

A Summary of the Infrastructure Investment Jobs Act–2021 and How It Aligns Favorably with the Methow Valley Climate Action Plan. Prepared by the Climate Action Implementation Hub

A. Methow Valley Climate Action Plan (CAP)

- Built Environment and Infrastructure

- Built environment strategies and actions focus on ways to conserve and use energy more efficiently, to increase the use of renewables, to prepare the electricity grid for increased electrification, and to reduce emissions by changing practices and concentrating future growth in urban areas. The CAP prioritizes meeting the needs of households whose energy bills are high relative to their income. Financial and technical assistance should be focused on those most in need, while providing education and options for all building owners.

B. How the Infrastructure Investment Jobs Act–2021 will fight climate change and advance clean energy.

- Congress recently passed the Infrastructure Investment Jobs Act–2021 (IIJA). It contains more than \$80 billion to advance the clean energy transition and fight climate change.
- The IIJA dedicates funding to build nationwide electric-vehicle charging networks and to buy fleets, expand and modernize power grids, create industrial hubs for carbon capture and clean hydrogen, support advanced batteries and nuclear power projects, fund energy-efficient programs, invest in environmental remediation and fund other key parts of President Biden’s climate agenda.

C. Following is a summary of the key climate–related provisions in the IIJA.

- Electric vehicles

- The IIJA will create the first-ever national network of electric-vehicle charging stations across the country.
- The funding includes \$5 billion in grants for states to deploy EV chargers, along with another \$2.5 billion to support stations for EV charging or for fuel vehicles with hydrogen, propane or natural gas.
- The IIJA also contains \$2.5 billion for electric buses and another \$2.5 billion for zero-emissions buses, aimed at helping school districts and private-sector transportation partners replace diesel-fueled school busses across the country. An additional \$2.5 billion is directed at electrifying ferries.

- Grid modernization and transmission development

- In the area of high-voltage transmission grid infrastructure, the IIJA will create a \$2.5 billion revolving loan fund to allow the Department of Energy to serve as an “anchor tenant” for up to half the capacity of a new or upgraded transmission line.
 - It also contains a \$10 billion increase in borrowing authority for the Bonneville Power Administration.
 - The IIJA directs \$3 billion to the Department of Energy’s Smart Grid Investment Grant program, to increase grid flexibility to support integration of renewable and distributed energy resources.
 - Another \$5 billion will go toward Department of Energy grants for investments that reduce the risk and impact of grid outages caused by extreme weather, wildfires and natural disasters.
 - An additional \$1 billion in funding is earmarked for grid investments in rural areas, and \$500 million will support the Department of Energy’s State Energy Program, which aids states in transmission and distribution planning.
- Energy efficiency and environmental remediation
 - The IIJA calls for a \$3.5 billion increase in funding for low-income weatherization, \$550 million for local energy-efficient and conservation block grants, and \$225 million to assist states and other jurisdictions in updating building energy codes.
 - The American Council for an Energy-Efficient Economy trade group has tallied up other efficiency spending in the Act, including a revolving loan fund for upgrade to commercial buildings and homes, money for upgrades to public schools and federal buildings and funding for worker training.
- Hydrogen
 - Hydrogen produced with low or no carbon emissions will receive \$9.5 billion, including \$1 billion to reduce the cost of “green hydrogen” produced with electrolyzers using renewable energy, and \$500 million in clean hydrogen project grants.
- Batteries
 - To boost U.S. competitiveness in a global battery industry, the IIJA contains \$6 billion for Department of Energy grant programs: \$3 billion for battery manufacturing and recycling and \$3 billion for battery materials processing. It also establishes a Department of Energy program to study the potential for “second-life” uses of depleted EV batteries in grid energy storage.

D. What happens next?

- Federal agencies such as the Departments of Transportation and Energy will implement the IIJA.

- State and local officials carry even a greater burden. As owners and operators of most infrastructure, they must design and build new assets, hire more workers, and even mobilize their own financial resources. Money to be allocated via new formula programs will take longer to implement than funds dispersed according to pre-existing formulas. For example, \$5 billion for EV infrastructure will be distributed via a new National Electric Vehicle Formula Program for states to deploy.

- IIJA is enormous. The spending touches every sector of infrastructure, from transportation and water to energy, broadband, and the resilience and rehabilitation of our nation's natural resources. Over half of the new spending is transportation focused.

- The \$6.4 billion new Carbon Reduction Program within the Federal Aid Highway Program will channel formula funding into bicycle and pedestrian trails, transit, and other energy-efficient transportation investments.

- IIJA launches multiple federal programs, all of which require internal planning, internal and public review, and hiring staff and building knowledge resources to set-up new operations – all before any services like grant agreements and technical expertise are produced. Meanwhile state and local officials must ensure their operations are ready to handle the influx of new federal funding.

- The legacy of the IJA will last for generations.

E. For a deeper dive, following are links to additional IIJA-related resources:

1. Fact sheet: The Bipartisan Infrastructure Deal
<https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/>
2. Senator Maria Cantwell's summary of the IIJA
<https://www.cantwell.senate.gov/news/press-releases/cantwell-outlines-big-wins-for-washington-states-infrastructure-salmon-economy->
3. Salmon Funding Opportunities in the Infrastructure Investment Jobs Act
<https://wildsalmoncenter.org/wp-content/uploads/2021/11/WSC-Salmon-Funding-Opportunities-in-2021-IIJA-1.pdf>
4. State Energy Program Competitive Financial Assistance
<https://www.energy.gov/eere/wipo/state-energy-program-competitive-financial-assistance-program>

5. Another review of the IJA:

<https://sites-cozen.vuturevx.com/191/3577/november-2021/converting-the-infrastructure-legislative-win-into-concrete-results.asp?sid=e2165592-870d-4ff2-a94a-2550e89e80e7>