy economy.”

— Janet L. Yellen, Secretary of the Treasury

Overview of Elective Pay

- With "**elective pay**" (often informally called "direct pay"), tax-exempt and governmental entities that do not owe Federal income taxes will, for the first time, be able to receive a **payment equal to the full value of tax credits for building qualifying clean energy projects or making qualifying investments.**
- Unlike competitive grant and loan programs, in which applicants may not receive an award, elective pay allows entities to get their payment if they meet **the requirements for both elective pay and the underlying tax credit.**
- The entities eligible for elective pay (applicable entities) would not normally owe federal income tax. However, by **filing a return and using elective pay**, these entities can receive **tax-free cash payments** from the IRS for clean energy tax credits earned, so long as **all requirements** are met, including a pre-filing registration requirement.
- Applicable entities can use elective pay for **12 of the Inflation Reductions Act's tax credits.**

Applicable Entities

Under the proposed rules, applicable entities for elective pay would include:

- Tax-exempt organizations under § 501(a), including § 501(c) and § 501(d) organizations,
- States (including DC) and political subdivisions such as local governments,
- Indian tribal governments,
- U.S. territory governments and political subdivisions,
- Agencies and instrumentalities of state, local, tribal, and territorial governments,
- Alaska Native Corporations,
- The Tennessee Valley Authority, and
- Rural electric co-operatives.

In general, only "applicable entities" are eligible for Elective Pay. However, other taxpayers that are not "applicable entities" may elect to be treated as an applicable entity with respect to three tax credits (for carbon oxide sequestration, production of clean hydrogen, or advanced manufacturing).

How do I claim and receive an elective payment?

- Identify and pursue the qualifying project or activity. You will need to know what applicable credit you intend to earn and use elective pay for.
- Complete your project and place it into service.
- Determine your tax year, if not already known, to determine when your tax return will be due.
- Complete pre-filing registration with the IRS.
  - This will include the credit(s) you intend to earn, among other information.
  - Upon completing this process, the IRS will provide you with a registration number for each applicable credit property.
  - More information about pre-filing registration will be available by late 2023.
- File your tax return by the due date (or extended due date) and make a valid elective pay election.
  - Provide your registration number on your tax return as part of making the elective pay election.
  - A valid election allows you to receive payment as a refund for the amount of the credit (or if applicable, offset your tax liability and receive a payment for any remaining amount).
- Receive payment after the return is processed.

Special Rule: Grants and Loans

- The proposed guidance also includes a special rule that would enable entities to **combine grants and forgivable loans with tax credits.**
- If an investment-related credit property is funded by a tax-free grant or forgivable loan, entities would get the same value of eligible tax credit as if the investment were financed with taxable funds—provided the credit plus 'restricted tax-exempt amounts' do not exceed the cost of the investment.
- <u>For example:</u>
  - ➢ A school district receives a tax-exempt grant in the amount of $300,000 to purchase an electric school bus. Under IRA, clean commercial vehicles are eligible for a tax credit of up to $40,000.
  - ➢ The school district purchases the bus for $400,000, using the grant and $100,000 of the school district's unrestricted funds.
  - ➢ The school district's basis in the electric bus is $400,000 and the school district's section 45W credit is $40,000.
  - ➢ Since the amount of the restricted tax-exempt grant plus the amount of the section 45W credit ($340,000) is less than the cost of the electric bus, the school district's 45W credit is not reduced.

Overview of Transferability (§ 6418)

- The Inflation Reduction Act enacted section 6418 which allows an eligible taxpayer to **transfer all or a portion** of any of the **11 clean energy credits** to unrelated third-parties in **exchange for cash.** The buyer and seller would negotiate and agree to the terms and pricing.

- Transferability will **allow these taxpayers to take advantage of these clean energy tax credits**, even if they do not have sufficient tax liability to fully utilize the credits themselves.

Closing

More Information

- **IRS.gov/CleanEnergy**
  - For more information on the Inflation Reduction Act's clean energy-related tax provisions
- **IRS.gov/ElectivePay**
  - For more information on Elective Pay and Transferability
- **IRS.gov/HomeEnergy**
  - For more information on home energy efficiency and residential clean energy
- **CleanEnergy.gov**
  - For general information and additional resources

Public Comment Period on Elective Pay and Transferability Proposed Regulations

- The public comment period is for 60 days, until August 14^{th}
- We request that any comments be submitted in writing. Please visit regulations.gov to file and view public comments.

