

Washington Federal Funding Roadmap Project

Phase I Final Report

Prepared for The Office of the Governor

by The Caspian Group, LLC

November 2023

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Acronyms

| | |
|-------------------|--|
| B | Billion |
| CCA | Climate Commitment Act |
| CEF | Clean Energy Fund |
| CETA | Clean Energy Transition Act |
| CHIPS | Creating Helpful Incentives to Produce Semiconductors |
| COM | WA Department of Commerce |
| Commerce ED | WA Department of Commerce Energy Division |
| Commerce EO, OEDC | WA Department of Commerce Office of Economic Development & Competitiveness |
| CPRG | Carbon Pollution Reduction Grant |
| DOE | United States Department of Energy |
| DOH | WA State Department of Health |
| DOT | WA State Department of Transportation |
| Ecology, ECY | WA Department of Ecology |
| EDA | Economic Development Agency |
| EJ | Environmental Justice |
| EPA | Environmental Protection Agency |
| FF | Federal Funding |
| FOA | Funding Opportunity Announcement |

| | |
|-------|--|
| GOIA | Governors Office of Indian Affairs |
| HEAL | Healthy Environment for All |
| IIJA | Infrastructure Investment and Jobs Act |
| IRA | Inflation Reduction Act |
| M | million |
| NGO | Non-profit organization |
| NOFO | Notice of Funding Opportunity |
| OFM | WA State Office of Financial Management |
| OSE | City of Seattle Office of Sustainability & the Environment |
| PSP | WA State Puget Sound Partnership |
| RCO | WA State Recreation & Conservation Office |
| T | Trillion |
| USDA | United State Department of Agriculture |
| WA | Washington |
| WADOT | WA Department of Transportation |
| WSDA | WA State Department of Agriculture |

0 | Executive Summary

EXECUTIVE SUMMARY

A Roadmap to maximize federal funding for climate, equity, and related goals

This report, prepared for the Office of the Governor, presents the results of Phase 1 of the Federal Funding Roadmap Project.

This project will help the state access the unprecedented amount of federal funding available to achieve Washington’s climate, natural resource protection, workforce development, sustainable economic development, and equity goals. The roadmap project is intended to guide actions that position state government and other entities in Washington to successfully acquire and deploy federal funds – leveraging available state funds - to achieve state goals.

Phase 1 consisted of 1) **research** into federal funding opportunities included in the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS), 2) an **assessment of needs, gaps, and strengths** in the state’s current approach to acquiring funding from these programs, and 3) engagement with state agencies to develop an initial set of **priority funding opportunities** and associated resource needs.

Findings and recommendations from Phase 1 include:

- an initial prioritization of federal funding opportunities,
- improvements to internal systems and organizational infrastructure,
- state assistance to external stakeholders, and
- funding to be included in the Governor’s ’24 Supplemental Budget.

These findings and recommendations are summarized below.

GOAL

To develop a **cohesive, strategic approach** to acquire and deploy resources through improved coordination, timely decision-making, along with the necessary staffing, matching funds, processes, and systems

Roadmap Phase 1 – Summary findings and recommendations

PRIORITY FEDERAL FUNDING OPPORTUNITIES

The IIJA, IRA, and CHIPS Act are comprised of **535 separate funding opportunities totaling over \$1.5 trillion** designed to accelerate economy-wide decarbonization, advance equity and environmental justice, improve sustainable economic competitiveness, and protect the nation's natural resources. Funding is available to states, local governments, Tribes, non-profit organizations, the private sector, and consumers via competitive and formula grants, cooperative agreements, loan programs, incentives, tax credits, and direct federal spending.

As an initial step to inform and guide state efforts to capitalize on these unprecedented resources, state agencies identified **85 high and 49 medium priority funding opportunities**, with 34 to be further evaluated. The consultant team identified an additional 47 programs for consideration. With limited capacity, there is more work for agencies to do to assess and prioritize these opportunities which collectively represent billions in potential funding to help Washington achieve its 2030 emission reduction targets, increase resiliency in the face of climate change, provide benefits of the clean energy transition to overburdened communities and Tribes, spur investment in the clean energy economy, create thousands of jobs, and develop the workforce needed to fill those jobs.

The initial WA list of high priority opportunities alone equal **\$231.2B nationwide representing approximately 16% of all federal funding available**. Using a rough estimate based on per capita allocation **WA could access roughly \$5.4B** from these priority programs.

Roadmap Phase 1 – Summary findings and recommendations

PRIORITY FEDERAL FUNDING OPPORTUNITIES

Priorities include:

- **Tax incentives, loans, and grants to invest in clean energy generation, alternative fuels, new transmission facilities, and other technologies essential for the transition.** These include the \$20 billion National Clean Investment Fund and Clean Communities Investment Accelerator (creating a Green Bank lending program) and uncapped funding accessible through Direct Pay provisions. These provisions enable tax-exempt and governmental entities – including states, local governments, Tribes, and nonprofits - to receive payments for the full value of tax credits for qualifying clean energy projects including efficiency upgrades.
- **Rebates and tax credits** for consumers and organizations to purchase electric vehicles, heat pumps, other electrified appliances, and to fund energy efficiency and building decarbonization projects.
- **Dedicated funding for Tribes**, including the Tribal Electrification, the Tribal Energy Loan Guarantee, and the Tribal Climate Resilience programs.
- **Programs to support overburdened and underserved communities**, including Solar for All, Environmental & Climate Justice Block Grants, the Rural Energy for America Program, as well as the Justice 40 provisions in the IRA and IIJA requiring that 40% of federal funding directly benefit those communities.
- **Funding for resilience**, including the Investing in Coastal Communities & Climate Resilience and Building Resilient Infrastructure and Communities programs.
- **Funding for alternative, clean transportation** including the Neighborhood Access & Equity Grant Program, Charging & Fueling Infrastructure Grants, and the Active Transportation Infrastructure Investment Program.

