



EESI

Environmental and
Energy Study Institute

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Updates from Rural America

Briefing Series: IRA and IIJA Progress Report

Thursday, March 14, 2024

About EESI



Non-partisan Educational Resources for Policymakers

A bipartisan Congressional caucus founded EESI in 1984 to provide non-partisan information on environmental, energy, and climate policies

Direct Assistance for Equitable and Inclusive Financing Program

In addition to a full portfolio of federal policy work, EESI provides direct assistance to utilities to develop “on-bill financing” programs

Commitment to Diversity, Equity, Inclusion, and Justice

We recognize that systemic barriers impede fair environmental, energy, and climate policies and limit the full participation of Black, Indigenous, people of color, and legacy and frontline communities in decision-making

Sustainable Solutions

Our mission is to advance science-based solutions for climate change, energy, and environmental challenges in order to achieve our vision of a sustainable, resilient, and equitable world.

Polycymaker Education

Briefings and Webcasts



Live, in-person and online public briefings, archived webcasts, and written summaries

Climate Change Solutions



Bi-weekly newsletter with everything policymakers and concerned citizens need to know, including a legislation and hearings tracker

Fact Sheets and Issue Briefs



Timely, objective coverage of environmental, clean energy, and climate change topics

Social Media (@EESIOnline)



Active engagement on Twitter, Facebook, LinkedIn, and YouTube





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Thursday, March 14, 2024

Good for the Economy.
Good for the Environment.

**E2 Presentation on
Updates from Rural America IRA and IIJA
Progress Report
Hosted By: Environment and Energy Study
Institute (EESI)**

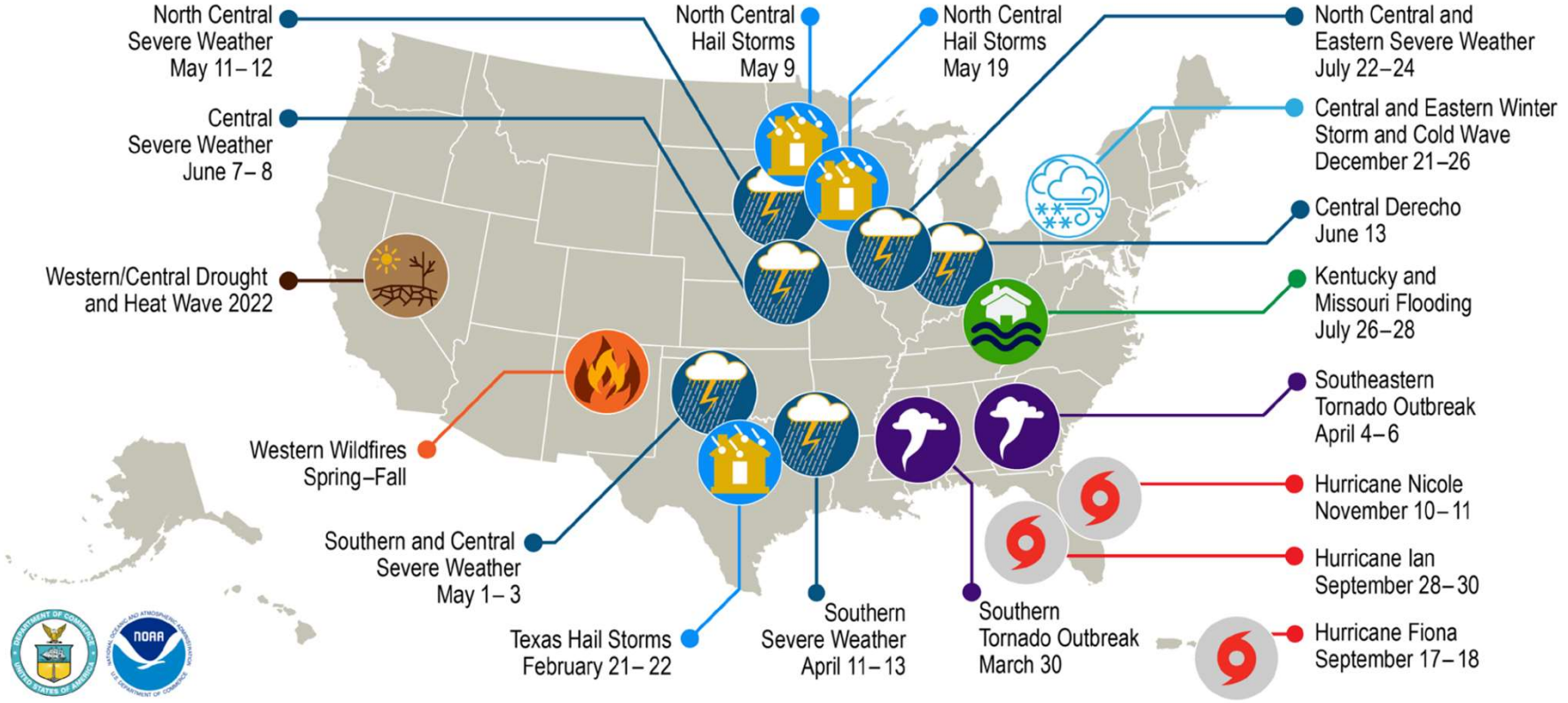
**Sandra Purohit, Director of Federal
Advocacy**
Sandra@e2.org