Appendix:
Inflation Reduction Act Clean Energy Incentives and Bonuses

Incentives for Energy Generation

Tax Provision	Description	Elective Pay	Transferability
Production Tax Credit for Electricity for Renewables (§ 45, *pre-2025)*	**For production of electricity from eligible renewable sources,** including wind, biomass, geothermal, solar, landfill and trash, hydropower, marine and hydrokinetic energy.	√	√
Clean Electricity Production Tax Credit (§ 45Y, *2025 onwards)*	**Technology-neutral tax credit for production of clean electricity.** Replaces § 45 for facilities that begin construction and are placed in service after 2024. To qualify, the facility must have a greenhouse gas emissions rate of not greater than zero.	√	√
Investment Tax Credit for Energy Property (§ 48, *pre-2025)*	**For investment in renewable energy projects** including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties.	√	√
Clean Electricity Investment Tax Credit (§ 48E, *2025 onwards)*	**Technology-neutral tax credit for investment in facilities that generate clean electricity** and qualified energy storage technologies. Replaces § 48 for facilities that begin construction and are placed in service after 2024. To qualify, the faculty must have a greenhouse gas emissions rate of not greater than zero.	√	√
Zero-Emission Nuclear Power Production Credit (§ 45U)	**For electricity from existing nuclear power facilities.** Facilities in operation prior to August 16, 20222.	√	√

Incentives for Vehicles

Tax Provision	Description	Elective Pay	Transferability
Credit for New Clean Vehicles (§ 30D*)*	**For purchasers of new clean vehicles** that meet certain critical mineral and battery component requirements, as well as buyer income and manufacturer's suggested retail price limits. Learn more and see eligible vehicles at FuelEconomy.gov.		✓ *(to the dealer)*
Credit for Previously-Owned Clean Vehicles (§ 25E)	**For purchasers of certain previously-owned clean vehicles** sold by a dealer for less than $25,000. Subject to buyer income limits. Learn more and see eligible vehicles at FuelEconomy.gov.	✓	
Credit for Qualified Commercial Clean Vehicles (§ 45W)	**For purchasers of commercial clean vehicles.** Qualifying vehicles may include passenger vehicles, buses, ambulances, and certain other vehicles, as well as certain mobile machinery.		✓ *(to the dealer)*
Alternative Fuel Vehicle Refueling Property Credit (§ 30C)	**For alternative fuel vehicle refueling and charging property** located in low-income and non-urban areas. Qualified fuels include electricity, ethanol, natural gas, hydrogen, and biodiesel.	✓ *(if depreciable property)*	✓

Incentives for Fuels and Carbon Capture

Tax Provision	Description	Elective Pay	Transferability
Extension of Pre-IRA Fuel Incentives (Multiple §§)	**For Biodiesel, Renewable Diesel, Alternative Fuels, Second-Generation Biofuel.**		
Sustainable Aviation Fuel Credit (§ 40B, 6426(k))	**For the sale or use of certain fuel mixtures that contain sustainable aviation fuel** (SAF) that achieve a lifecycle greenhouse gas emissions reduction of at least 50% as compared with petroleum-based jet fuel. The mixture must be produced and placed in aircraft in the U.S. prior to 2025.		
Clean Fuel Production Credit (§ 45Z, *2025 onwards*)	**Technology neutral tax credit for domestic production of clean transportation fuels,** including sustainable aviation fuels, beginning in 2025.	√	√
Credit For Production of Clean Hydrogen (§ 45V)	**Credit for qualified clean hydrogen production** at a U.S.-based qualified clean hydrogen production facility.	√ *(incl. businesses for five years)*	√
Credit For Carbon Oxide Sequestration (§ 45Q)	**Credit for carbon dioxide sequestration** coupled with permitted end uses (e.g., sequestration, use as a tertiary injectant, or utilization) in the United States.	√ *(incl. businesses for five years)*	√

Incentives for Manufacturing

Tax Provision	Description	Elective Pay	Transferability
Advanced Manufacturing Production Credit (§ 45X*)*	**Production tax credit for domestic clean energy manufacturing** of components including solar and wind energy, inverters, battery components, and critical materials.	✓ *(incl. businesses for five years)*	✓
Advanced Energy Project Credit (§ 48C) *Application required*	**For investments in advanced energy projects.** A total of $10 billion will be allocated, not less than $4 billion of which will be allocated to projects in certain energy communities.	✓	✓

Incentives for Energy Efficiency

Tax Provision	Description	Elective Pay	Transferability
Energy Efficient Home Improvement Credit (§ 25C*)*	**For energy efficiency improvements of residential homes by homeowners** (and in some cases renters). Learn more at IRS.gov/HomeEnergy.		
Residential Clean Energy Credit (§ 25D)	**For the purchase of certain residential clean energy equipment** (including battery storage with capacity >=3 kWh) by homeowners or renters. Learn more at IRS.gov/HomeEnergy.		
New Energy Efficient Home Credit (§ 45L)	**For construction and sale/lease of new energy-efficient homes.**		
Energy Efficient Commercial Buildings Deduction (§ 179D)	**For energy efficiency improvements to commercial buildings** (building owners, long-term lessees, or designers that have been allocated the deduction by certain tax-exempt building owners are eligible.		