Roadmap Phase 1 – Summary findings and recommendations

PRIORITY FEDERAL FUNDING OPPORTUNITIES, CONT.

Washington has many of the policies, plans, and programs in place as well as resources to be competitive in securing its share, if not more, of the available federal funds. Indeed, Washington State agencies are aggressively pursuing many of these opportunities and have already secured \$2.3 billion in funding, not including Washington's share of \$1 billion for the Pacific Northwest Hydrogen Association's PNWH2 Hub.

However, **for Washington to maximize the resources that come to our state and are effectively deployed, requires additional resources** - for match funding, grant writing and administration, marketing, outreach, and technical assistance to consumers, communities, local governments, tribes, and other eligible entities - **along with improved internal systems and organizational infrastructure.**

INTERNAL SYSTEMS AND ORGANIZATIONAL INFRASTRUCTURE

The state will benefit from increased capacity to acquire and manage grants, a more strategic approach and improved cross-agency coordination when deciding on and pursuing opportunities, improved tracking systems, and more robust, compelling communications about the benefits of investing state and federal funds to achieve state climate related goals.

Recommendations include:

- hiring a federal funding coordinator,
- establishing a cross-agency federal funding strategy working group,
- creating a shared database and management system for tracking funding opportunities,
- developing decision support tools to assist in setting priorities and allocating resources, and
- expanding communication capabilities.

Roadmap Phase 1 – Summary findings and recommendations

SUPPORT FOR EXTERNAL STAKEHOLDERS

The state has a vital role to play in helping local governments, community groups, tribes, NGOs, utilities, consumers, and other non-state entities access federal funds, including through formula and competitive grants, cooperative agreements, and tax credits and rebates. Many of the entities lack the knowledge or capacity to obtain the available funds.

Recommendations include:

- developing a one-stop-shopping portal for consumers, local governments, and other partners to access funding opportunities,
- implementing a robust communications and marketing campaign,
- providing capacity grants and technical assistance for under-resourced partners,
- expanding the state’s role as an advocate and catalyst to advocate for state interests as funding programs are formulated and to coordinate partners in accessing these federal funds.

LEGISLATIVE BUDGET REQUESTS - INFORMING THE GOVERNOR’S 2024 SUPPLEMENTAL BUDGET

Consistent with the needs identified above, the following are recommendations for the Governor’s 2024 Supplemental Budget:

- \$1-2M to improve internal systems, including **developing a shared database** to track and manage funding opportunities and **increased grant writing capacity** for state agencies.
- \$15-25M to support a **one-stop shopping website/portal, marketing, outreach, and technical assistance to external stakeholders** to help low-capacity entities and others obtain and deploy grants, loans, and tax incentives, including taking advantage of Direct Pay provisions.
- In addition, Commerce’s Office of Economic Development and Competitiveness (OEDC) identified the need for **funding to expand clean energy manufacturing and generation, strengthen technology supply chains, and attract and train the workforce needed for these projects**. Such funding will further leverage federal funds to achieve the state’s climate, clean energy, economic development, and job creation goals.

Roadmap Phase 1 – Summary findings and recommendations

LEGISLATIVE BUDGET REQUESTS - INFORMING THE GOVERNOR'S 2024 SUPPLEMENTAL BUDGET, CONT.

Many of the priority funding opportunities require match funding or cost-share, generally ranging from 10-50% of the value of the grant. The agency prioritization process identified the need for both flexible and specific state match as identified below:

- \$80-90M in flexible match funding available largely to non-state entities to pursue near-term priority funding opportunities
- \$2.8M in match associated with current, specific opportunities.

In general, the legislators interviewed expressed their support for using state funds, particularly Climate Commitment Act (CCA) resources, to maximize our state's ability to acquire federal funds. This included support for the concept of a flexible or opportunistic match – funds not tied to specific programs but available for competitive federal grants linked to state priorities. Legislators emphasized that priorities need to be clearly established as well as guardrails to ensure that the funds are deployed as intended.

FOR MORE INFORMATION

Please see tables 1- 3 on the following pages for more detail on these findings and recommendations. The full report follows and a searchable [Excel spreadsheet containing information on all 535 federal funding opportunities can be found here](#).

