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Utility Infrastructure

The IIJA provides for new funding through grants and loans to support the modernization, expansion and resilience of the electric grid. This funding will provide opportunities to harden and upgrade the grid, as well as increase opportunities for renewable energy investments.

Stinson's energy attorneys have advised and represented clients before the Federal Energy Regulatory Commission in a broad range of issues, including matters of transmission planning and development, FERC transmission open access policies, electric reliability, transmission and generator interconnection, and energy storage. This enables the firm to guide clients through IIJA's potential funding and opportunities for grid reliance, cybersecurity, and clean energy technology.

GRID RESILIENCE

Preventing Outages and Enhancing the Resilience of the Electric Grid

Authorizes $5 billion and directs the Secretary of Energy to establish a new competitive grant program for activities to make grids more resilient against extreme weather, wildfire and natural disasters. Eligible grantees to compete are states, federally recognized Native American Tribal Nations, electric grid operators, electricity storage operators, electricity generators, transmission owners and operators, distribution providers, fuel suppliers and other entities deemed eligible by the Secretary. Thirty percent of the funding has to go to utilities with annual sales of no more than 4 million megawatt hours of electricity.

Electric Grid Reliability and Resilience Research, Development and Demonstration

Authorizes $5 billion to fund a new competitive grant program, awarding innovative approaches to harden and enhance the resilience and reliability of transmission, storage and distribution infrastructure. Eligible grantees are states, federally recognized Native American Tribal Nations, local governments, and public utility commissions who are required to contribute to the cost of the project.

Energy Improvement in Rural or Remote Areas

An additional $1 billion for federal financial assistance to improve the resilience, safety, reliability and availability of energy in rural and remote areas. Eligible applicants are cities, towns, or unincorporated areas of 10,000 inhabitants or less.

Utility Infrastructure

Smart Grid Investment Matching Grant Program

Authorizes $3 billion in grants to provide matching grants for the deployment of advanced grid technologies to enhance grid flexibility. Eligible applicants are utilities and other power sector entities. This program funds and expands eligible activities under the Smart Grid Investment Matching Grant Program. Eligible grantees are investor-owned and municipally-owned utilities and rural electric cooperatives.

Transmission Facilitation Program

Authorizes $2.5 billion for a revolving fund to facilitate the construction of electric power transmission lines and related facilities to enable greater clean energy growth and provide low-cost clean energy. The Department of Energy can use this fund to: 1) enter into a capacity contract with respect to an eligible project with the objective of reselling that capacity once the financial viability of the project has been established; 2) issue a loan to an eligible entity for the costs of carrying out an eligible project; or 3) participate with an eligible entity in designing, developing, constructing, operating, maintaining, or owning an eligible project. Eligible applicants are utilities or other transmission developers.

CYBERSECURITY & PREPARATION

Rural and Municipal Utility Advances Cybersecurity Grant and Technical Assistance Program

Authorizes $250 million for grants and technical assistance to, and enter into cooperative agreements with, eligible entities to protect against, detect, respond to, and recover from cybersecurity threats. Eligible recipients are rural electric cooperatives, municipally-owned electric utilities, state-owned utilities, and small investor-owned utilities that produce less than 4 million megawatts per year.

Cybersecurity for the Energy Sector Research, Development, and Demonstration Program

Authorizes $250 million to support the development and deployments of advanced cyber applications, technologies, and threats to collaborative efforts with the U.S. energy sector. Eligible recipients are utilities, national labs, manufacturers and vendors.

Energy Sector Operational Support for Cyber Resilience Program

Authorizes $50 million to build energy sector operational support for cyber resilience. Eligible recipients are small electric utilities and national labs.

Utility Infrastructure

Advanced Energy Security Program

Authorizes $50 million to protect electric grid operations or natural gas and oil operations from cyber threats and hazards. This program involves developing capabilities to identify vulnerabilities and critical components that pose major risks to grid security and conducting research on hardening, mitigation and recovery solutions for critical components of the electric grid. Eligible recipients are utilities, national labs and bulk power system vendors.

CLEAN ENERGY TECHNOLOGY

Battery Materials Processing Grants

Authorizes $3 billion for the Secretary of Energy to provide grants to ensure that the nation has a viable battery materials processing industry. The funds can also be used to expand capabilities in battery manufacturing and enhance processing capacity. Eligible recipients are institutions of higher education, national labs, nonprofit and for-profit private entities, and state and local governments.

Battery Manufacturing and Recycling Grant Program

Authorizes $3 billion to ensure the United States has viable battery manufacturing and recycling capabilities by providing funding for the construction and/or retooling of advanced battery manufacturing and recycling facilities. Eligible recipients are institutions of higher education, national labs, nonprofit and for-profit private entities, and state and local governments.

Advanced Energy Manufacturing and Recycling Grant Program

Authorizes $750 million for a grant program focused on small and medium sized manufacturers to enable them to re-equip, expand, or establish a manufacturing or recycling facility for the production or recycling of advanced energy technologies, including clean electricity, industrial de-carbonization, clean transportation, clean fuels, etc, or to re-equip industrial or manufacturing facilities with equipment designed to reduce greenhouse gas emissions of that facility. Eligible recipients are manufacturing firms with gross annual sales of less than $100 million and have fewer than 500 employees at the plant site with annual energy bills totaling more than $100,000 but less than $2.5 million.

Reach out to our Infrastructure Task Force for more information on how the IIJA may impact the utility industry.

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Utility Infrastructure

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