

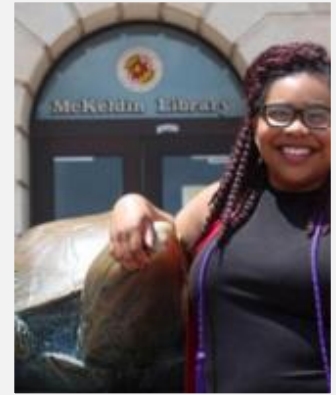


The Infrastructure Investment and Jobs Act: Environment, Energy & Disaster Mitigation

February 10, 2022

NCSL Staff - Infrastructure

Washington, D.C.



Molly Ramsdell

Director of NCSL's D.C.
Office

Susan Frederick

Senior Federal Affairs
Counsel, Law Criminal
Justice & Public Safety

Ben Husch

Federal Affairs Advisor,
Natural Resources &
Infrastructure

Kristen Hildreth

Legislative Director,
Natural Resources &
Infrastructure

Tres York

Associate Legislative
Director,
Communications,
Financial Services &
Interstate Commerce

Nicole Ezeh

Legislative Specialist,
Law Criminal Justice &
Public Safety

“Core Infrastructure”



Transportation



Broadband



Water



Energy



**Disaster Mitigation
& Resiliency**



Cybersecurity



Water - \$55 Billion

**Traditional SRF
Funds**

**Lead Service Line
Replacement**

**PFAS & Emerging
Contaminants**

Other Investments

DRINKING WATER AND CLEAN WATER SRFs:

- \$11.7 billion each
 - Compared to \$1.2 billion and \$1.6 billion, respectively, in FY 21
- 49% as forgivable loans/grants

\$15 BILLION FOR LEAD SERVICE LINE REPLACEMENT:

- Via the DWSRF
- 49% as forgivable loans/grants

\$10 BILLION FOR PFAS AND OTHER CONTAMINANTS:

- \$1 billion through CWSRF/100% grants
- \$4 billion through DWSRF/100% grants
- \$5 billion directly through states for underserved communities



WATER - \$55 BILLION

\$11.7 BILLION FOR TRADITIONAL DWSRF FUNDS:

- A significant increase from the FY2017 and FY2021 average of \$1.1 billion per FY.
- Will increase in amount from FY 2022-2024 and plateau in FY 2025 & 2026
- 49% as grants or principal forgiveness loans
- State match reduced to 10% from the traditional 20% for FY2022-FY2023, and increases back to 20% for FY2024-FY2026
- MN Specific:
 - Administered jointly by the Public Facilities Authority and the Department of Health
 - Uses have included treatment, transmission and distribution, consolidation, storage development and new system creation.



Traditional SRF Funds - DWSRF

\$11.7 BILLION FOR TRADITIONAL CWSRF FUNDS:

- A significant increase from the FY2017 and FY2021 average of \$1.6 billion per FY.
- Will increase in amount from FY 2022-2024 and plateau in FY 2025 & 2026
- 49% as grants or principal forgiveness loans
- State match reduced to 10% from the traditional 20% for FY2022-FY2023, and increases back to 20% for FY2024-FY2026
- MN Specific:
 - Administered jointly by the Public Facilities Authority and the Minnesota Pollution Control Agency
 - Uses have included construction of municipal wastewater facilities, controlling nonpoint sources of pollution, and green infrastructure.



Traditional SRF Funds - CWSRF

\$15 BILLION FOR LEAD SERVICE LINE REPLACEMENT:

- Via the DWSRF - \$3 Billion for each FY2022-FY2026
- 49% as grants or principal forgiveness loans
- NO state match required
- States will likely need to submit new Intended Use Plans for these funds per EPA
- Per IIJA:
 - “the funds provided...shall be for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines.”