Table 1- Key Findings

| | | |
|---|---|---|
| 1 | <h3>Priority Funding Opportunities</h3> | <ul style="list-style-type: none"> Through the initial prioritization process, state agencies identified 85 high & 49 medium priority funding opportunities, with 34 additional opportunities to be further evaluated. On a per capita basis, these could represent \$8.2B for Washington State’s economy and communities. The consultant team identified an additional 47 opportunities and \$289.3B worth of tax incentives for consideration in setting priorities. Some of the opportunities are term-limited; others last for 10 years. Match funding and additional capacity will be needed for the state to secure its share of these opportunities. |
| 2 | <h3>Internal Systems & Organizational Infrastructure</h3> | <p>What’s needed:</p> <ul style="list-style-type: none"> Capacity for acquiring and managing federal grants to address the un-precedented pace and scale of opportunities and Insufficient grant-writing and management staff across all agencies. Cross-agency coordination, strategic decision making, & accountability, including an approach to strategically managing/optimizing federal & CCA\$, tools and analytics to model and track outcomes, timely, comprehensive reporting. Communication and outreach strategy to develop a compelling narrative for investing state resources to maximize federal \$ and Inform and engage with key stakeholders and the public. Capacity, frameworks, and toolkits to maximize federal funds to advance WA’s environmental justice and workforce goals. |
| 3 | <h3>Support for External Stakeholders</h3> | <p>What’s needed:</p> <ul style="list-style-type: none"> Outreach and communication to external stakeholders including a website portal regarding federal funding opportunities. Support and technical assistance, including capacity for grant writing and administration, for organizations with limited budgets to enable greater access to federal funding opportunities. Agency capacity to serve as advocate and catalyst to shape federal opportunities and coordinate WA stakeholders Matching funds and financing to maximize competitiveness. |
| 4 | <h3>Roadmap Focus Areas</h3> | <p>What’s needed:</p> <ul style="list-style-type: none"> To effectively capitalize on federal funding opportunities, the state could benefit from additional research, planning and/or strategy development in the following topic areas: tax incentives and direct pay, federal funding for equity, clean energy workforce, agriculture and rural communities, building decarbonization, and resilience. |

Table 2 - Recommendations

| | | |
|---|---|---|
| 1 | <h3>Priority Funding Opportunities</h3> | <p>While further work is needed to refine the list of priority opportunities, the state should:</p> <ul style="list-style-type: none"> • continue to aggressively pursue near-term grant opportunities that advance the state’s decarbonization, equity and resilience goals and where Washington is most competitive. • Increase its focus on tax incentives, including Direct Pay, the Green Bank loan program, and funding for rebates and tax credits to make the energy transition more affordable to consumers and overburdened communities. • Secure state funding for match, increased grant management capacity, marketing, outreach and technical assistance. |
| 2 | <h3>Internal Systems & Organizational Infrastructure</h3> | <ul style="list-style-type: none"> • Increase capacity to acquire & manage grants, via contractor support and/or increased staffing • Improve cross-agency coordination & strategic decision making <ul style="list-style-type: none"> • Accelerate the hiring of a Federal Funding coordinator to oversee and direct efforts across agencies; Include in the planned EJ coordinator position a focus on the nexus between federal funding, the CCA, and Heal Act opportunities and requirements. • Create a shared database of funding opportunities & management system to create efficiencies and maximize staff resources • Streamline internal processes for tracking, decision making, and reporting • Establish a Federal Funding Strategy Working Group • Develop a Decision Support Tool to assist in setting priorities and allocating resources • Communications <ul style="list-style-type: none"> • Develop a compelling narrative about the benefits of using state funds to increase capacity and as match to obtain federal funds • Increase executive and agency capacity to ‘tell the story’ about the benefits to WA of federal and CCA funding |
| 3 | <h3>Support for External Stakeholders</h3> | <ul style="list-style-type: none"> • Create a portal / website to provide “one-stop shopping” services and access to funding opportunities. • Develop and launch a marketing and outreach campaign to build awareness and demand for incentives and grants. • Provide technical assistance, grant writing, and management support to low-capacity entities. • Increase state agency capacity to provide advocacy and catalyst services. • Provide match & financing. |
| 4 | <h3>Roadmap Focus Areas</h3> | <ul style="list-style-type: none"> • Tax Incentives and Direct Pay • Clean Energy Workforce • Building Decarbonization • Federal Funding for Equity • Agriculture & Rural Communities • Resilience |

Table 3 – 2024 Supplemental Funding – Initial Budget Estimates

| | | | |
|---|--|--|---|
| 1 | <p>Match for Priority Funding Opportunities</p> | <ul style="list-style-type: none"> • Provide match funding for priority federal funding opportunities <ul style="list-style-type: none"> • Commerce ED - clean energy & equity, competitive & formula • Ecology, WSDA, DOH, DOT – energy, rural, resilience, alternative transportation, water & natural resources | <ul style="list-style-type: none"> • Match funding: \$80-90 million |
| 2 | <p>Internal Systems & Organizational Infrastructure</p> | <ul style="list-style-type: none"> • Increase capacity to acquire grants (grant writing), contract &/or staff • Improve cross-agency coordination & strategic decision making <ul style="list-style-type: none"> • Accelerate hiring for the Federal Funding & EJ Coordinator positions • Create a shared database, tracking, & reporting system for acquiring and managing federal funding opportunities • Topic specific roadmaps, contractor support | <ul style="list-style-type: none"> • Internal systems & organizational capacity: \$1-2 million |
| 3 | <p>Support for External Stakeholders</p> | <ul style="list-style-type: none"> • Create a portal / website to provide “one-stop shopping” services and access to funding opportunities. • Develop and launch a marketing and outreach campaign to build awareness and demand for incentives and grants. • Provide technical assistance, grant writing and management support to Tribes, low-capacity entities, NGOs, & private sector on grants and tax incentives, including Direct Pay; coordinate applications across stakeholders; increase advocacy for WA interests in program design & rulemaking. | <ul style="list-style-type: none"> • Website/portal, marketing, outreach: \$5 million • Technical assistance: \$10-20 million |

1 | Introduction

Purpose, Goal, & Scope

PROJECT PURPOSE

This report prepared for the Office of the Governor by The Caspian Group LLC presents the results of Phase 1 of the Federal Funding Roadmap Project.