Cross-Cutting Provisions / Bonuses

Tax Provision	Description
Prevailing Wage and Apprenticeship (PWA) Requirements	For a number of the tax credits created or modified by IRA, the base credit amount is increased by five times for projects that meet requirements for paying prevailing wages and using registered apprentices.
Energy Communities Bonus	Projects located in historical energy communities, including areas with closed coal mines or coal-fired power plants, are eligible for a 10 percent increase in the Production Tax Credit (§ 45, 45Y) and an up to 10 percentage point increase (if PWA requirements are met) in the Investment Tax Credit (§ 48, 48E). The bonus is also available to brownfield sites and to areas that have significant employment or local tax revenues from fossil fuels and higher than average unemployment.
Low Income Communities Bonus Credit Program *Application Required*	Provides an additional investment tax credit for small-scale solar and wind (§ 48(e)) or clean electricity (§ 48E(h)) facilities (<5MW net output) on Indian land, federally subsidized housing, in low-income communities, and to benefit low-income households. Additional credit is 10 or 20 percentage point increase on base Investment Tax Credit (§ 48, 48E). You must apply and receive a capacity allocation, and then place your facility in service to claim this bonus.
Domestic Content Bonus	Projects or facilities that meet domestic content requirements are eligible for a 10 percent increase to the Production Tax Credit (§ 45, 45Y) or up to a 10 percentage point increase (if PWA req's met) to the Investment Tax Credit (§48, 48E). For projects or facilities beginning construction starting in 2024 or later, for taxpayers using elective pay, the domestic content requirement can also result in a reduction of the Production Tax Credit or Investment Tax Credit if it is not met.

TITLE 17 CLEAN ENERGY FINANCING (1703 & 1706)

Title 17 Clean Energy Financing Program

- Innovative Energy Projects
- Innovative Supply Chain Projects
- State Energy Financing Institution (SEFI)-Supported Projects
- Energy Infrastructure Reinvestment (EIR) Projects

Title 17 Clean Energy Financing (Title 17)

Loan guarantees for the deployment of energy projects at commercial scale

Four Project Categories

1. Innovative Energy (1703)
2. Innovative Supply Chain (1703)
3. State Energy Financing Institution (SEFI)-Supported (1703)
4. Energy Infrastructure Reinvestment (EIR) (1706)

Project Eligibility

1. Project located in the United States.
2. Be an energy project.
3. Achieve significant and credible GHG or air pollution reductions.
4. Have a reasonable prospect of repayment.
5. Involve technically viable and commercially ready technology.
6. Include a Community Benefits Plan.

Loan Guarantee Features

- LPO can offer 100% guarantee of U.S. Treasury's Federal Financing Bank (FFB) loans or partial guarantees of commercial loans.
- Senior secured debt priced competitively with commercial rates.
- DOE can serve as sole lender or as a co-lender.
- Structures may include project finance or structured corporate financing.

1703 Projects Require at Least One Eligible Technology

Renewable energy systems

Advanced fossil energy technology

APPLIES TO:

- ✓ Innovative Energy Projects
- ✓ Innovative Supply Chain Projects
- ✓ State Energy Financing Institution (SEFI) Projects

Hydrogen fuel cell technology

Advanced nuclear energy

Carbon capture and sequestration technology

Efficient electrical generation, transmission, and distribution

Efficient end-use energy technologies

Production facilities for the manufacture of fuel-efficient vehicles or vehicle parts

Pollution control equipment

Oil refineries

Energy storage technologies

UPDATED: Industrial decarbonization technologies

NEW: Supply of critical minerals

State Energy Financing Institution (SEFI) Projects (1703)

TITLE 17

State Energy Financing Institution (SEFI)-Supported Projects (1703)

SEFI projects support deployment of a qualifying clean energy technology and receive meaningful financial support or credit enhancements from an entity within a state agency or financing authority.

SEFI projects are not required to employ innovative technology.

