

Select Infrastructure Investment and Jobs Act and Inflation Reduction Act Programs for Municipalities

The programs below may be of interest to Oregon municipalities

Energy Efficiency and Conservation Block Grant Program

The IIJA appropriates \$550 million into the [Energy Efficiency and Conservation Block Grant Program](#) (EECBG Program). The program is designed to assist states, local governments, and Indian Tribes in implementing strategies to reduce energy use, to reduce fossil fuel emissions, and to improve energy efficiency. Of the \$550 million appropriated, \$440 million will be distributed in formula and competitive EECBG grants to states, local governments, and Indian Tribes. \$8.8 million will be set aside for competitive grants available to local governments that are *not* eligible to receive direct formula grants from the EECBG Program. The other \$110 million will be utilized by the U.S. Department of Energy to ensure delivery of an effective and efficient EECBG Program and to provide technical assistance to eligible entities throughout the lifetime of the EECBG Program.

The Oregon Department of Energy anticipates receiving approximately \$1.9 million in federal funding under this program. At least 60% of the \$1.9 million in state funds will be granted out to local governments within Oregon who are not eligible for a direct federal award. The Oregon Department of Energy will begin outreach and planning efforts related to the state allocation in January 2023.

In June 2022, the U.S. Department of Energy released a [Notice of Availability of State, Local, and Tribal Allocation Formulas](#). This notice provides information on the mathematical formulas and data sources used to develop the state, local government, and Tribal allocation formulas.

In November 2022, the U.S. Department of Energy released a Notice of Intent and formula grant funding allocations to states, local governments, and Indian Tribes. The State of Oregon and 26 local governments are eligible for formula grant funding through the EECBG Program.

Eligible units of local government in Oregon under the EECBG Program are strongly encouraged to review the Notice of Intent and funding allocations in advance of a formal Funding Opportunity Announcement that will likely be issued in January 2023, as well as consider providing the U.S. Department of Energy feedback on their program using the Optional Information Collection Form for Eligible Entities.

- [Notice of Intent](#) — dated November 22, 2022
- [Local Government Allocations](#) — dated November 22, 2022
- [State Allocations](#) — dated November 22, 2022
- [Optional Information Collection Form for Eligible Entities](#)
- [Request for Information on EECBG Competitive Grant](#)

Energy Efficiency Revolving Loan Fund Capitalization Grant Program

The IJA appropriates \$250 million into the [Energy Efficiency Revolving Loan Fund Capitalization Grant Program](#). This program is designed to provide capitalization grants to States to establish a revolving loan fund under which the State shall provide loans and grants for energy efficiency audits, upgrades, and retrofits to increase energy efficiency and improve the comfort of residential and commercial buildings.

The U.S. Department of Energy released a [fact sheet](#) detailing this program. **The Oregon Department of Energy is considering whether to apply for this funding.** If a Revolving Loan Fund is established in Oregon, funds could be used for a wide range of building types and owners, including public facilities owned by state and local governments. A variety of financing options, including interest rate buy downs, loan loss reserves, and other credit enhancement mechanisms, would be permitted under the program.

In November 2022, the U.S. Department of Energy released [funding guidance and application documents](#) to States. More information for eligible loan recipients will be offered should Oregon apply for program funding by April 21, 2023 and establish a revolving loan fund.

Rural And Municipal Utility Advances Cybersecurity Grant and Technical Assistance Program

The IJA appropriates \$250 million in funding to the [Rural and Municipal Utility Advances Cybersecurity Grant and Technical Assistance Program](#) to the U.S. Department of Energy. This funding is available for grants and technical assistance to, as well as cooperative agreements with, eligible entities to protect against, detect, respond to, and recover from cybersecurity threats.

Eligible entities include rural electric cooperatives, municipally owned electric utilities, and small investor-owned utilities. Eligible uses include deploying advanced cybersecurity technologies for electric utility systems and increasing the participation of eligible entities in cybersecurity threat information sharing programs.

[View previous program listening sessions and to sign up for program notifications](#)

Energy Improvements in Rural or Remote Areas Program

The IJA appropriates \$1 billion into this [new program](#) under the U.S. Department of Energy's Office of Clean Energy Demonstrations designed to provide financial assistance to improve, in rural or remote areas, the resilience, safety, reliability, and availability of energy and environmental protection from adverse impacts of energy generation. It is estimated that \$200 million will be appropriated annually for fiscal years 2022 through 2026.