The project identified an initial set of priorities and recommendations to guide the state as it seeks to access and deploy the unprecedented amount of federal funding available to achieve Washington’s climate, natural resources, workforce, sustainable development and equity goals. The roadmap focuses on the role of state agencies in both securing grant funds as well as facilitating access to funding by individuals, the private sector, local governments, and other entities through incentives, financing, and other means. The roadmap is designed to inform state decisions on priority funding opportunities, what internal processes, systems, and infrastructure the state needs to establish to be successful, and how the state can best support non-state entities acquire federal funding.

GOAL

To develop a **cohesive, strategic approach** to acquire and deploy resources through improved coordination, timely decision-making, along with the necessary staffing, matching funds, processes, and systems.

INTRODUCTION

Purpose, Goal, & Scope

PHASE 1: LEARNING, ASSESSMENT, INITIAL FINDINGS, & RECOMMENDATIONS

Given the immense set of federal funding opportunities across multiple sectors and the potential benefits to the entire state and its many diverse communities, businesses, and institutions, it is envisioned that the work to develop a comprehensive roadmap will occur in phases. In this first phase undertaken from mid-August – October 2023, the project has focused on developing a better understanding of:

- The scope of IIJA, IRA, CHIPS Act funding opportunities and their interaction with the CCA and other state funding sources
- Ongoing agency and executive activities to obtain and deploy these funds
- Strengths, needs, and gaps in the current approach and potential solutions
- The federal funding priorities of key state agencies, as they have been identified to date
- The potential needs for match funding and additional state capacity (e.g., FTE, contractors, communications support to local entities, data systems etc.) to enable success in obtaining federal funds.

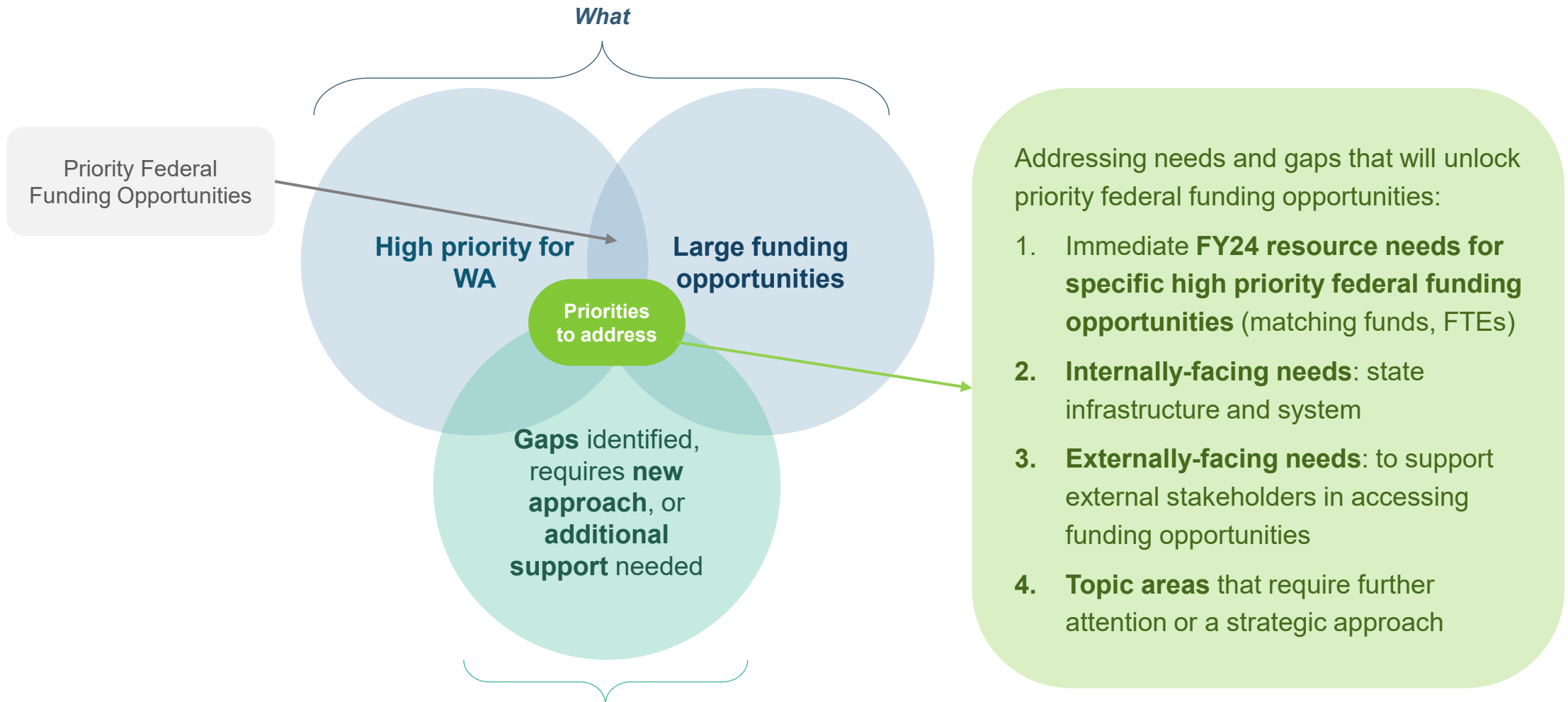
Findings from this initial research inform recommendations for priority federal funding opportunities, funding requests to be included in the Governor’s ’24 Supplemental Budget, improvements to internal systems and infrastructure, state assistance to external stakeholders, and areas for further roadmap development.