State Energy Financing Institution (NEW) 1703

Financing that aligns federal dollars with state clean energy priorities

Project Eligibility

In addition to meeting the common Title 17 eligibility requirements, SEFI projects must:

1. Involve at least one 1703 **Eligible Technology**
2. Receive **meaningful financial support** or credit enhancements from a SEFI.

Notes

- SEFI projects **DO NOT** have an innovation requirement.
- “Meaningful" support will be determined on a case-by-case basis.

What is a SEFI?

A State Energy Financing Institution (SEFI) is a quasi-independent entity or an entity within a state agency or financing authority established by a State to:

- Provide financing support or credit enhancements, including loan guarantees and loan loss reserves, for eligible projects under Title 17;

AND

- Create liquid markets for eligible projects, including warehousing, or taking other steps to reduce financial barriers to the deployment of existing and new eligible projects.

TITLE 17

Energy Infrastructure Reinvestment (EIR) Projects (1706)

Energy Infrastructure Reinvestment (EIR) Projects (1706)

EIR projects retool, repower, repurpose, or replace energy infrastructure that has ceased operations or enable operating energy infrastructure to reduce air pollutants or emissions of greenhouse gases.

EIR projects are not required to employ innovative technology.

Energy Infrastructure Reinvestment (NEW) 1706

Financing to leverage existing U.S. energy infrastructure for the clean energy future

Example Projects

- Power plant (or associated infrastructure) retooled, repowered, repurposed or replaced with:
  - Renewable energy (and storage)
  - Distributed energy (e.g., VPPs)
  - Transmission interconnection to off-site clean energy
  - New manufacturing facilities for clean energy products or services
  - Nuclear generation
- Reconductoring transmission lines and upgrading voltage
- Installing emissions control technologies, including carbon capture and sequestration (CCS)
- Repurposing oil and gas pipelines (e.g., for H_2, CO_2)
- Upgrading refineries for biofuels or hydrogen
- Upgrading or uprating existing generation facilities (with emissions control technologies for projects involving fossil generation)

Frequently Asked Questions

1: Time

Q: *How long does the application process take?*

A: Anywhere from six months to over a year, depending on applicant preparedness and project complexity.

2: Fees & Costs

Q: *I hear the fee structure is changing. What is happening?*

A: There are no application fees. Applicants are responsible for third-party advisor costs, which begin in the due diligence phase. Applicants enter into sponsor payment letters with each third-party advisor and pays the third-party advisor costs as incurred. Additionally, applicants pay a facility fee at close and maintenance fees annually.

3: Tax Credits

Q: *How does LPO financing interact with tax credits and other federal support?*

A: LPO's loan guarantees **can be stacked with clean energy tax** credits. Projects repurposing fossil infrastructure with cleaner generation in IRS-designated Energy Communities are eligible for a 10% increase to the tax credit. **Please review the guidance for detailed information on federal support restrictions.**

Let’s Talk About Your Project

Contact LPO to see what financing options may be available for your project

Questions?

To **schedule** a no-fee, pre-application consultation, go to:
Energy.gov/LPO/Pre-App

Call or **write** the LPO Team: **202-287-5900 | LPO@hq.doe.gov**

Download the full Title 17 Guidance document at: **Energy.gov/LPO/Clean-Energy**

Learn more about LPO and all of its financing programs at: **Energy.gov/LPO**

DOE Regional Clean Hydrogen Hubs

Current Status
- Full applications were due April 7 for combined total of up to $6-7 billion
- Pre-selection interviews Summer 2023
- Selections anticipated Fall 2023

Links for Program Information

Program Website:
https://www.energy.gov/oced/regional-clean-hydrogen-hubs

H2Hubs Demand Side Initiative:
https://www.energy.gov/articles/biden-harris-administration-jumpstart-clean-hydrogen-economy-new-initiative-provide-market

Pathways to Commercial Liftoff: Clean Hydrogen Report:
https://liftoff.energy.gov/clean-hydrogen/

Build 6-10 regional clean H2Hubs across the country to create networks of hydrogen producers, consumers, and local connective infrastructure to accelerate use of hydrogen and help form the foundation of a national clean hydrogen network vital to reducing emissions from some of the most energy-intensive sectors of our economy, including industrial and chemical processes and heavy-duty transportation.

- Feedstock diversity
- End use diversity
- Geographic diversity
- Employment and training

OCED Office of Clean Energy Demonstrations

GRID DEPLOYMENT OFFICE

Transmission Siting and Economic Development (TSED) Program and Transmission Facilitation Program (TFP)

GDO EPA "*Investing in America: Climate Action Funding Fair*!"

