

WHITNEY BELL: Hello and welcome to the Transmission Siting and Economic Development Grants Program webinar. I'm Whitney Bell with ICF and I'll be your host today. First, a few housekeeping items for today's webinar. This WebEx meeting is being recorded and may be used by the US Department of Energy. If you do not wish to have your voice recorded, please do not speak during the call. If you do not wish to have your image recorded, please turn off your camera or participate by phone. If you speak during the call or use a video connection, you are presumed consent to recording and use of your voice or image. All participants are in listen only mode. If you have any technical issues or questions, you may type them in the chat box and select send to host.

We are taking questions today. Any questions submitted during this information session will be used to inform a FAQ and distributed after the event. If you need to view the live captioning, please refer to the link that will appear in the chat now. Finally, we will post a copy of today's presentation on the Transmission Siting Economic Development

webpage by Friday, the recording of today's webinar will be available in about 2 weeks. We will send you an e-mail letting you know when it is available.

Today you'll hear from Maria Robinson, Director of the Grid Deployment Office, for some opening remarks. Please join me in welcoming Maria to the stage. Maria, the floor is yours.

MARIA ROBINSON: Thank you so much, Whitney, and thank you everyone for joining us here today for this webinar. As mentioned, my name is Maria Robinson and I'm the Director of the Grid Deployment Office here at the Department of Energy. I want to welcome you all to this webinar on our request for information relating to the Transmission Siting and Economic Development Grant Program. As some of you are well aware, the Inflation Reduction Act passed by Congress last year provided \$760 million dollars in grant authority to the Department of Energy, and the intention of this fund is specifically to facilitate the siting and permitting of interstate and offshore electricity transmission lines, as well as to provide economic

development grants to communities affected by interstate and offshore transmission lines.

Obviously this is an incredibly important topic and we appreciate your interest in our RFI and look forward to answering potential questions and look forward to responses. Again, this is hosted today here by our office, which is the Grid Deployment Office which will be introducing this grant program as well as administering it.

On the next slide, I just wanted to also make sure while we're here, for those of you who are may not be familiar with the Grid Deployment Office, which is relatively new here at the Department of Energy, want to provide a little bit of an overview of the work that we do in addition to our Transmission Siting and Economic Development Program, which I'm going to call TSED from here on out. In addition to this work that we're doing, that you'll hear about more today, we are responsible for several transmission financing and facilitation programs, both through the Bipartisan Infrastructure Law as well as the

Inflation Reduction Act, including the \$2.5 billion revolving fund program known as the Transmission Facilitation Program, which released its first solicitation at the end of last year, and we are looking forward to accepting proposals for our first round of that solicitation through February 1st, so hopefully several of you are working on those proposals right now.

In addition, as part of our larger Building a Better Grid Initiative, the Grid Deployment Office also oversees \$13 billion dollars in our Grid Modernization Division, which focuses on grid resilience formula grants for states, tribal nations and territories, as well as competitive financing tools for grid resilience, innovation and smart grid investments. And of course, the Grid Deployment Office also has a Power Generation Assistant Division that runs our \$6 billion dollar Civil Nuclear Credit Program and over \$760 million in hydroelectric incentives.

For those of you who are engaged on this effort today on this webinar and are attending and are interested in any of these other programs, please go to our website to learn more and in particular with focus on our Program Conductor website that includes more detailed information on various grid and transmission financing opportunities available through GDO and through Delia at Large [phonetic].

Just as a general context for today's webinar, of course President Biden has set ambitious climate goals of reducing emissions in the United States to at least 50% below 2005 levels by 2030 and reaching net zero emissions by 2050. And in order to meet these goals, we need to make our countries power sector 100% clean by the year 2035. So obviously, building transmission is a key aspect of reaching these goals. Recent estimates indicate that we'll need to expand transmission systems by at least 60% by 2030, and may need to actually triple our existing systems by 2050 in order to meet our growing clean electricity demands.

