



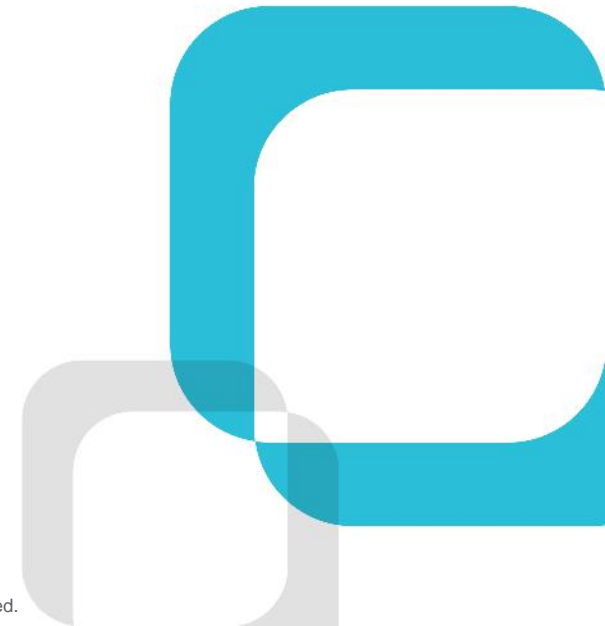
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Infrastructure Investment and Jobs Act

Research on Relevant Programs for Utilities

December 2021



Infrastructure Investment and Jobs Act

The Infrastructure Investment and Jobs Act (IIJA) was passed by Congress and signed into law on November 15, 2021. The legislation is a \$1.2 trillion investment in the nation's infrastructure, including roads, bridges, railways, airports, broadband, and the electric grid.

Among the programs funded by the bill are a number of areas of interest to energy and utility companies, including:

- Grid Resilience and Smart Grid Capabilities
- Transportation Electrification
- Broadband Deployment
- Cybersecurity
- Transmission
- Hydrogen
- Nuclear
- Hydro
- Energy Storage
- Carbon Capture
- Energy Efficiency

Eligible entities for this funding vary by program and include investor-owned utilities; rural, municipal, and public power entities; state and local governments; and others.

Following is a summary of the key programs of the bill.

Summary of Key Programs

Project Scope	Bill Programs	Amount	Program Type	Admin Department
Grid Resilience	Grid Infrastructure Resilience and Reliability Grant Program: Competitive grants to eligible entities to carry out activities to make grids more resilient and reliable in the face of extreme weather or natural disasters	\$5 billion	Grants	DOE
	Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency: Grants to eligible entities that demonstrate innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance resilience and reliability	\$5 billion	Grants	DOE
Smart Grid Capabilities	Smart Grid Investment Matching Grant Program: Amends the existing Smart Grid grant program to add new investment types and appropriates additional funding for reimbursement of 20% of qualifying Smart Grid investments	\$3 billion	Grants	DOE
	Strengthening Mobility and Revolutionizing Transportation (SMART) Grants: Additional funding is earmarked for new SMART grants to be used for demonstration projects that advance smart community technologies	\$500 million	Grants	DOE
Transportation Electrification	National Electric Vehicle Formula Program: Provides states with funding for the implementation of EV charging infrastructure	\$5 billion	Block Grants to States	DOT
	Charging and Fueling Infrastructure Grants: Five-year grant program beginning in 2022 for the deployment of publicly accessible alternative fuel charging infrastructure	\$2.5 billion	Block Grants to States	DOT
Broadband Deployment	State Grants for Deployment: Funding supports a formula-based grant program to states for the purpose of broadband deployment	\$42.45 billion	Grants	NTIA
	Middle Mile: The provision would create a state grant program for the construction, improvement, or acquisition of a middle-mile infrastructure	\$1 billion	Grant	NTIA
	Private Activity Bonds (PABs): Based on the Rural Broadband Financing Flexibility Act, this provision allows states to issue PABs to finance broadband deployment	-	Bonds	States

Summary of Key Programs (Cont'd)

Project Scope	Bill Programs	Amount	Program Type	Admin Department
Cybersecurity	Program to Promote and Advance Physical Security and Cybersecurity of Electric Utilities: New program to promote and advance the physical security and cybersecurity of electric utilities, with priority provided to utilities with fewer resources	-	Federal Funding	DOE w/DHS
	Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance Program: Provides grants and technical assistance for utilities to detect, respond to, and recover from cybersecurity threats	\$250 million	Grants	DOE w/DHS
	Cybersecurity for The Energy Sector Research, Development, and Demonstration Program: A program to develop advanced cybersecurity applications and technologies for the energy sector	\$250 million	Federal Funding	DOE w/DHS
	Energy Sector Operational Support for Cyber Resilience Program: A program to enhance and periodically test the emergency response capabilities of the department	\$50 million	Federal Funding	DOE
	Modeling and Assessing Energy Infrastructure Risk: Increase the functional preservation of electric grid operations or natural gas and oil operations in the face of natural and human-made threats and hazards	\$50 million	Federal Funding	DOE
	Cyber Response and Recovery Act: Creates a fund that allows CISA to provide direct support to public or private entities as they respond and recover from significant cyberattacks and breaches	\$100 million	Federal Funding	DHS
Transmission	Transmission Facilitation Program: Program to facilitate construction of electric power transmission lines and related facilities	\$2.5 billion	Loans	DOE Secretary
	Incentives for Advanced Cybersecurity Technology Investment: Initiation of a FERC rulemaking to develop incentives to encourage investments in cybersecurity technology and participation in threat information sharing	TBD	Incentive Rulemaking	FERC