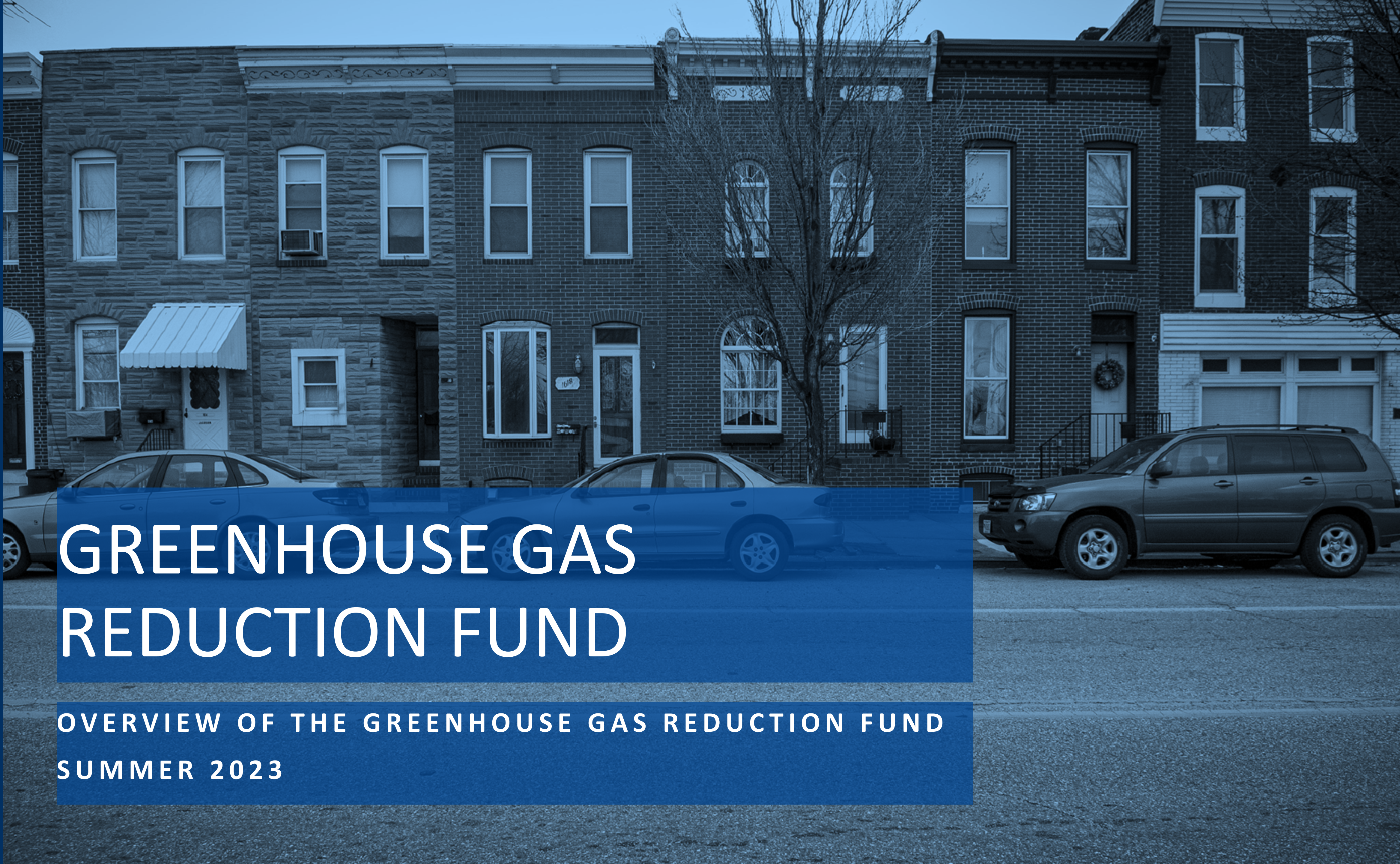
August 2023

GDO - Transmission Siting and Economic Development (TSED) Program

Key Dates:	Funding opportunity announcement coming in Summer 2023 with webinar to follow in the fall.
Amount:	$760 million (made available by the Inflation Reduction Act)
What does program do/fund?	The Transmission Siting and Economic Development (TSED) Program provides funds to support two distinct categories of activities related to the development of new or upgraded interstate or offshore transmission lines: • (1) activities carried out by Tribal, state, or local permitting agencies to strengthen and accelerate the siting and permitting of electric transmission lines, and • (2) economic development activities in communities that may be impacted by the construction and operation of interstate and offshore transmission lines.
GHG Reduction Activities	Indirect as the program will provide funds to expedite and strengthen permitting for transmission needed to deliver clean energy. The program can also fund local clean energy projects in communities impacted by transmission or support analysis of transmission impacts and alternatives to increase GHG reductions. A cost share is required.
Type of program?	Grant, Cooperative Agreement
Who can apply?	The eligibility requirements to apply for TSED funds depend on which of the two types of activities the application proposes: • Siting and permitting activities: ○ Siting authorities are eligible to apply for grants to engage in certain activities to facilitate siting and permitting of interstate and offshore electricity transmission lines. The siting agency must commit to expedited permitting timelines and must use the funds within two years. • Economic development activities: ○ Tribal, state, or local governmental entities, including siting authorities, are eligible for awards to fund economic development activities in communities that may be affected by the construction and operation of transmission projects. ○ Applicants are not required to receive TSED funding for siting and permitting in order to qualify for economic development awards. DOE can make awards for economic development activities in advance of project permitting but cannot disburse funds until the transmission line is permitted or begins construction.
Additional Information	To support the goal of building an equitable clean energy economy, the TSED Program will fund projects that are expected to: • Support meaningful community and labor engagement; invest in America's workforce; advance diversity, equity, inclusion, and accessibility; and contribute to the Justice40 Initiative
Program Website	https://www.energy.gov/gdo/transmission-siting-and-economic-development-grants-program

GDO - Transmission Facilitation Program (TFP)

Amount:	$2.5 Billion (made available by the Bipartisan Infrastructure Law)
What does program do/fund?	TFP is a revolving fund to facilitate the construction of electric power transmission lines and related facilities. DOE engages through: • Capacity Contracts to buy up to 50% of planned eligible project commercial capacity (ATC) for up to 40 years • Public Private Partnerships where DOE participates in designing, developing, maintaining or owning an eligible project • Loans to carry out eligible projects
GHG Reduction Activities	DOE has to consider how the projects will "contribute to national or subnational goals to lower electricity sector greenhouse gas emissions“ in the application process as one of the ways to prioritize projects. Transmission deployment is needed to deliver clean energy.