At the same time we are well aware that engaging states, local governments, tribes and communities is absolutely critical to ensuring that we build transmission consistent with the priorities of affected communities, including all of the considerations of environmental and energy justice, equity, job quality and, of course, tribal, cultural resources. So this Transmission Siting and Economic Development Grant Program, that we're talking about today is such an important tool for the Department of Energy to support that meaningful engagement. So with that, turning it back over to Whitney and then I believe she will be introducing Jeff Dennis, who I'm just so thrilled is with us here, overseeing transmission at the Grid Deployment Office.

WHITNEY BELL: Thank you, Maria. As Maria said, we now welcome Jeffrey Dennis, Deputy Director for Transmission Development with the Grid Deployment Office, for his presentation on the Transmission Siting and Economic Development Grants Program. Jeff, I'll go ahead and turn it over to you.

JEFFREY DENNIS: Thank you very much and good afternoon or good morning wherever you're joining us from. Thanks for joining us today for this overview of the Transmission Siting and Economic Development Grants Program, and an introduction to the request for information that the department put out in just the last couple of weeks and for which comments will be due at the end of February. So if we can start on the next slide.

To begin, an overview of the program that we're that we're talking about today, in the Inflation Reduction Act, Congress made \$760 million available for grants to siting authorities to carry out activities that will facilitate the siting and permitting of covered transmission projects or to siting authorities, as well as a broader set of state, local, and tribal governmental entities to make grants to support economic development projects in local communities that are affected by covered transmission projects and we'll describe in a moment what we mean by covered transmission projects as well as siting

authorities. Congress made these funds available through September 30th, 2029. Next slide.

So this RFI launches the department's implementation of the Transmission Siting and Economic Development Grants Program enacted in the IRA. Consistent with the intent of Congress in that provision, the department's aim is to use this grant authority to provide resources and tools that improve the chances of and shorten the time required for approval by siting authorities of siting and permitting applications for covered transmission projects, and also, that provide economic development support to local communities impacted by such transmission projects, including disadvantaged and environmental justice communities.

The RFI that we issued on January 13th and that we're talking about today seeks broad stakeholder input on a number of topics related to this new grant authority, including the types or activities, types of activities by citing authorities, or the kinds of economic development projects and affected local

communities that could be supported by grants. The responses to the RFI will inform the departments for their program planning work to implement the TSED program and may inform a potential future funding opportunity announcement as well. Next slide, please.

Great. I mentioned that I would define for you what a covered transmission project is and actually Congress did that for us in the IRA. And so, as noted earlier, grants under this program can be used to support siting activities related to or economic development projects in local communities affected by covered transmission projects and those are defined as high voltage interstate or offshore electricity transmission lines proposed to be constructed and operated at a minimum of 275 kilovolts, AC or DC if onshore, or at a minimum of 200 kilovolts, AC or DC if offshore, and they must be proposed by an entity and for which the entity has applied or informed a siting authority of its intent to apply for regulatory approval. Next slide.

I'll next describe the eligible siting activities by siting authorities that are eligible for grants. As I mentioned, I would define this term as well, siting authorities refers to any state, local, or tribal governmental entity with authority to make a final determination regarding the siting permitting or regulatory status of a covered transmission project, so that may be a state public utility commission with such authority, a state siting board, as some states have local governments, like counties in some places have such authority or tribal governmental entities with such authority. They're all under this term siting authorities.

And the IRA itself authorizes grants to siting authorities for a range of activities enumerated in the statute, including studies and analysis of the impact of a covered transmission project, the examination of up to three alternative siting corridors where a covered project might be located, participation by the siting authority and regulatory proceedings or negotiations in another jurisdiction. So think one state participating in siting

proceedings in another state, where both states are involved in the siting of a particular transmission project that covers both of their jurisdictions. It could also be to support participation by the siting authority in regulatory proceedings at FERC or at a state commission that involved determining rates or cost allocation for the covered project. And then there is also the IRA allows the department to provide grants for a range of other measures or actions that may improve the chances of and shorten the time required for approval of a covered transmission project by a siting authority. A couple of those that you see starred there are subject to a 50% cost share limitation that I will describe in just a moment. Next slide, please.

