

**May 24, 2022**

**TO: Policy Makers Council**

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**SUBJECT: May PMC Call Summary**

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### **APPA PMC/Board of Directors Luncheon at National Conference**

If you plan to attend the APPA National Conference in Nashville in June, PMC members are invited to attend the joint PMC/APPA Board of Directors Luncheon. **Please let me know if you plan to attend this.**

**When:** Saturday, June 11 from 12:00-1:30 p.m.

**Where:** Gaylord Opryland Resort & Convention Center, 2800 Opryland Drive, Nashville, TN 37214

**Important Note:** Please note that the Policy Makers Council does not meet at the APPA National Conference in Nashville, TN. However, all PMC members are invited to attend the luncheon if you plan to attend the National Conference. Detailed information is available [here](#) about the National Conference.

### **Status of the Build Back Better Act**

- Senate Majority Leader Chuck Schumer (D-NY) and Senate & Natural Resources Committee Chairman Joe Manchin (D-WV) are quietly discussing possible options for advancing energy and climate legislation.
  - The most recent discussion included Senator Kyrsten Sinema (D-AZ) who has been a known hurdle, but has also not been engaged in talks with Democratic leadership since last year.
- An agreement would likely borrow heavily from the energy tax title of the Build Back Better Act.
- Time is running out as Democrats have long said that any such agreement would have to be reached before Memorial Day to have any reasonable chance of being hashed out and drafted in June, for consideration and completion of action in July.
- Failing that, Democrats have said an agreement would likely have to wait until after the November elections.
- Senator Manchin continues to also hold bipartisan energy and climate talks. Participants concede that talks are very preliminary, with no substantive agreements so far.

- APPA continues to believe that refundable direct payment tax credits – including for public power utilities – remain likely to be part of energy and climate bill that is signed into law this year.
  - However, we are growing increasingly pessimistic about the chances that such a bill will get enacted.
- In the meantime, APPA is stepping up efforts to work closely with other stakeholders, including the National Rural Electric Cooperative Association, to garner support for refundable direct payment tax credits. These efforts include Democratic and Republican offices.

### **Nominations – Federal Energy Regulatory Commission (FERC) & Nuclear Regulatory Commission (NRC)**

- On May 5, the White House announced the President’s intention to nominate Annie Caputo and Bradley R. Crowell to fill the two vacant positions on the NRC. Caputo previously served as an NRC Commissioner for three year until her term expired in June 2021 and Crowell currently serves as Director of the Nevada Department of Conservation and Natural Resources.
- Last Friday, the White House announced the President’s intention to renominate Chairman Richard Glick as a member and chairman of FERC. Glick, a Democrat, joined FERC in November 2017 and was elevated to chairman by President Biden in 2021. His current term expires June 30, 2022.

### **Infrastructure Investment & Jobs Act (IIJA)**

- The National Telecommunications and Information Administration (NTIA) recently released several broadband funding opportunities, including for the “Broadband Equity, Access, and Deployment (BEAD) Program, the Middle Mile Grant Program, and the State Digital Equity Planning Grants, all under its new “Internet for All” initiative.
- The Department of Energy (DOE) is currently seeking public feedback through several Requests for Information (RFIs), including for the Energy Storage Demonstration Projects, the Transmission Facilitation Program (TFP), and for the formula grants to states and Indian tribes for “Preventing Outages and Enhancing the Resilience of the Electric Grid” program.
- Additionally, we expect more RFIs from DOE this summer for IIJA programs we are watching closely:
  - Electric utilities and industry competitive grant program included in (*IIJA Sec. 40101*) Preventing Outages and Enhancing the Resiliency of the Electric Grid;

- *(IIJA Sec. 40103)* Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency; and,
- *(IIJA Sec. 40107)* Deployment of Technologies to Enhance Grid Flexibility.
- The deadline for additional funding for states for the National Electric Vehicle Infrastructure (NEVI) Formula Program was May 13. However, the Joint Office of the Department of Transportation (DOT) and DOE did not release new guidance. The latest is that guidance will be out in the coming weeks. We are watching this closely as many stakeholders, including APPA and other utility trade associations, have encouraged the Joint Office to clarify how NEVI funding can be used for utility “make-ready” expenses or the cost of infrastructure needed to provide electricity to these charging stations. State EV charging plans are due August 1.

### **Environmental Protection Agency (EPA) Updates**

- Last week, EPA Administrator Regan testified before the House Energy & Commerce Committee’s Subcommittee on the Environment & Climate Change on EPA’s budget priorities for fiscal year (FY) 2023.
- The administrator laid out EPA’s vision for its FY2023 budget of \$11.9 billion, which is a 25 percent increase over what it is currently funded at (\$9.5 billion).
  - Priorities include nearly \$1 billion for addressing climate change, \$1.45 billion to advance environmental justice efforts and cleanup, and adding 1,900 full-time employees to strengthen the agency’s efforts.
  - Administrator Regan was met with pushback from numerous Republican committee members who disagreed with EPA’s priorities.
  - Two members specifically relayed concerns over the prioritization of regulation and renewables at the expense of grid reliability and blackouts.
  - In response to comments made on grid reliability, Administrator Regan responded, “The markets have decided that traditional coal investments are not competitive. The power sector has decided that it is investing in new generation opportunities.”
- On Wednesday, May 25, the Senate Environment & Public Works Committee will hold a nomination hearing for Joe Goffman to be Assistant Administrator for EPA’s Office of Air and Radiation.
  - Mr. Goffman will like be asked many questions on regulations it will propose under the Clean Air Act, including expected greenhouse gas regulations for the power sector.

### **House Energy & Commerce Committee Hearing on Hydropower**

Two weeks ago, the House Energy & Commerce Committee's Subcommittee on Energy yesterday held a hearing entitled, "Modernizing Hydropower: Licensing and Reforms for a Clean Energy Future."

- The primary focus of the hearing was to examine hydropower licensing and proposed changes recently put forth by groups involved in the "Uncommon Dialogue" effort, a forum created by the Stanford Woods Institute to bring together stakeholders to develop consensus policy, technology, and investment recommendations related to hydropower, river health, and dam safety.
- APPA submitted a statement for the record and endorsed the testimony of Rich Wallen, General Manager and CEO of Grant County PUD.
- Committee members overall had positive things to say about hydropower and praised the work to identify mutually acceptable changes to the hydropower licensing process through the Uncommon Dialogue effort. That said, the discussion did fall on predictably partisan lines with Republicans saying that licensing reform needs to be bolder.
- The committee could take up legislation based on the Uncommon Dialogue agreement in June.
- APPA does not have any official position on the proposal. We did say in our statement that we appreciate the work done by the group and noted that many of our members were involved through NHA in the Uncommon Dialogue negotiations. That said, we continue to believe that the hydro licensing process requires more comprehensive reform than what has been proposed.

### **Water Resources Development Act (WRDA)**

- The Water Resources Development Act (WRDA) is a biennial piece of legislation that is the main vehicle for authorizing Army Corps of Engineer projects.
- The House Transportation & Infrastructure Committee last week approved by voice vote its version of the bill (H.R. 7776). Full House consideration is expected in June.
- The Senate Environment & Public Works Committee approved by voice vote its version of the bill (S. 4137) on May 4. There is no date set for Senate floor consideration yet.

APPA monitors the development of this bill to ensure no provisions that would be detrimental to federal hydropow