Who can apply?	Developers with Eligible projects: • Construction of a new or replacement transmission line of at least 1000 MW; • Upgrade of an existing transmission line or construction of a new transmission line in an existing transmission, transportation, or telecommunication infrastructure corridor of at least 500 MW; or • Connection of an isolated microgrid to an existing transmission, transportation, or telecommunications infrastructure corridor located in Alaska, Hawaii, or a U.S. territory. • TFP is best fit for project that are nearly “shovel ready” and are in regions that rely on firm point-to-point transmission. TFP is designed for projects that would otherwise not be constructed without support. TFP will not include projects that already are fully subscribed or have a fully allocated source of revenue.
Next Steps	Future RFPs may include loan and public private partnership opportunities as well as capacity contracts, including opportunities for microgrids.
Program Website	https://www.energy.gov/gdo/transmission-facilitation-program



GREENHOUSE GAS REDUCTION FUND

OVERVIEW OF THE GREENHOUSE GAS REDUCTION FUND

SUMMER 2023

THE GREENHOUSE GAS REDUCTION FUND IS A HISTORIC INVESTMENT IN AMERICAN CLEAN FINANCE

History of the Greenhouse Gas Reduction Fund Program

The Greenhouse Gas Reduction Fund is a historic investment to achieve the climate goals of the United States

- **President Biden's Inflation Reduction Act authorized EPA** to implement the Greenhouse Gas Reduction Fund
- **The Greenhouse Gas Reduction Fund is a historic $27 billion investment** to combat the climate crisis by mobilizing financing for greenhouse gas- and air pollution-reducing projects in communities across the country
- **This bold investment will improve health outcomes and deliver lower energy costs for Americans** while ensuring our country's economic competitiveness and energy independence

EPA prioritized robust stakeholder engagement during program implementation

- **Almost 400 public written comments** submitted to the EPA in response to a public Request for Information
- **Over 12 hours of national public listening sessions with over 2,200 registrants** and more than a dozen targeted stakeholder roundtables between October 2022 and May 2023
- **Nearly 150 additional written comments** received in response to the April 2023 Implementation Framework

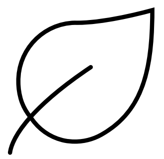
EPA created three distinct and complementary grant competitions to catalyze American clean investment

- **EPA intends the program to further the three Greenhouse Gas Reduction Fund program objectives** of reducing greenhouse gas emissions and air pollution; providing benefits to American communities, particularly low-income and disadvantaged communities; and mobilizing financing and private capital to transform markets
- **The three Greenhouse Gas Reduction Fund grant competitions** will scale deployment of clean technologies nationally, build community clean financing capacity locally, and spur adoption of clean distributed solar energy
- **EPA opened the three competitions in June and July of 2023** and will receive applications for 90 days[1]

1. The Solar for All grant competition requires all applicants also submit a Notice of Intent to be eligible to apply; the deadlines differ by applicant type, and applicants should refer to the Notice of Funding Opportunity to learn more about this requirement.