Eligible recipients include industry partners, utilities, national laboratories, universities, state and local governments, community-based organizations, tribal, environmental groups and cities, towns, or unincorporated areas with populations of fewer than 10,000 inhabitants. Eligible uses of program funding include the following:

1. Overall cost-effectiveness of energy generation, transmission, or distribution systems
2. Siting or upgrading transmission and distribution lines
3. Reducing greenhouse gas emissions from energy generation by rural or remote areas

4. Providing or modernizing electric generation facilities
5. Developing microgrids
6. Increasing energy efficiency

The U.S. Department of Energy previously hosted three workshops and issued a Request for Information which has now closed. As updates are available, they will be posted on [this page](#) by US DOE.

Greenhouse Gas Reduction Fund

The IRA appropriates \$27 billion into this [new program](#) at the U.S. Environmental Protection Agency to reduce greenhouse gas emissions

Funding through this program will be available for financial and technical assistance for zero-emission technology and qualified projects. The term ‘zero-emission technology’ means any technology that produces zero emissions of any air pollutant that is listed pursuant to section 108(a) of the Clean Air Act (or any precursor to such an air pollutant); and any greenhouse gas.’ The term ‘qualified project’ includes any project, activity, or technology that— (A) reduces or avoids greenhouse gas emissions and other forms of air pollution in partnership with, and by leveraging investment from, the private sector; or (B) assists communities in the efforts of those communities to reduce or avoid greenhouse gas emissions and other forms of air pollution.

Eligible entities include states, municipalities, Tribal governments as other eligible recipients to be defined by the U.S. EPA. The U.S. EPA hosted two listening sessions and has requested feedback through a Request for Information process which ended in early December 2022. Updates can be found on EPA’s webpage for the [Greenhouse Gas Reduction Fund | US EPA](#).

Climate Pollution Reduction Grants

The IRA appropriates \$5 billion for a new program at U.S. EPA called the Climate Pollution Reduction Grant Program. Through this program, U.S. EPA will offer grants to plan and implement programs, policies, measures, and projects that will achieve or facilitate the reduction of greenhouse gas emissions. The funding is divided into two categories – \$250 million will be available for the purpose of developing plans for the reduction of greenhouse gas emissions. An additional \$4.75 billion will be available for implementation of those plans.

Eligible entities for this funding include states, air pollution control agencies, tribes, local governments, or any combination of these entities. The US EPA is currently accepting public comment through a request for information on this fund, with responses due to the US EPA January 18, 2023. You can view this Request for Information on EPA’s [website](#) as Docket Item 1.

Assistance for Rural Electric Cooperatives Agriculture

The IRA appropriates \$9.7 billion to fund the construction of electric distribution, transmission, and generation facilities for rural electric cooperatives, including system improvements and replacements that achieve the greatest reduction in carbon dioxide, methane, and nitrous oxide emissions in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid

renewable energy systems. **Funding will be available as loans, modifications of loans, the cost of loans and modifications, and other financial assistance.**

Eligible recipients include:

- Electric cooperatives that are or have been Rural Utilities Service borrowers;
- Electric cooperatives servicing a predominately rural area; or
- A wholly or jointly owned subsidiary of such cooperatives.

Information will likely be posted on the USDA's website for [energy programs](#) as it becomes available.

Environmental Justice Block Grants

The IRA appropriates \$3 billion to the U.S. Environmental Protection Agency to provide **grants and technical assistance to community-based organizations**, alone or in partnerships, to reduce indoor and outdoor air pollution, including greenhouse gases; monitor for pollution; improve community resilience to the impacts of climate change, including extreme heat and wildfire; and build the capacity of these organizations to engage with state and federal decision-making processes.

Eligible recipients include:

- A community-based nonprofit organization;
- A partnership of community-based nonprofit organizations;
- A partnership between a community-based nonprofit organization and an Indian Tribe, local government, or an institution of higher education

Eligible uses include:

- (1) Community-led air and other pollution monitoring, prevention, and remediation, and investments in low- and zero-emission and resilient technologies and related infrastructure and workforce development that help reduce greenhouse gas emissions and other air pollutants;
- (2) Mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire events;
- (3) Climate resiliency and adaptation;
- (4) Reducing indoor toxics and indoor air pollution; or
- (5) Facilitating engagement of disadvantaged communities in state and federal advisory groups, workshops, rulemakings, and other public processes

Information will likely be posted on [the EPA's webpage on Environmental Justice Grant, Funding and Technical Assistance](#) as it becomes available.