Lead Service Line Replacement & More

- Assistance for Small and Disadvantaged Communities Grant
 - \$510 Million total FY2022-FY2026
 - **No state match required**

Section 50105

- Reducing Lead in Drinking Water Grant
 - \$100 Million for each year FY2022-FY2026.
- Lead Inventorying Utilization Grant Pilot Program (EPA)
 - \$10 Million for duration

Section 50110

- Voluntary School and Child Care Program Lead Testing Grant Program
 - Expands uses – includes compliance monitoring and lead remediation
 - \$200 Million total FY2022-FY2026; starts \$30 million FY2022, increases by \$5 million each FY thereafter



Other Lead Replacement Activities

\$10 BILLION FOR PFAS & OTHER CONTAMINANTS:

- \$1 billion through CWSRF
 - \$225 million each year FY2022-FY2026
 - 100% as grants or principal forgiveness loans
- \$4 billion through DWSRF
 - \$800 million each year FY2022-FY2026
 - 100% as grants or principal forgiveness loans
- \$5 billion directly through states for underserved communities via Small, Underserved, and Disadvantaged Communities Grants
 - \$500 million each FY2022-FY2026
- No state match required for any of the funds
- States will likely need to submit new Intended Use Plans for these funds per EPA




PFAS & Emerging Contaminants

Anticipated SRF Funding to Minnesota?

Environmental Protection Agency

- \$116,792,000 for FY 2022 – Includes ALL SRF Funding
 - Breakdown:
 - Traditional DW & CW SRF Funding
 - \$27,408,000 – DWSRF
 - \$32,982,000 – CWSRF
 - Lead Service Line
 - \$43,161,000 – DWSRF LSL
 - Emerging Contaminants/ PFAS
 - \$11,510,000 – DWSRF Emerging Contaminants
 - \$1,731,000 – CWSRF

EPA's 7th Drinking Water Infrastructure Needs Survey will alter the DWSRF formula and individual states' DWSRF allotments as states' needs are likely to change.



Bipartisan Infrastructure Law:
Environmental Protection Agency
2022 State Revolving Fund (SRF) Estimated Allotments to States, Tribes, and Territories by Program

	Total	DWSRF	DWSRF Lead Service Line Replacement	DWSRF Emerging Contaminants	CWSRF	CWSRF Emerging Contaminants
Alabama	\$137,030,000	\$38,705,000	\$60,953,000	\$16,254,000	\$20,065,000	\$1,053,000
Alaska	\$65,074,000	\$17,955,000	\$28,275,000	\$7,540,000	\$10,740,000	\$564,000
Arizona	\$109,458,000	\$32,291,000	\$50,851,000	\$13,560,000	\$12,120,000	\$636,000
Arkansas	\$93,252,000	\$27,013,000	\$42,540,000	\$11,344,000	\$11,739,000	\$616,000
California	\$609,441,000	\$158,400,000	\$249,447,000	\$66,518,000	\$128,339,000	\$6,737,000
Colorado	\$121,347,000	\$35,476,000	\$55,866,000	\$14,898,000	\$14,354,000	\$753,000
Connecticut	\$76,907,000	\$17,955,000	\$28,275,000	\$7,540,000	\$21,983,000	\$1,154,000
Delaware	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000
District of Columbia	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000
Florida	\$275,420,000	\$70,680,000	\$111,306,000	\$29,682,000	\$60,572,000	\$3,180,000
Georgia	\$158,645,000	\$42,312,000	\$66,632,000	\$17,768,000	\$30,340,000	\$1,593,000
Hawaii	\$68,398,000	\$17,955,000	\$28,275,000	\$7,540,000	\$13,898,000	\$730,000
Idaho	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000
Illinois	\$288,290,000	\$67,743,000	\$106,681,000	\$28,448,000	\$81,158,000	\$4,260,000
Indiana	\$127,705,000	\$27,445,000	\$43,219,000	\$11,525,000	\$43,246,000	\$2,270,000
Iowa	\$110,745,000	\$28,445,000	\$44,794,000	\$11,945,000	\$24,286,000	\$1,275,000
Kansas	\$79,430,000	\$20,831,000	\$32,804,000	\$8,748,000	\$16,197,000	\$850,000
Kentucky	\$112,643,000	\$29,587,000	\$46,593,000	\$12,425,000	\$22,839,000	\$1,199,000
Louisiana	\$101,243,000	\$26,874,000	\$42,321,000	\$11,286,000	\$19,727,000	\$1,035,000
Maine	\$68,390,000	\$17,955,000	\$28,275,000	\$7,540,000	\$13,891,000	\$729,000
Maryland	\$144,181,000	\$32,892,000	\$51,797,000	\$13,813,000	\$43,401,000	\$2,278,000
Massachusetts	\$188,890,000	\$41,662,000	\$65,609,000	\$17,496,000	\$60,925,000	\$3,198,000
Michigan	\$213,201,000	\$44,075,000	\$69,409,000	\$18,509,000	\$77,158,000	\$4,050,000
Minnesota	\$116,792,000	\$27,408,000	\$43,161,000	\$11,510,000	\$32,982,000	\$1,731,000
Mississippi	\$74,899,000	\$19,328,000	\$30,438,000	\$8,117,000	\$16,167,000	\$849,000
Missouri	\$147,152,000	\$31,654,000	\$49,848,000	\$13,293,000	\$49,746,000	\$2,611,000
Montana	\$63,041,000	\$17,955,000	\$28,275,000	\$7,540,000	\$8,809,000	\$462,000
Nebraska	\$63,430,000	\$17,955,000	\$28,275,000	\$7,540,000	\$9,178,000	\$482,000
Nevada	\$71,601,000	\$20,813,000	\$32,777,000	\$8,740,000	\$8,809,000	\$462,000