THE GREENHOUSE GAS REDUCTION FUND (GGRF) HAS THREE PROGRAM OBJECTIVES

The three Greenhouse Gas Reduction Fund program objectives



Reduce emissions of greenhouse gases and other air pollutants

Tackle the climate crisis and protect public health by supporting the climate goals of the United States to reduce greenhouse gas emissions 50-52 percent below 2005 levels in 2030 and achieve net-zero emissions by no later than 2050

Deliver benefits to American communities—especially low-income and disadvantaged communities

Maximize the benefits of GGRF investments—such as energy bill savings, pollution reduction, and workforce development—to American communities, especially low-income and disadvantaged communities

Mobilize financing and private capital to stimulate additional deployment

Catalyze market transformation by addressing the barriers to mobilizing private capital into clean projects in undercapitalized markets and facilitating tens of thousands of clean technology projects that deliver tangible benefits to millions of American households

EPA

TO ACHIEVE THESE THREE OBJECTIVES, THE GGRF PROGRAM WILL RUN THREE GRANT COMPETITIONS

Overview of the Greenhouse Gas Reduction Fund competition structure

	National Clean Investment Fund	Clean Communities Investment Accelerator	Solar for All
Competition description	**Fund national nonprofit financing entities to create national clean financing institutions** capable of partnering with the private sector to provide accessible, affordable financing for tens of thousands of clean technology projects nationwide	**Fund hub nonprofits to provide funding and technical assistance to specific networks** of community lenders, financing clean technology projects in low-income and disadvantaged communities while simultaneously building the capacity of community lenders that serve those communities	**Fund states, territories, Tribal governments, municipalities & nonprofits** to develop long-lasting programs that enable low-income & disadvantaged communities to deploy and benefit from distributed residential solar
Grantees	**2-3** national nonprofit financing entities	**2-7** hub nonprofits	**Up to 60** government and nonprofit financing grantees
Funding amount	**$14 billion**	**$6 billion**	**$7 billion**
Deadline to apply	**October 12, 2023**	**October 12, 2023**	**September 26, 2023**

Deep dive follows

SOLAR FOR ALL GRANTEES WILL TACKLE FINANCIAL AND NON-FINANCIAL BARRIERS TO RESIDENTIAL DISTRIBUTED SOLAR

Overview

EPA will award grants to states, territories, Tribal governments, municipalities, and eligible nonprofit recipients to **create long-lasting programs that provide financial & technical assistance to rooftop residential solar projects and residential-serving community solar**

100% of program funds must **enable low-income & disadvantaged communities to deploy and benefit from residential distributed solar**

Solar for All flow of funds

EPA → **States, territories, Tribal governments, municipalities, & eligible nonprofit recipients** → **Financial and technical assistance to rooftop residential solar & residential-serving community solar** as well as associated storage & enabling upgrades

Solar for All grant recipients develop long-lasting programs that:

- **Provide grants, loans, and other forms of low-cost capital** to rooftop residential and residential-serving community solar projects
- **Support communities to deploy** residential distributed solar with technical assistance such as workforce development, project-deployment support (e.g., siting, permitting, interfacing with utilities), and other activities to address non-financial barriers to solar deployment
- **Address policy and regulatory barriers to residential distributed solar and leverage existing favorable policies** by engaging with stakeholders on net metering, third-party ownership, & other relevant policies