Thursday, March 14, 2024



U.S. 2022 BILLION-DOLLAR CLIMATE DISASTERS -- Source: American Farm Bureau Federation

Drought/Heat Wave
 Flooding
 Hail
 Hurricane
 Severe Weather
 Tornado Outbreak
 Wildfire
 Winter Storm/Cold Wave



GOOD THINGS HAPPENING – FEDERAL RURAL INVESTMENTS

One Year Snapshot of the Impact of:

- 1) Tax Incentives
- 2) Rural Conservation Funding
- 3) Rural Clean Energy Investment

WWW.E2.org/reports

**Benefits to Rural America from the
Inflation Reduction Act:** Driving Jobs,
Investment, and Economic Resilience



Figure 1 // Combined Jobs, Wage, Tax, and GDP Impacts of Major Rural Clean Energy Projects Announced In First Year of the IRA

46,533 jobs each year for 5 years during construction phase
+21,382 jobs supported annually during the operational life of projects

\$19.8 billion in initial total private capital *INVESTMENTS*
+\$2.4 billion in ongoing annual *INVESTMENTS* during the operational life of

\$24 billion added to *U.S. GDP* during construction phase
+\$2.7 billion added to *U.S. GDP* annually during the operational life of

\$16.8 billion in *LABOR INCOME* during the construction phase
+\$1.8 billion in *LABOR INCOME* annually during the operational life of

\$4.9 billion in *TAX REVENUE* generated during the construction phase
+\$712 million in *TAX REVENUE* generated annually during the operational life of

Manufacturing Renaissance in Rural America



Near-Term
Construction
Phase

Figure 2 // Construction Phase Annual Impacts by Impact Type, Rural, All Sectors

	Jobs	Value Added/GDP	Labor Income		Taxes
Direct	20,388	\$1,614,390,333	\$1,506,603,864	Local	\$128,686,870
Indirect	9,869	\$1,334,884,058	\$807,526,295	State	\$194,380,478
Induced	16,276	\$1,858,827,777	\$1,056,506,076	Federal	\$670,903,962
Total	46,533	\$4,808,102,167	\$3,370,636,235	Total	<u>\$993,971,310</u>

For context, \$994 million in taxes is more than the annual tax generated by the nation’s forestry industry.

Longer-Term
Operations Phase
Rural Benefits

Figure 3 // Operations Phase Annual Impacts by Impact Type, Rural, All Sectors

	Jobs	Value Added	Labor Income		Taxes
Direct	5,383	634,063,693	673,885,965	Local	\$137,160,425
Indirect	7,001	1,084,370,760	605,138,133	State	\$167,441,659
Induced	8,997	1,030,330,044	585,320,278	Federal	\$407,485,527
Total	21,382	\$2,748,764,497	\$1,864,344,376	Total	<u>\$712,087,611</u>

About equivalent to the annual tax contributions of the U.S. mining machinery and equipment manufacturing industry.⁷



VOLUNTARY CONSERVATION FUNDING



Lucinda Stuenkel, Palmer Kansas

- REDUCES COSTS
- BOOSTS FARM RESILIENCE
- REDUCES EMISSIONS
- WILDLY POPULAR

CONSERVATION FUNDING CRITICAL TO FARMERS AND US FOOD SECURITY



Benefits to Rural America from the Inflation Reduction Act: Driving Jobs, Investment, and Economic Resilience