Anticipated SRF Funding to Minnesota?

	<u>FY 2022-2026</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>
Clean Water State Revolving Funds: Existing Program	\$204,913,769	\$32,982,000	\$38,588,702	\$42,111,104	\$45,615,981	\$45,615,981
Drinking Water State Revolving Funds: Existing program	\$170,283,081	\$27,408,000	\$32,067,162	\$34,994,274	\$37,906,822	\$37,906,822
Drinking Water State Revolving Funds: Lead service line replacement	\$217,636,767	\$43,161,000	\$43,618,942	\$43,618,942	\$43,618,942	\$43,618,942
Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant Program	\$66,813,331	\$13,362,666	\$13,362,666	\$13,362,666	\$13,362,666	\$13,362,666
Clean Water State Revolving Funds: emerging contaminants	\$17,475,294	\$1,731,000	\$3,936,074	\$3,936,074	\$3,936,074	\$3,936,074
Drinking Water State Revolving Funds: emerging contaminants	\$58,038,488	\$11,510,000	\$11,632,122	\$11,632,122	\$11,632,122	\$11,632,122
	\$735,160,730	\$130,154,666	\$143,205,668	\$149,655,181	\$156,072,607	\$156,072,607

FFIS Calculations are *NOT* official calculations, but are estimates based on existing formulas

Estimated Timing?



Source: Hazen and Sawyer
(<https://www.hazenandsawyer.com/>)



Other Water Investments

- \$1.7 billion for EPA's Geographic Programs
 - \$1 Billion - Great Lakes Restoration
- \$1.4 billion for Combined Sewage Overflows
 - 25% for rural or financially disadvantaged communities
- WIFIA Reauthorization
- Underground Injection Control Grants
 - \$50 million via grants for states to gain primacy over Class VI wells via the Safe Drinking Water Act
 - **EPA oversees ALL wells in Minnesota**
- \$8.3 billion for Western Water Infrastructure
 - Water storage, recycling and reuse, waterSMART, drought contingency plans



Environmental Remediation - \$21 Billion

- **Superfund**
 - \$3.5 billion for remedial activities
 - MN Pollution Control Agency determines sites to place on state list per MERLA, and refers to necessary sites to EPA for the federal Superfund NPL.
 - 24 Sites in MN are on the NPL
- **Brownfields**
 - \$1.5 billion via STAG to assess, cleanup and reuse.
 - MN Pollution Control Agency
- **Abandoned Mine Lands**
 - \$11.2 billion for the Abandoned Mine Land Reclamation Fund and extends payments through 2036.
- **Orphaned Oil and Gas Wells**
 - \$4.7 billion to plug, remediate, and reclaim orphaned oil and gas wells on federal, state and tribal lands.

