



# Infrastructure Investment & Jobs Act (IIJA) & Inflation Reduction Act (IRA)

## ENERGY-RELATED PROVISIONS UPDATE

# Infrastructure Investment and Jobs Act (IIJA)

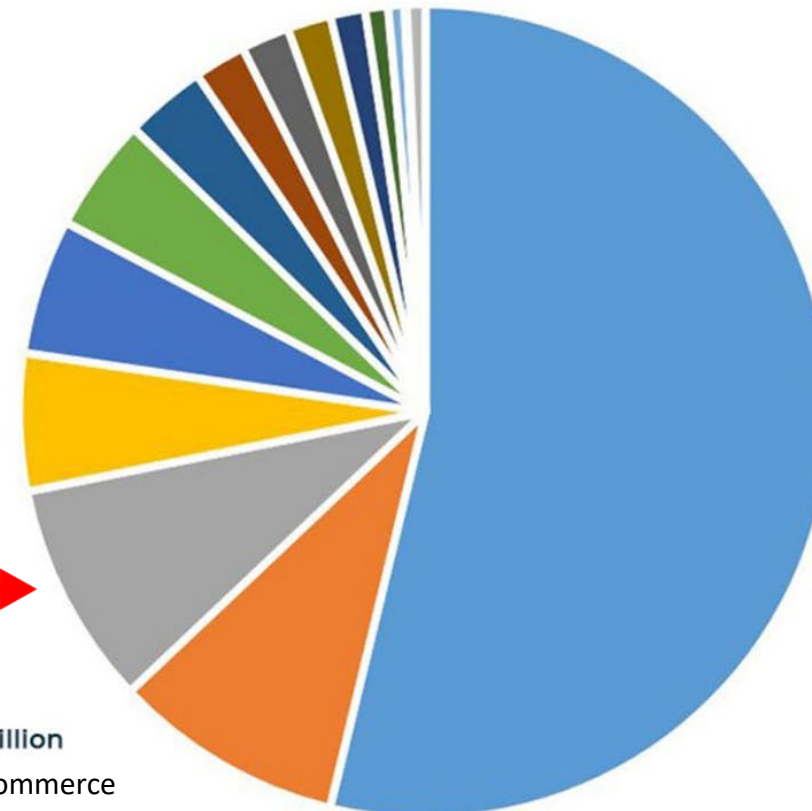
## AGENDA

- Infrastructure Investment & Jobs Act (IIJA) & Inflation Reduction Act (IRA)
  - Overview
  - Submitted
  - In Development
  - Other Highlights
  - Requests for Information
- Resources

# OVERVIEW: Infrastructure Investment and Jobs Act (IIJA)

Federal **Infrastructure Investment and Jobs Act (IIJA)**, or Bipartisan Infrastructure Law (BIL), was signed into law on November 15, 2021.

- \$1.2 Trillion in funding, 397 funding opportunities overall, 97 of which have energy focus
  - 84% of these funding opportunities require a cost-match of 5-50%
  - Justice40: goal of 40% of benefits accrue to Disadvantaged Communities (DAC)