Rural Clean Energy Investments





Presented by

Clare Sierawski

Senior Energy Counselor
Rural Development

 Rural Development
U.S. DEPARTMENT OF AGRICULTURE

RD Electric Programs Update

Rural Development - Inflation Reduction Act

Three Clean Energy Programs:

Rural Energy for America Program
(REAP)

Powering Affordable Clean Energy
(USDA PACE)

Empowering Rural America
(New ERA)

- Largest investment in rural electrification since 1936.
- Grant, loan, loan modification, and partial loan forgiveness programs to expand clean, affordable, and reliable energy.
- Reduced pollution, improved health, jobs, and lower energy costs for rural America.
- Once in a generation opportunity for economic development and to enhance the quality of life in rural communities.

FY 2023 – We delivered for rural communities

- RUS Electric: Over \$6.8 billion of financing, 100 loans obligated, and Record Level of RUS Rural Energy Savings Program (RESP) \$200 million/10 loans
- Unprecedented IRA Outreach and USDA Powering Affordable Clean Energy (USDA PACE), New Empowering Rural America (New ERA), and Rural Energy for America Program (REAP) Notice of Funding Opportunities
- Huge demand in response to all funding notices
- Over 3,000 REAP awards obligated
- Improving Environmental Review
- Community/Farmer Benefit Plans

FY 2024: Continuing to deliver

- **Over 1,000 REAP awards obligated already**
- **First round of New ERA invitations to proceed to full application.** First New ERA awards expected in July.
- **First Five PACE Awards announced:** totaling \$139 million in Arizona, Colorado, Hawaii and Nebraska. About 50+ more PACE awards to come this year.

RBCS REAP | Systems, Equipment, Improvements

Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for **renewable energy systems or to make energy efficiency improvements.**

- Grants can cover up to 50% of total eligible project costs (from 25% pre-IRA)
- Loan Guarantees on loans can cover up to 75% of total eligible project costs
- Funds obligated across six quarterly cycles to obligate \$1.05 billion throughout the remainder of FY 2023 and FY 2024.
- **These changes have led to over a 1,000 fold increase in funding requests for REAP.**

Applicant Eligibility

Agricultural Producer



Individual or entity that receives 50 percent or more of their gross income from agricultural products – crops, livestock, aquaculture, forestry operations, nurseries, dairies

Rural Small Business



- **For-profit small business** - as defined by the Small Business Administration (SBA)
- **Rural area or non-metro community of $\leq 50,000$**
- **Website: www.rd.usda.gov/reap** (use rural area link)



Renewable Energy Eligible Projects



Solar



Wind



Small Hydroelectric



Anaerobic Digesters



Biomass



Geothermal



Wave/Ocean Power

Energy Efficiency Eligible Projects



Lighting



Heating



Cooling



Ventilation



Fans



Automated Controls



Insulation



Example: Micro Hydropower



Rural Auto Repair Shop

11 kW micro-hydropower turbine

- \$78,511 Total Project Cost
- \$19,695 REAP Grant
- \$58,816 Applicant Contribution



51% reduction in energy costs

Example: Geothermal



Grocery Store

Geothermal heat, energy efficient coolers & lighting

- \$198,600 Total Project Cost
- \$49,650 REAP Grant
- \$148,950 Commercial Loan



40% reduction in energy costs

Example: Energy Efficiency Improvement (EEI)



Laundromat & Dry Cleaners

Washer & Dryer Replacement

- \$42,040 Total Project Cost
- \$10,510 REAP Grant
- \$31,531 Dealer Financing



52% energy savings, improved customer experience

REAP Technical Assistance Grants (TAG)| Purpose

Enable applicants to provide technical assistance to agricultural producers and rural small businesses applying to REAP, with priority for applicants assisting at least two or more of the following types of applicants:

- a) Agricultural Producers,
- b) Distressed/disadvantaged communities,
- c) Tribal entities,
- d) Applicants pursuing projects using underutilized technologies and e)
- Applicants pursuing projects under \$20,000.

Powering Affordable Clean Energy (PACE)

Partially forgivable loans.

Tremendous response: RUS received over 300 Letters of Interest (LOIs), seeking PACE partially forgivable loans far exceeding by many multiples the dollars available.

LOIs are being processed in the order received taking into account geographic diversity and substantially under served trust areas.

Many Notices to Proceed have been sent, kick-off meetings held, and applications filed.