So in addition to grants for siting activities, as I just described, this IRA provision also allows the department to provide economic development grants, and those grants can be provided either to siting authorities or a broader range of other state, local, or tribal governmental entities to support economic development activities in local communities affected

by the construction and operation of a covered transmission project. And as you'll see there, and we'll talk about in a little bit, siting authorities must have approved the project already in order to receive such funds, and local, state, or tribal governmental entities, more broadly, non-siting authorities can receive such economic development support upon commencement of construction of the covered transmission project. And as I'll note a little later as well, we're seeking input here on the kinds of economic development opportunities that could be supported by these grants in local communities affected by the project, including disadvantaged and environmental justice communities. Next slide, please.

Turning to community benefits and environmental justice, IRA funded projects are expected to support meaningful community and labor engagement., invest in America's workforce, advance diversity, equity, inclusion and accessibility, and contribute to President Biden's goal that 40% of the overall benefits of certain federal investments flow to

disadvantaged communities. Ensuring projects provide community benefits and align with Justice40 principles is a priority of DOE programs, and this program is no exception. DOE will apply these principles to the distribution of grants for siting activities and economic development projects under this provision of the IRA.

As a result, future funding opportunity announcements will likely require funding applicants to submit a community benefits plan that describes how the proposed project would incorporate these four objectives you see listed here. The RFI asked several questions to gather stakeholder input on how to apply these principles when distributing grants under the TSED program. Next slide, please.

There are some conditions on grant funding, and some of these I've mentioned already. Siting authorities receiving funding for eligible siting activities must reach a final decision on the application for the covered project no later than two years after the grant is provided. The IRA does give the secretary

discretion to extend this timeline for good cause shown. As I mentioned as well, the federal share of the cost of certain eligible activities, specifically participation in or negotiations in another jurisdiction or participations at the Federal Energy Regulatory Commission or at a state regulatory commission regarding rates and cost allocation are each subject to a 50% cost share limitation, meaning that the grants provided by the department can be no more than 50% of the total cost of participation by the siting authority in these kinds of proceedings.

In addition, if a siting authority does not use all grant funds for siting activities within two years of receipt, they must be returned to the department.

Finally, with respect to economic development grants, funding may only be disbursed to a siting authority upon approval by the siting authority of the covered transmission project and if the applicant is more broadly a state, local or tribal governmental entity, who is not ascending authority, the funds may only be disbursed upon commencement of construction of the applicable covered transmission project in the area

under the jurisdiction of that entity. Next slide,
please.

In the request for information, DOE is seeking broad input from stakeholders to help inform our implementation of the IRA's TSED program. DOE is particularly interested in understanding how the Transmission Siting and Economic Development Grants Program can, among other things, identify, develop and deploy resources and tools that improve the efficiency of siting and permitting proceedings, helping to reduce the time it takes to reach decisions on proposed electric transmission projects. We're also interested in how grants can increase community and stakeholder engagement in siting and permitting processes, create quality jobs and ensure workforce continuity, address local community needs and impact, and reduce conflicts that can stall the development of needed electric transmission infrastructure.

We're also interested in identifying and prioritizing economic development projects in communities that may

be affected by the construction and operation of covered transmission projects, including disadvantaged, underserved and frontline communities. And finally, we're interested in how grants under this program can identify opportunities, strategies and approaches to advance environmental justice and equity in disadvantaged communities impacted by the siting of transmission projects and to increase the resilience of power delivery to all consumers. Next slide, please.

For more information on the RFI and to respond, we've included here the address for the portion of the Grid Deployment Office's website that has more information on the Transmission Siting and Economic Development Grants Program. Responses to the RFI should be emailed to the e-mail address you see here no later than 5:00 PM on February 28th, 2023 and it should include "RFI for Transmission Siting Grants" in the subject line of the e-mail. Respondents are not required to respond to all questions in the RFI, where you are responding to specific questions certainly flag that for us, but we are interested in

all input on program design and we do not expect you to answer every question.

A series of frequently asked questions about this program has been posted to our website to offer ideas that may spur additional comments from stakeholders. That FAQ can be found at that webpage that you see there and that will be available in a link in these slides after this webinar today and that will be updated as we receive more questions, including your response to any questions we received during this webinar today. Next slide, please.