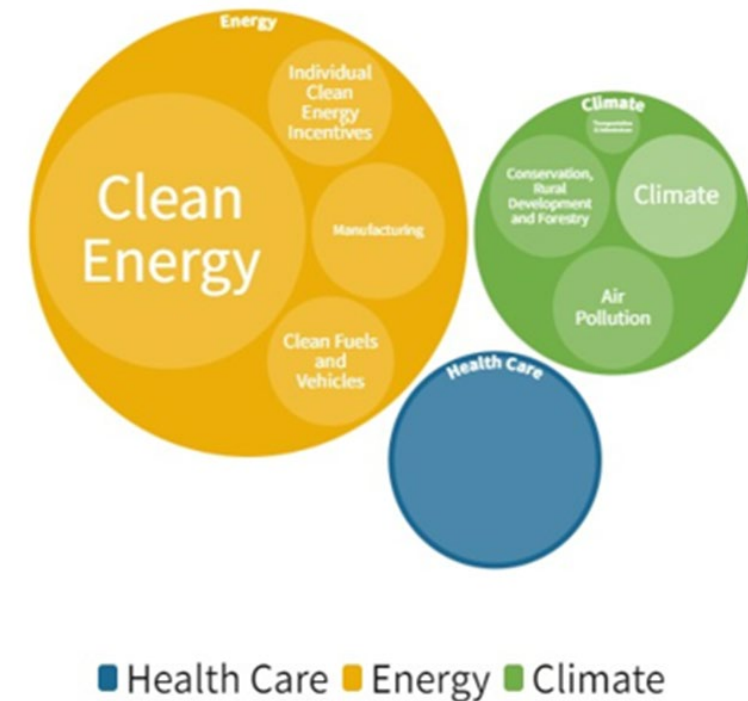


# OVERVIEW: Inflation Reduction Act (IRA)

- Passed on August 12<sup>th</sup>, 2022
- Key Objectives:
  - Reducing Inflation and hastening economic recovery
  - Investing in climate change mitigation and environmental justice
  - Increasing workforce development
  - Justice40: goal of 40% of benefits to DAC
- \$369 billion in funding for climate change related programs and grants
  - Analysis forecasts a 40% reduction in emissions by 2030

## Spending and Tax Cuts

Figures in billions over 10 years from 2022 - 2031



# SUBMITTED: IJA Formula Programs

## **40108: State Energy Security Plan (SESP)**

Required components:

1. Energy sources
2. Energy profile of production, transmission, distribution, and end-use
3. Address potential hazards
4. Provide a risk assessment
5. Provide a risk mitigation approach
6. Coordination of planning & response

**1<sup>st</sup> year “Draft” Submitted Sept. 30, 2022.  
Requires annual revisions for SEP funding.**

## **40109: State Energy Program (SEP)**

MN priority areas:

1. Energy data access
2. Critical infrastructure
3. Technical and project assistance
4. Community and state energy resilience planning
5. Ongoing State Energy Security Planning

**Submitted Dec. 5, 2022**

**Total allocation (5-yr. spend) = \$7,734,210**

# IIJA Formula & Non-IIJA Competitive Program

## Weatherization Assistance Program (40551 WAP-BIL)

### Areas of Focus:

- Stabilize program funding
- Ensure equitable service
- Expand program services
- Partner & innovate

**Submitted September 30, 2022.**

**Total allocation (Over 5-yrs) = \$76,218,512**

## Special DOE WAP Competitive Grants (non-IIJA):

### Awarded

#### **Sustainable Energy Resources for Consumers**

**(SERC):** Weather Resistive Advanced Prefab (WRAP) Pilot Initiative \$626,000

**Enhancement & Innovation (E&I):** \$2M to make 85 Wx-eligible households electrification ready.

### Submitted

**Community Scale Pilot Project:** Minnesota Energy Efficiency for Manufactured Homes (MEEMH)  
\$ 405,628

### In Progress

**SERC:** High Performance Window Replacements.  
\$6M, full application due February 10

# IN DEVELOPMENT: IIJA Formula Programs

**40552: Energy Efficiency and Conservation Block Grant (EECBG):** To assist entities in implementing strategies to reduce fossil fuel emissions, total energy use & improve energy efficiency

- State Funds: \$2,248,830
- MN Cities/Counties: \$4,870,320
- MN Tribes: \$131,110

**40502: Energy Efficiency Revolving Loan Fund (EERLF)**

To provide loans and grants for commercial & residential energy audits, upgrades, retrofits

- \$1,854,610 over 5 years
- Due: April 21, 2023

**40101(d): Grid Resilience**

- Allocation: \$6M annually (\$30M Total)
- Annual file due March 31 for 1st two years of funding
- Match: Requires 15% state match
- Cost share: Subawards required 33%-100% match

# IN DEVELOPMENT: IIJA Competitive Applications

## 40103(b): Grid Innovation Program

- Two applications in development
  - Joint Targeted Interconnection Queue Project to improve long-standing bulk-transmission interconnection-queue backlogs and interregional collaboration. Total Project Cost: \$1.06 Billion
  - Transmission Upgrades and Grid-Enhancing Technology for Cooperative and Municipal Utilities. Total Project Cost: \$400 Million
- Cost-share requirement: 50%
- Concept papers due January 13, 2023

## 40314: Hydrogen Hub

- MN MOU on two teams - Heartland and Midwest
- Concept Papers submitted for each project on November 7, 2022
- Heartland proposal, led by Energy and Environment Research Center has been encouraged for a full submission
- Cost-share required: At least 50%



# IN DEVELOPMENT: IIJA/IRA Resilient and Efficient Codes Implementation

## IIJA 40551 Resilient & Efficient Code Implementation (RECI)

Goal: Implementation of more efficient building energy codes to reduce greenhouse gas emissions & encourage more resilient buildings

MN Focus:

- Commercial code changes.
- Residential code changes for small Multi-family
- Training for effective implementation
- Concept Paper Due Date: January 31, full Application – March 27
- Cost Share: Encouraged