ACKNOWLEDGMENTS

With great appreciation to Becky Kelley and Rob Duff of Governor Inslee’s Policy Office for their leadership, guidance, and support throughout this project. Their insights and vision were foundational to the roadmap framework, findings, and recommendations. Many thanks to the staff at Commerce, OFM, Ecology, DOT, WSDA, PSP, RCO, DOH as well as in the Governor’s office for contributing at workshops, via interviews, and by identifying priorities and funding needs. As well to the external stakeholders and legislators who shared their perspectives in interviews. Special thanks to Colleen Flynn as a thought partner and co-creator on this fast-paced endeavor and especially for her outstanding work researching and cataloguing federal funding opportunities and creating a user-friendly Excel spreadsheet tool for the state. And thanks to Eileen Quigley and Ruby Moore-Bloom of the Clean Energy Transition Institute for their contributions and to Climate Solutions for providing additional financial support for the project.

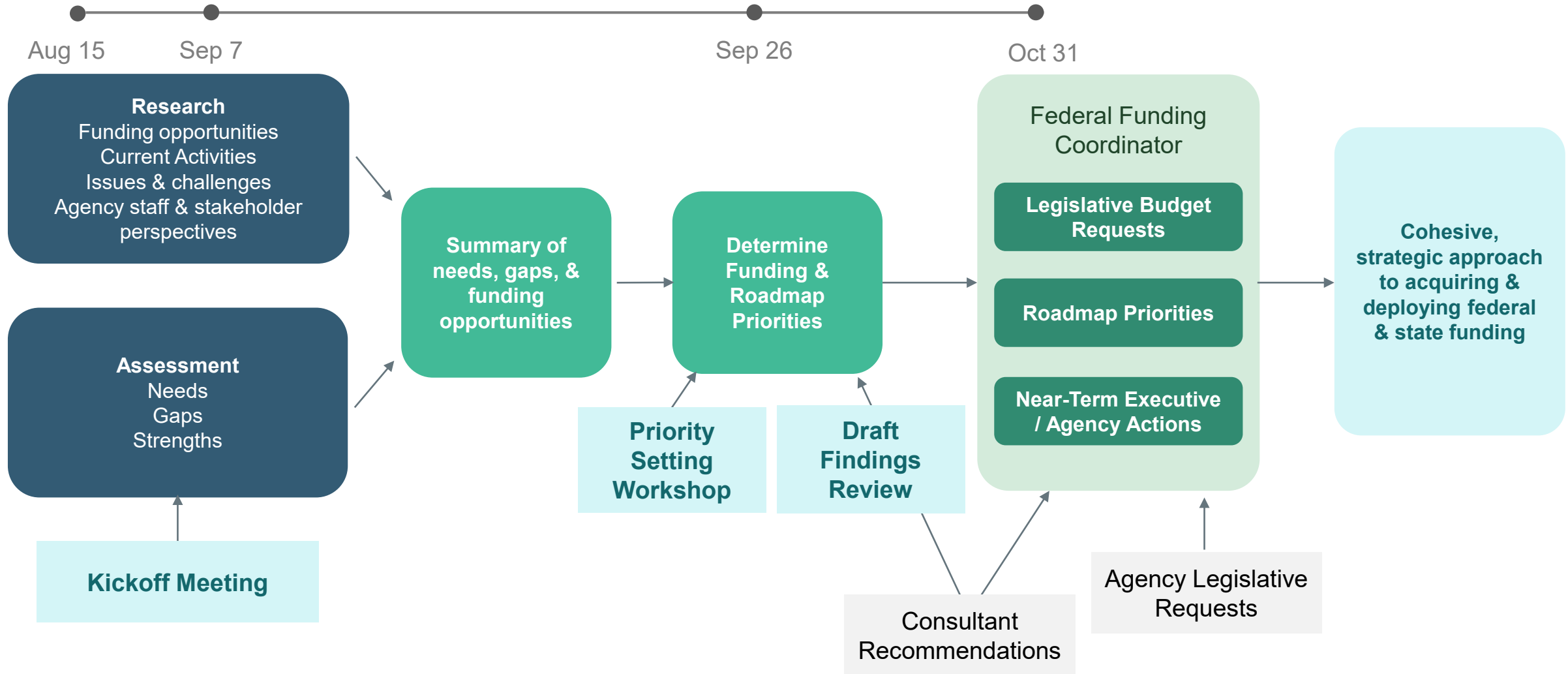
INTRODUCTION

Phase 1 focus: identifying the highest potential opportunities, resources needed, and gaps to be addressed to maximize federal funding from the IIJA, IRA, and CHIPS & Science Act.



INTRODUCTION

Phase 1 Timeline: Schedule of Activities, Meetings, & Milestones



Phase 1 Research & Assessment: Tasks

1 RESEARCH INTO FEDERAL FUNDING OPPORTUNITIES

- Developed master database of all federal funding opportunities available from IRA, IIJA, and CHIPS & Science Act
- Mapped funding opportunities to key state decarbonization-related priorities and CCA funding
- Developed a shortlist of potential high-priority funding opportunities based on input from agencies and interviews

2 INTERVIEWS

Interviewed over 35 stakeholders at WA state agencies, the legislature, and representing external groups to gather input on current activities and key needs / gaps, including:

- | | | |
|----------------------------------|---------------------------|------------------|
| • Commerce Energy Office, OEDC | • Seattle City Light, OSE | • Rep. Doglio |
| • Department of Ecology | • Rural Peoples Voices | • Rep Fitzgibbon |
| • Office of Financial Management | • McKinstry | • Rep. Fey |
| • Department of Agriculture | • Front & Centered | • Sen. Lias |
| • Puget Sound Partnership | • The Nature Conservancy | • Sen. Nguyen |
| • Department of Transportation | • Climate Solutions | • Sen. Robinson |
| • RCO | • RMI | • Rep. Tharinger |
| • Department of Health | | |

3 IDENTIFICATION OF PRIORITIES & RESOURCE NEEDS

- Conducted three working group meetings to identify and discuss issues and cross-cutting priorities
- Reviewed relevant state plans, strategies, and federal funding opportunities
- Agencies reviewed database of funding opportunities

Recommendations to maximize federal funding address these four topic areas:

1

Priority Funding Opportunities

The number and value of high-dollar, high-impact federal funding opportunities that WA can pursue **now** to advance the state's climate and decarbonization priorities is unprecedented. This is a unique moment to obtain the resources needed to accelerate progress towards an equitable, zero-emissions future.

2

Internal Systems & Organizational Infrastructure

WA state needs to build and improve on its **internal systems and organizational infrastructure** to cohesively and strategically acquire and manage these priority funding opportunities

3

Support for External Stakeholders

Many priority funding opportunities for WA are also or only available to **other stakeholders**, such as local governments, NGOs, private sector, and consumers, who **need support from the state** to maximize these opportunities

4

Focus Areas for Future Roadmap Work

In addition to these cross-cutting needs, there are specific **topics** or **sector-specific focus areas where additional work/resources may be needed** to effectively capitalize on complex / new types of opportunities and / or accelerate decarbonization in priority sectors.

2 | Research Findings

This section presents key findings from the research into the federal funding opportunities available through the IIJA, IRA, and CHIPS & Science Act:

- The universe of federal funding opportunities
- Characterization of funding types
- Key takeaways from stakeholder interviews

For more detail see Appendix 7A

Key Findings – Federal Funding Opportunities

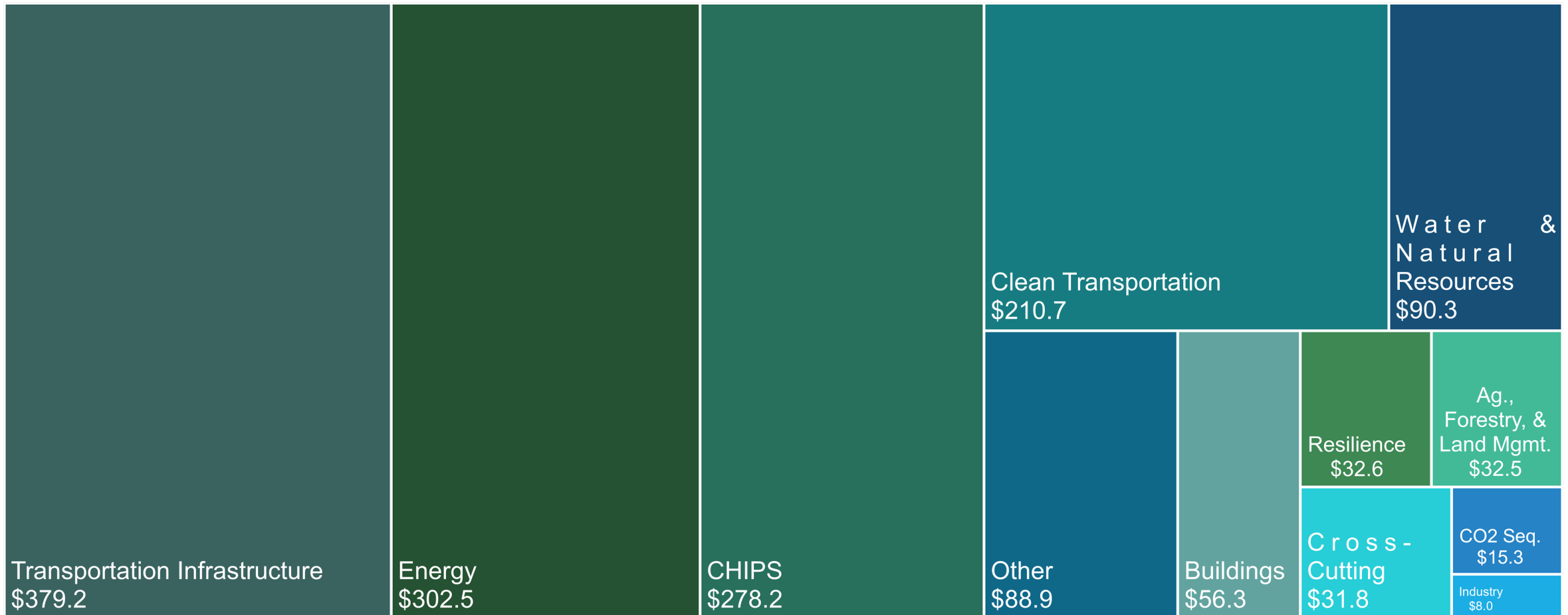
The size and scope of the IIJA, IRA, and CHIPS & Science Act present an unprecedented opportunity for Washington to secure resources to accelerate progress towards realizing its climate, energy, equity, workforce, and natural resource goals. Pages 22-28 provide a graphic summary of these funding sources, with more detail provided in Appendix 7a.