Summary of Key Programs (Cont'd)

Project Scope	Bill Programs	Amount	Program Type	Admin Department
Hydrogen	Regional Clean Hydrogen Hubs: Grant program to support developing at least four hydrogen hubs that are geographically diverse based on their end-use and feedstock	\$8 billion	Grants	DOE
	Clean Hydrogen Manufacturing and Recycling: Two programs designed to award grants contracts and cooperative agreements for R&D and demonstration projects to advance clean hydrogen	\$500 million	Grants, Contracts	DOE
	Clean Hydrogen Electrolysis Program: Establishes a demonstration program to commercialize, improve efficiency, reduce costs, and increase durability of clean hydrogen electrolyzers	\$1 billion	Grants, Contracts	DOE
Nuclear	Civil Nuclear Credit Program: Evaluates nuclear reactors scheduled to cease operation; select reactors to be allocated credits	\$6 billion	Credits	DOE
	Advanced Reactor Demonstration Program: Additional funding to the Energy Policy Act of 2005 program for R&D and demonstration projects of advanced reactors	\$2.48 billion	Grants	DOE
Hydro	Hydroelectric Production Incentive Program: Additional funding to the Energy Policy Act of 2005 program for providing incentive payments to qualified hydropower facilities	\$125 million	Incentive Payments	DOE
	Hydroelectric Efficiency Improvement Incentives: Additional funding and reduced limitations on spending for the Energy Policy Act of 2005 program which helps hydropower facilities pay for efficiency improvements	\$75 million	Incentive Payments	DOE
	Maintaining and Enhancing Hydroelectricity Incentives: Adding a program to the Energy Policy Act of 2005 to make additional incentive payments to hydropower facilities	\$553.6 million	Incentive Payments	DOE
Carbon Capture	Carbon Capture Demonstration Project Program: Additional funding to the Energy Policy Act of 2005 program to begin carbon capture demonstration projects by 2025	\$2.5 billion	Demonstration Projects	DOE
	Carbon Capture Large-Scale Pilot Projects: Additional funding to the Energy Policy Act of 2005 program to demonstrate carbon capture with coal and natural gas generation and at industrial sites	\$937 million	Grants, Demonstration Projects	DOE

Summary of Key Programs (Cont'd)

Project Scope	Bill Programs	Amount	Program Type	Admin Department
Energy Storage	Pumped Storage Hydropower Wind and Solar Integration and System Reliability Initiative: Establishes a pumped storage hydropower demonstration project to facilitate the development of long-duration storage	\$10 million	Demonstration Projects	DOE
	Energy Storage Demonstration Pilot Grant Program: Additional funding to the Energy Act of 2020 program to provide grants to demonstration programs for energy storage	\$355 million	Demonstration Projects	DOE
	Long-Duration Demonstration Initiative: Additional funding to the Energy Act of 2020 program to enter partnerships for demonstration projects for a variety of long-duration storage technologies	\$150 million	Demonstration Projects	DOE and DOD
	Battery Storage: Grants for processing and refining raw products into constituent materials employed in advanced battery manufacturing	\$6 billion	Grants	DOE
Energy Efficiency	Energy Efficiency Revolving Loan Fund Capitalization Grant Program: Program that provides capitalization grants to states to establish a revolving loan fund under which the state provides low-interest loans to recipients to conduct commercial energy audits	\$250 million	Grants, Loans	DOE
	Energy Auditor Training Grant Program: A competitive grant program awarded to eligible states to train individuals to conduct energy audits or surveys of commercial and residential buildings	\$40 million	Grants	DOE
	Cost-Effective Codes Implementation for Efficiency and Resilience: Competitive grants to eligible entities to enable sustained cost-effective implementation of updated building energy codes	\$225 million	Grants	DOE

Implementation and Oversight

Implementation and Oversight Task Force

In conjunction with the IIJA, President Biden signed an executive order establishing a panel to oversee the law. According to the White House, the executive order directs that the money in the act be disbursed in alignment with administration priorities. The executive order asks the task force to coordinate with state, local, and tribal governments and avoid waste.

The task force will be co-chaired by the Director of the National Economic Council and a new position of White House Infrastructure Coordinator.

Bill Priorities/Requirements

- **U.S. suppliers:** The bill requires that all iron, steel, manufactured products, and construction materials used in infrastructure projects that receive financial assistance (through grants or loans) are produced in the United States:
 - For iron or steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occur in the United States
 - For manufactured products, that (i) the manufactured product is manufactured in the United States; and (ii) the cost of the components of the manufactured products that are mined, produced, or manufactured in the United States is greater than 55% of the total cost of all components of the manufactured products, unless another standard for determining the minimum amount of domestic content of the manufactured products has been established under applicable law or regulation
 - For construction materials, that all manufacturing processes for the construction materials occur in the United States. The bill exempts aggregates from the definition of construction materials
- **Union jobs:** Projects must use union jobs where they can
- **Projects are designed to withstand the impacts of climate change:** Project plans must be approved first before implementation can commence
- **Projects comply with the administration’s “Justice 40” initiative:** This initiative calls for at least 40% of federal investments to flow to “disadvantaged communities”

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