RUS is very close to reaching its \$1 billion budget authority funding limit.

[Inflation Reduction Act Investments by State | Rural Development \(usda.gov\)](#)

Powering Affordable Clean Energy (PACE)

- **First Five PACE Awards:** totaling \$139 million in Arizona, Colorado, Hawaii and Nebraska
 - **Trico Electric Cooperative Inc in Arizona** expanding battery energy storage to the growing number of people in the surrounding areas of Tucson and the Pascua Yaqui Reservation.
 - **La Plata Electric Association in Colorado** to save more than half a million dollars annually and deliver affordable clean solar energy to people living in distressed, disadvantaged and energy communities, including people on the Ute Mountain Ute and Southern Ute Tribal reservations.
 - **Kauai Island Utility Cooperative in Hawaii** to expand solar energy production and to reduce its reliance on fossil fuels during peak evening hours creating jobs for people in the community, strengthen the local electric grid, increase resilience in the face of climate change.
 - **Village of Emerson in Nebraska** to finance a solar facility to make efficiency improvements to its energy distribution system for the Winnebago Tribe.
 - **Midwest Electric Cooperative Corporation in Nebraska** to finance solar and energy storage systems for communities in Wallace, Grant, Paxton and Lakeview.

Empowering Rural America (New ERA)

Program Overview

\$9.7 billion in budget authority for the long-term **resiliency, reliability, and affordability** of rural electric systems to achieve the **greatest reduction** in CO₂, methane, and nitrous oxide emissions.

Eligibility: Electric cooperatives that are or have been RUS or REA borrowers, cooperative entities serving a predominantly rural area, or wholly or jointly owned subsidiaries of such cooperatives.

Activities Supported

- Purchase of renewable energy
- Renewable energy systems
- Zero-emission systems
- Carbon capture and storage systems
- The deployment of such systems
- Energy efficiency improvements to generation & transmission systems of eligible entities
- Any combination of the above

Permitted Use of Funds

- Grants – maximum 25 percent of project cost
- Loans fixed at 2 percent or at a rate tied to the Federal government's cost of capital; and 0 percent for predominantly distressed, disadvantaged or energy communities
- Refinance debt for a stranded assets at 0 percent interest in certain instances
- Any combination of the above

Response to New ERA

Also a huge response. For \$9.7 billion available from Congress, USDA received over \$47 billion in requested funding.

If all were funded, this would represent roughly \$100 billion investment in rural America.

Letters of Interest have been scored and ranked taking GHG reductions, geographic diversity and cost effectiveness into account.

First invitations to proceed to a full application are out. Expect first awards in July.

Other Notes

Solar Siting Listening Sessions

Community Benefit Plans/Farmer Benefit Plans

Interagency Coordination

USDA Clean Energy for Rural America Funding Fairs:

- Direct Pay Tax Incentives remain an exciting opportunity.
- RUS Infrastructure Loan Program at Treasury and near Treasury Rates for terms up to 35 years.
- RUS Rural Energy Savings Program for energy efficiency and renewables.
- EPA GGFR and several DOE Programs

Rural Electrification Act Lending

Rural Electrification Lending remains very active with still attractive Treasury and Near Treasury interest rates available.

Reminder: the reimbursement look back period is now 4 years, giving you access to affordable liquidity.

Can be stacked with direct pay tax credits.

We welcome the opportunity stack our financing with other agencies (provided it is ok with the other agency).

Rural Energy Savings Program (RESP)

RESP has become quite popular with repeat customers - we need more funding.

A great program, offering 0% interest to utilities to relend to your customers at no more than 5% for energy efficiency measures including:

- Lighting

- HVAC

- Building envelope improvements

- On-grid/off-grid renewable

- energy Charging stations

- Even whole manufacture home replacements!

Essential elements: relending, on-bill financing repayment from consumer to utility, energy efficiency investment.

Thank You!

Thank you for making last year a record breaker for our rural communities.

We look forward to continuing to work with you to improve the lives of folks in rural America.