- **Total federal funding opportunities across IIJA, IRA, and CHIPS & Science Act exceeds \$1.5T**, On a per capita basis, **Washington's share of these opportunities = ~\$35B.**
- **These funding opportunities consist of a range of funding mechanisms** – competitive grants, formula grants, loans, and tax incentives - across different time horizons – from one to ten years.
- **CCA funding allocated for the 2023-2025 biennium complements federal funding** in the clean transportation, buildings, resilience, energy, agriculture, forestry, land management, and natural resources.
- **Competitive funding opportunities for states totals over \$200B, or \$4.7B for WA on a per capita basis.** The value of competitive grant opportunities for which local governments, utilities, NGOs and other non-state entities are eligible is roughly estimated to be at least \$250B or \$5.85B on a per capital basis.
- **Estimates of the value of tax incentives including Direct Pay range from \$289 billion to \$1 trillion over ten years.**
- Based on the data gathered by September 2023, WA has been awarded at least \$2.3B.

SUMMARY OF RESEARCH

Funding across the IIJA, IRA, and CHIPS & Science Act exceeds \$1.5T

Total Funding by Sector (\$B): IIJA, IRA, and CHIPS
Direct Funding and Tax Incentives

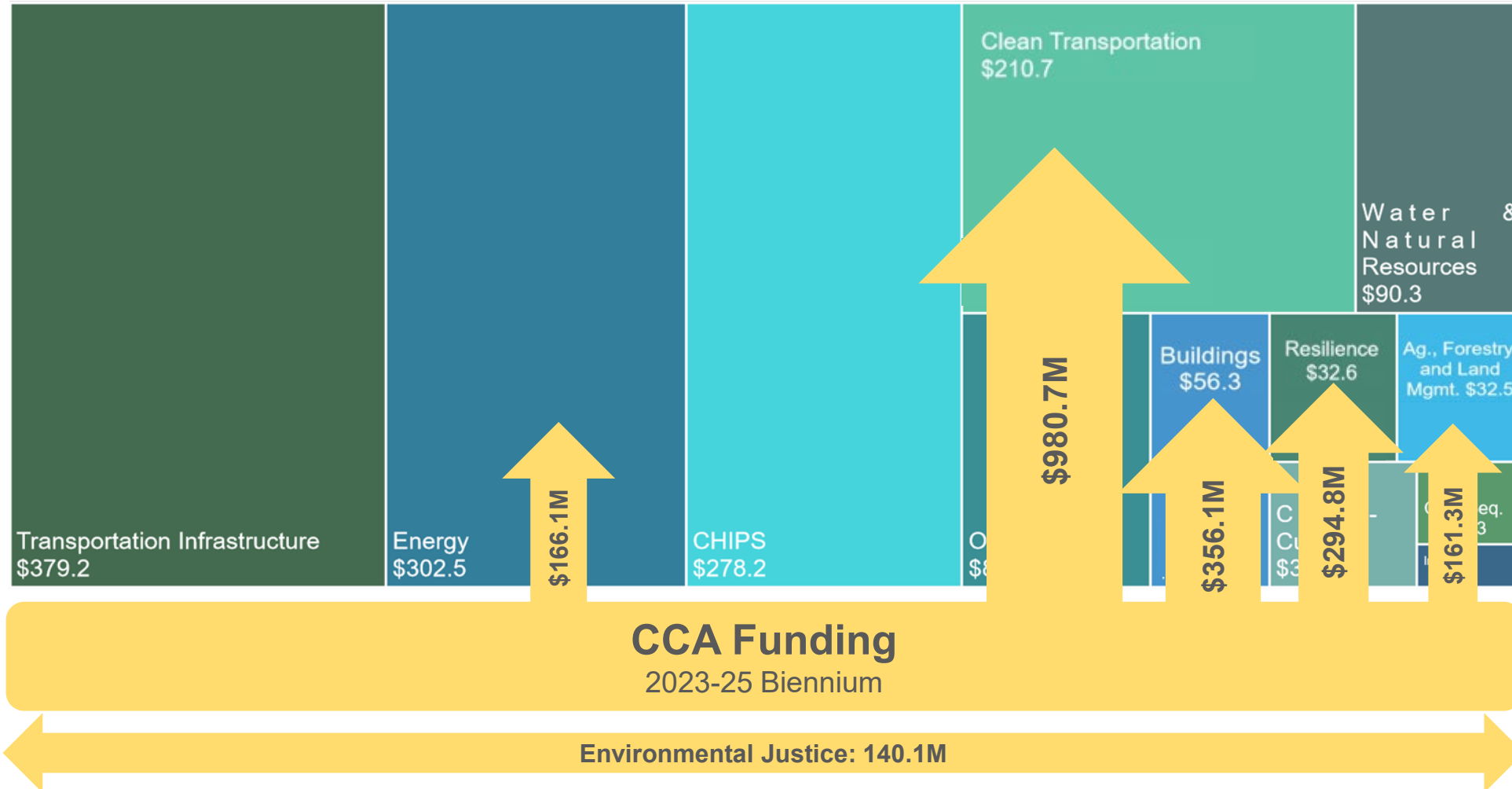


Note: Transportation infrastructure refers to roads, bridges, highway safety, and other traditional surface transportation projects. “Clean Transportation” includes all funding related to public transit, low-emissions vehicles and associated infrastructure, walkability improvements, and other decarbonization-related transportation investments.

SUMMARY OF RESEARCH

CCA funding complements federal funding opportunities in key sectors

Total Funding by Sector (\$B): IIJA, IRA, and CHIPS
Direct Funding and Tax Incentives



Note: CCA Funding figures shown are total enacted CCA dollars by fund. Additional non-CCA funding has been allocated for Clean Energy Workforce (\$3.5M); Clean Transportation (\$139.3M); Climate Resilience (\$243M); and Buildings (\$232.7M).