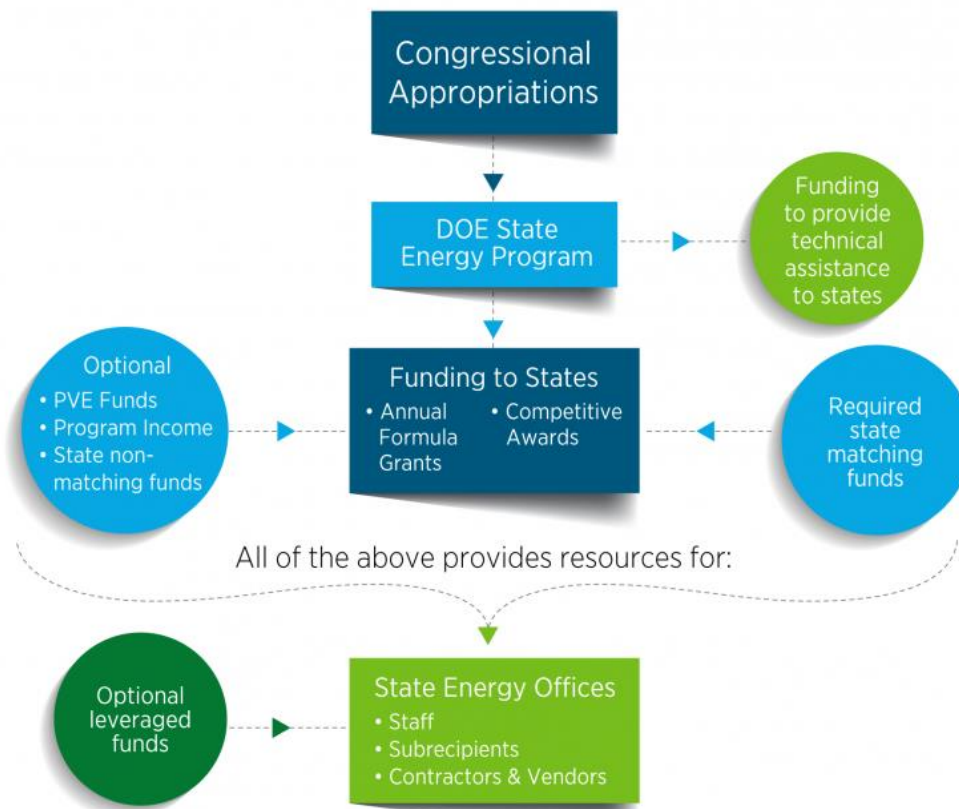


ENERGY

- **Electric Transmission Preemption**
- **Energy Efficiency**
 - Section 40502 – Provides states grants to establish Energy Efficiency Revolving Loan Funds (\$250 million for FY 2022)
- **Electric Grid Resiliency**
 - \$500 million per year
- **Research and Supply Chains**
 - Batteries - \$6 billion
 - Carbon Capture - \$6 billion
 - Hydrogen - \$8 billion
 - Advanced nuclear - \$3 billion
 - Existing Nuclear - \$6 billion

State Energy Program Funding - \$500 Million FY22-FY26

Rundown of SEP Funding Process



IIJA Intent of Funds & Additional Details

- Develop & implement clean energy programs and projects.
- No state match requirement
- FFIS anticipates \$10 million to MN in FY 2022

Past SEP Funding & Projects in Minnesota

- \$12.5 million since 2010
- Projects have included:
 - Creation of a Guaranteed Energy Savings Program
 - Implementation of Electric Utility Infrastructure Efficiency
 - Energy Efficiency Implementation in Wastewater Treatment Facilities
 - [Minnesota's 2025 Energy Action Plan](#)

Department of Energy - State Energy Funding

Weatherization Assistance Program



\$3.5 billion total for FY 2022-2026
Minnesota received \$99.9 million
between 2010 and 2021

Low Income Home Energy Assistance Program



\$500 million total for FY 2022-2026
Minnesota received \$106 million for FY
2022, and will receive an additional \$2
million via IJA for FY22

Anticipated Funding Per FFIS

	FY 2022
Department of Energy	
Energy Efficiency Revolving Loan Fund Capitalization Program	\$2,017
State Energy Program (expanded use)	\$10,086
Weatherization Assistance Program	\$144,781
Grand Total	\$156,884,345



DISASTER MITIGATION & RESILENCY

- **STAFFORD ACT**
- **FEMA**
 - Flood Mitigation
 - ✓ \$3.5 billion (states and local govts)
 - ✓ Buyouts, elevating, other activities
 - BRIC
 - ✓ \$1 billion (states and local govts)
 - ✓ Pre-disaster mitigation projects
 - STORM Act
 - ✓ \$500 million (states)
 - ✓ Aids states in establishing revolving loan funds for mitigation projects.

QUESTIONS?

For questions on specific policy areas
please contact the following:

Water, Environment & Energy

Kristen Hildreth, kristen.hildreth@ncsl.org

Disaster Mitigation & Resiliency

Kristen Hildreth, kristen.Hildreth@ncsl.org
& Nicole Ezech, nicole.ezeh@ncsl.org