## IRA 50131 Assistance for Latest and Zero-Energy Building Code Adoption

\$1B for competitive grants (through Sep 30, 2031)

- \$330 M in code adoption efforts to meet or exceed latest Commercial and Residential International Energy Conservation Codes
- \$670 M to meets or exceeds the zero energy provisions in the 2021 International Energy Conservation Code
- Once federal guidance received, efforts around this will build on MN's IIJA 40511 submission

# OTHER HIGHLIGHTS: Open Competitive Opportunities

- **Transmission Facilitation Program (40106)**

- Grants to support program goals of accelerating development and construction of high voltage transmission lines
- Part 1 Submission Deadline : February 1

- **Regional Direct Air Capture Hubs (40308)**

- Up to \$1.236 B to accelerate commercialization of, and demonstrate the processing, transports, secure geologic storage, and/or conversion of carbon dioxide (CO<sub>2</sub>) captured from the atmosphere
- Letter of Intent due January 24, Full due March 13

- **Renew America's Schools (40541)**

- \$80 M to fund high-impact energy efficiency and health improvements through innovative energy technology packages, and innovative energy technology packages.
- Concept Paper due January 26, Full due April 21

- **Decarbonization of Water Resource Recovery Facilities (D-WRRF) (Non-IIJA, DOE funding)**

- \$23 M for innovative R&D to support decarbonization of WRRFs, including innovations around energy recovery from wastewaters and research on production of higher-value products to supplant fossil fuel-derived products
- Concept Paper due January 27, Full due April 3

## Upcoming IRA Competitive Applications for Transmission

- **Energy Infrastructure Reinvestment Financing (50144)**

- \$5 B in financial support (through 9.30.2026) to enable low-carbon reinvestments in energy communities.

- **Funding for the DOE Loan Programs Office (50141)**

- \$3 B to support loan guarantees for projects reducing or sequestering GHG and air pollutants via RE, advanced technologies, efficient generation and transmission and distribution projects

- **Transmission Facility Financing (50151)**

- \$2 B covering direct loans for construction or modification of electric transmission facilities designated as necessary to national interest

- **Grants to Facilitate the Siting of Interstate Transmission Lines (50152)**

- \$760 M (through 9.30.2029) to cover studies impact analysis and other costs associated with seeking regulatory approval

- **USDA Assistance for Rural Cooperatives (22004)**

- Funds loan-based programs for projects reducing emissions via purchase or deployment of RE, zero-emissions systems, carbon capture and storage systems, and to make EE improvements to generation and transmission systems

# OTHER HIGHLIGHTS: Upcoming IRA Residential Rebates

## 50122: High Energy Efficiency Home Rebate Act (HEEHRA)

To provide rebates for qualified home electrification projects

- \$4.3 via State Energy Offices & \$225 M to Tribal Nations
- Rebates to cover the costs of building electrification upgrades
- Low-to-middle Income household only (< 150% of Area Median Income)
- Anticipated late 2023

## 50121: Home-Owner Managing Energy Savings (HOMES)

To provide rebates for Energy Efficiency retrofits

- \$4.3B via State Energy Offices
- Rebates levels depend on Savings
- Rebates from \$2K per unit up to 50% of project costs
- Rebates double for Low and Mid-Income (LMI), up to 80% of project costs
- Anticipated late 2023

# Requests for Information: Workforce Development (WFD)

- Current Open Request for Information (RFI) on three upcoming WFD programs
  - **IIJA 40503** Energy Auditor Program (EAT)
    - \$40 million nationwide
    - SEO only eligible applicant, MN expected ask - \$2M
    - Expected 40503 FOA date: March or April 2023
  - **IIJA 40513** Career Skills Training program (CST)
    - \$10 M Nationwide (until expended)
  - **IRA 50123** State-Based Home Energy Efficiency Contractor Training program
    - \$200 M nationwide until Sep 30, 2031
    - To Support IRA HOMES and HEEHRA rebates

# IIJA and IRA Resources



- The White House, [Bipartisan Infrastructure Law Guidebook](#)
- U.S. Department of Energy | [IIJA Homepage](#)
- The White House, [Inflation Reduction Act Guidebook](#)
- The White House, [MN IRA Fact Sheet](#)
- MN Commerce IIJA [Web-page](#)
- MN Commerce periodic Federal Funding Opportunities email - [Subscribe](#)
- Federal Funding Energy-Related Questions can be sent to Kellye Rose, Federal Funds Development Director@ [fedquestions.commerce@state.mn.us](mailto:fedquestions.commerce@state.mn.us)

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# Questions?

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