USDA

Rural Development

U.S. DEPARTMENT OF AGRICULTURE



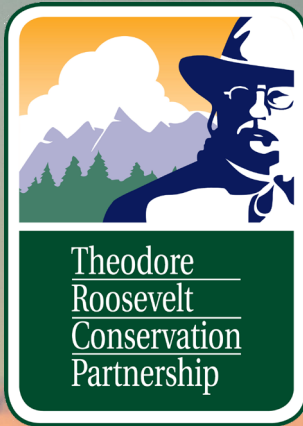
Updates From Rural America

IRA/IIJA & Wildlife Habitat Connectivity

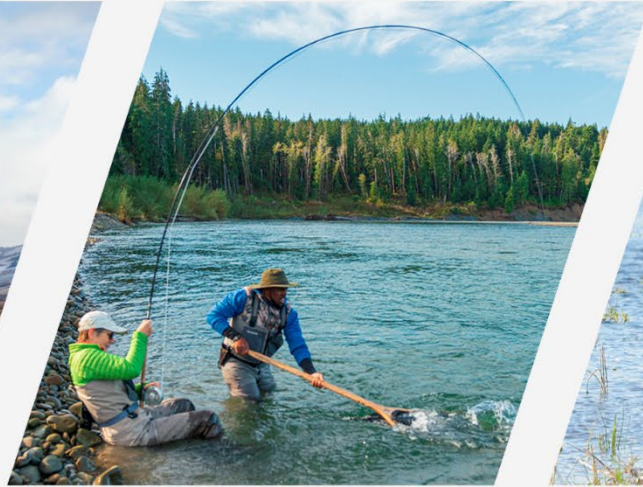
Zach Bodhane

Director of Government Relations

Theodore Roosevelt Conservation Partnership

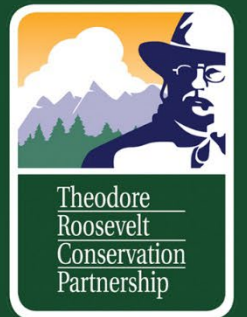


Theodore Roosevelt Conservation Partnership

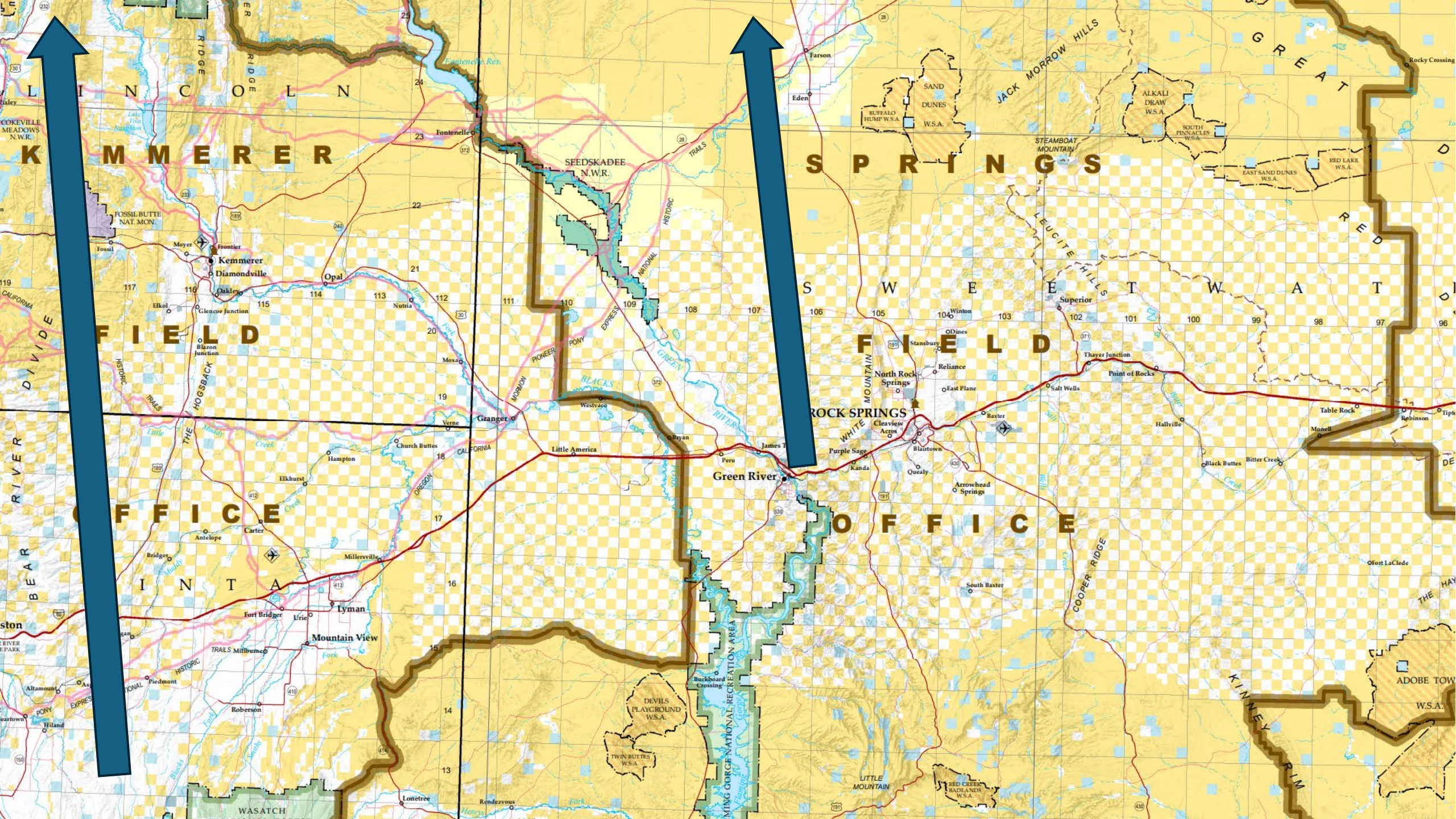


Guaranteeing All Americans Quality Places to Hunt and Fish

- **Public Lands**
- **Private Lands**
- **Water Resources**
- **Climate Solutions**
- **Marine Fisheries**







L I N C O L N
K E M M E R E R

S P R I N G S

F I E L D

S W E E T W A T
F I E L D

O F F I C E

O F F I C E

I N T A

Green River

ROCK SPRINGS

DEVILS PLAYGROUND W.S.A.
TWIN BUTTES W.S.A.

LITTLE MOUNTAIN
RED CREEK BACKLANDS W.S.A.

KINNEY RIM
ADOBE TOWNS W.S.A.

B E A R R I V E R D I V I D E

T H E H O G S B A C K T R A I L S

G R E E N R I V E R N A T I O N A L R E C R E A T I O N A R E A

J A C K M O R R O W H I L L S
S T E A M B O A T M O U N T A I N
L E U C I T E H I L L S
C O O P E R R I D G E

G R E A T

R E D

T H E H A Y





IJA Investments

- DOT Wildlife Crossings Pilot Program (WCPP) **\$350M**
- FWS National Fish Passage Program (NFPP) **\$200M**
- DOT Culvert Removal, Replacement, and Restoration Grants (AOP) **\$1B**
- DOT Bridge Investment Program **\$12.5B**
- DOT PROTECT Grants **\$1.4B**
- DOT Tribal Transportation Program Safety Fund **\$120M**
- DOI/USFS Ecosystem Restoration & Resilience Programs **\$1.4B**