Applications due September 26, 2023

EPA EXPECTS TO OBLIGATE ALL GGRF FUNDS BY THE STATUTORY DEADLINE OF SEPTEMBER 2024

Greenhouse Gas Reduction Fund Program Implementation Timeline

We are here

August 2022
Inflation Reduction Act passed and signed into law

February 2023
Federal Assistance Listings posted

April 2023
Implementation Framework released

June/July 2023
Applications opened

90-day application period

September/ October 2023
Applications close

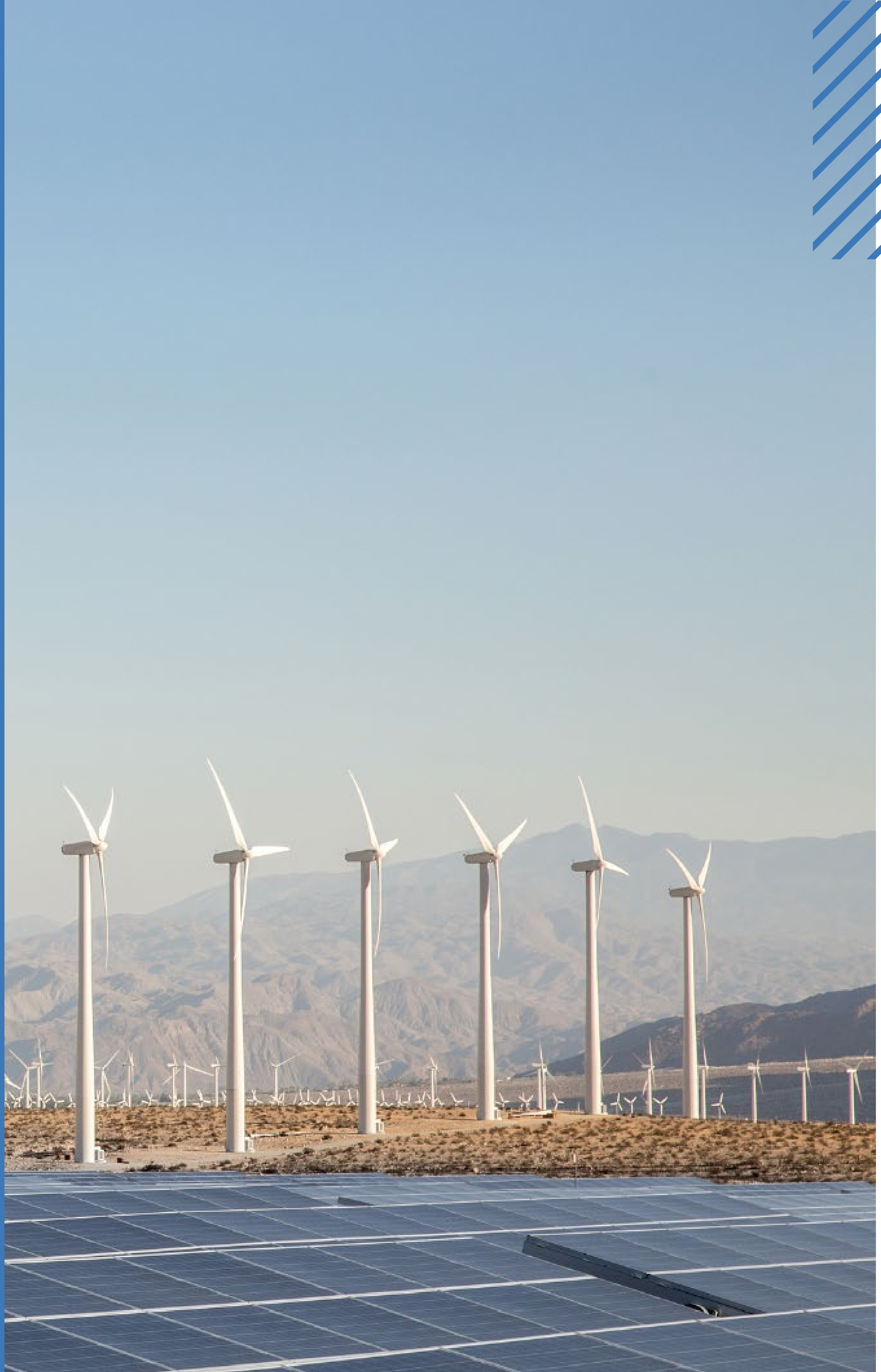
By March 2024
Anticipated notification of selections

By July 2024
Anticipated awards made

Start of program period of performance, when grantees begin deploying program funds

September 2024
Statutory deadline to obligate funds

ELECTRIC POWER



Question & Answer Session

Resources

Climate Pollution Reduction Grants

Investing in America: Climate Action Funding Fair

Investing in America: Climate Action Funding Resource Guide

CPRG INVESTING IN AMERICA CLIMATE ACTION FUNDING FAIR
U.S. Environmental Protection Agency

Questions? Please email irastakeholders@epa.gov.

Closing Remarks

Electric Power

Visit the **CPRG homepage** for up-to-date information