Finally, I want to flag for you that you can learn more about the Grid Deployment Office and all of our grid and transmission programs at the Grid and Transmission Program's Conductor, which is a clearing house for GDO's transmission and grid resiliency financing programs. This is a tool where you can find the best program for your goals in your project and where you can stay up-to-date on the status of various funding and financing programs, opportunities for comment, or how to submit proposals. And you can

find here more information on a wide variety of grid and transmission programs within the Bipartisan Infrastructure Law, the Inflation Reduction Act and other existing DOE transmission and grid programs. So we do encourage you to visit that site, play around with the conductor, and learn more about how you can find the best program fit for you. With that, I think we can jump to the next slide and potentially take a few questions.

WHITNEY BELL: Thank you, Jeff. As he mentioned, we do now have time for Q&A, so please submit your questions in the chat box and select send to host. So we have had a couple of questions come in. So I'm going to get started here with the first one. What economic development activities can be supported with grants under this program?

JEFFREY DENNIS: Thanks. So the IRA allows DOE to provide grants to both siting authorities as well as the broader set of state, local, or tribal governmental entities. For economic development activities that are specifically in communities that may be affected

by the construction and operation of a covered transmission project, as we talked about earlier, so it's really focused on economic development activities in those communities that are affected by that covered transmission project. The RFI is seeking additional information from interested stakeholders on the types of economic development activities in impacted communities that could be supported by these grants and how those economic development activities could be prioritized.

WHITNEY BELL: Great, thank you so much so we have another question. Are there any conditions placed on grant funding?

JEFFREY DENNIS: Sure, so as we talked about earlier, the Inflation Reduction Act text itself requires that siting authorities that receive a grant for siting activities, with respect to a covered transmission project, reach a final decision on the application related to the siting and permitting of that project no later than two years after the date the grant is provided. And as I mentioned earlier, the statutory

language also provides that the Secretary may, in her discretion, extend this timeline for good cause. In addition, for certain enumerated eligible siting activities, and specifically participation in regulatory proceedings in another jurisdiction, or participation in proceedings at the Federal Energy Regulatory Commission, or in another state regarding rates or cost allocation of the project, the statutory language limits the federal cost share to 50% of the total cost of such participation.

With respect to economic development grants, that are provided to siting authorities or state, local or tribal governmental entities for communities affected by construction and operation of a transmission project, the statute provides that the Secretary may only disburse such grant funds to a siting authority upon its approval of the covered transmission project, or if the applicant for a grant is another state, local or tribal governmental entity, then those funds may only be dispersed upon commencement of construction of the covered transmission project.

WHITNEY BELL: Great, thank you. One other question here, who is eligible for grant funding under this program? It's kind of two-parter. Can non-eligible entities still respond to the RFI?

JEFFREY DENNIS: Sure, so to reiterate, siting authorities, which means state, local, or tribal governmental entities with authority to make a final decision regarding the siting, permitting or regulatory status of a covered transmission project that is proposed to be located in an area under the jurisdiction of that entity, those are the folks who are eligible to receive funds for certain eligible siting activities, as we talked about earlier. With respect to economic development grants, siting authorities or other state, local or tribal governmental entities may be eligible for grants to undertake those economic development activities and communities that are affected by construction and operation of a covered transmission project.

While those are the eligible entities to actually receive a grant, we welcome feedback from all interested stakeholders to the RFI and encourage them to submit projects. We certainly understand that while Congress defined the universe of folks who are eligible for grants, we want to hear from all interested stakeholders about how these grants can best be deployed to help inform our future program design.

WHITNEY BELL: Great, thank you. So we have a few more minutes and we've had a couple of questions come in, but given the complexity of some of these questions, what I think we're going to do is we're going to take those questions and use them to inform our FAQ. And anyone whose question we did not get to, please note that we will send an e-mail out with the updated FAQ, so you can find your answers there. So we thank you so much. Thank you for answering all the questions that we had. This does wrap up today's webinar. As we said a couple of times, but I know it's been a popular question today, a copy of today's slides will be available on the Transmission Siting Economic

Development Grants Program website by this Friday and a recording of today's information session will be available in about two weeks.

If you are looking to ask questions related to the grants program, you could find additional information and details at the link that we will show in the chat now. Thank you so much to Maria and Jeff and to all of our attendees for joining us today. Thank you so much, take care, and we'll see you next time.

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