IRA Investments

- USDA Farm Bill Conservation Title Programs
 - EQIP **\$8.5B**
 - RCPP **\$5B**
 - CSP **\$3.25B**
 - ACEP **\$1.4B**
 - Conservation Technical Assistance **\$1B**
- DOI Western Drought Mitigation & System Resilience **\$4B**



WCPP Grants

- Reduce wildlife-vehicle collisions and improve habitat connectivity
- Competitive grants to states, tribes, federal land management agencies and local governments administered by FHWA
- \$110 million initial grant awards for FY22-23
 - **\$24M to AZ DOT**
 - **\$22M to CO DOT**
 - **\$8M to CA DOT**
 - **\$8.5M to Stillaguamish Tribe**
 - **\$1.2M to KY TC**



IIJA Fish Passage Funding

- **\$2B** provided for aquatic ecosystem restoration, infrastructure improvement, and culvert removal.
- **\$531M** funded so far across eight federal agencies



USDA Migratory Big Game Initiative

- Supported by **\$20B** IRA funding.
 - **\$21.4M** in FY24 across WY, MT, and ID.
- Innovative application of Farm Bill Conservation Title programs to better meet producer's needs
 - ACEP - conservation easements
 - EQIP - support for fence conversion, invasive species treatment, habitat restoration
 - Grassland CRP – long-term stewardship with continued agricultural production



Barriers

- Limited capacity
- Lack of dedicated match funds
- Extensive pre-project development

Opportunities

- Farm Bill
- WRDA
- Authorizing Legislation



Theodore Roosevelt Conservation Partnership



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