SUMMARY OF RESEARCH

IJA, IRA, and CHIPS include a range of funding types across different time horizons

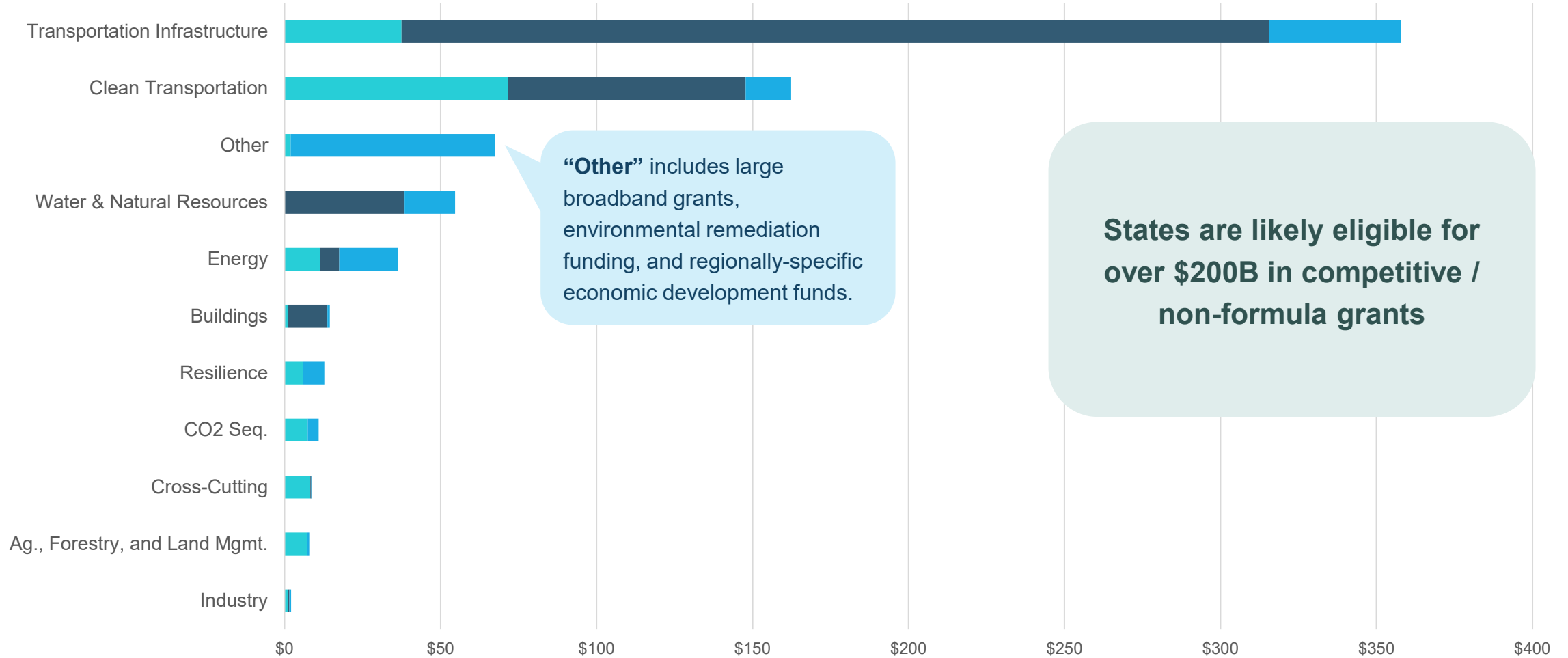
| <i>Funding Type</i> | <i>Typical Time Horizons</i> | <i>Example Programs</i> | <i>Program Availability</i> |
|---------------------------|---|---|---|
| Competitive Grants | Many within the next four years; some remain available until 2031 | Local and Regional Project Assistance Grants (RAISE) | 4 years |
| | | Solar for All Competition | Within 5 years of award |
| | | Neighborhood Access and Equity Grant Program | Until September 30, 2026. |
| Formula Grants | Many are year of apportionment +2 or +3 years; others available through 2031 | State of Good Repair Formula Grants | Year of Apportionment + 3 |
| | | Carbon Reduction Program | 4 years |
| | | Home Efficiency Rebates | Through September 30, 2031 |
| Loans | Several through 2026; most through at least 2028 and up to 2031 | Energy Infrastructure Reinvestment Financing | Through September 30, 2026 |
| | | Advanced Technology Vehicle Manufacturing Loan Program | Through September 30, 2028 |
| | | Transmission Facility Financing | Through September 30, 2030 |
| Tax Incentives | 2 – 10 years (Some direct pay incentives are only available for up to 5 years) | Clean Hydrogen Production Tax Credit | First 10 years in service out to 2043; 5 years for direct pay |
| | | Sustainable Aviation Fuel Credit | 2023-2024 only |
| | | Clean Energy Production or Investment Tax Credits for New Facilities (placed in service after 12/31/24) | Phase-out starts the later of (a) 2032 or (b) when U.S. greenhouse gas emissions from electricity are 25% of 2022 emissions or lower. |

SUMMARY OF RESEARCH

State-Eligible Grant Funding Opportunities

State Eligible Grant Opportunities (\$B): IIJA, IRA, and CHIPS & Science Act

Competitive / Non-Formula Grants Formula Grants Unspecified Grants

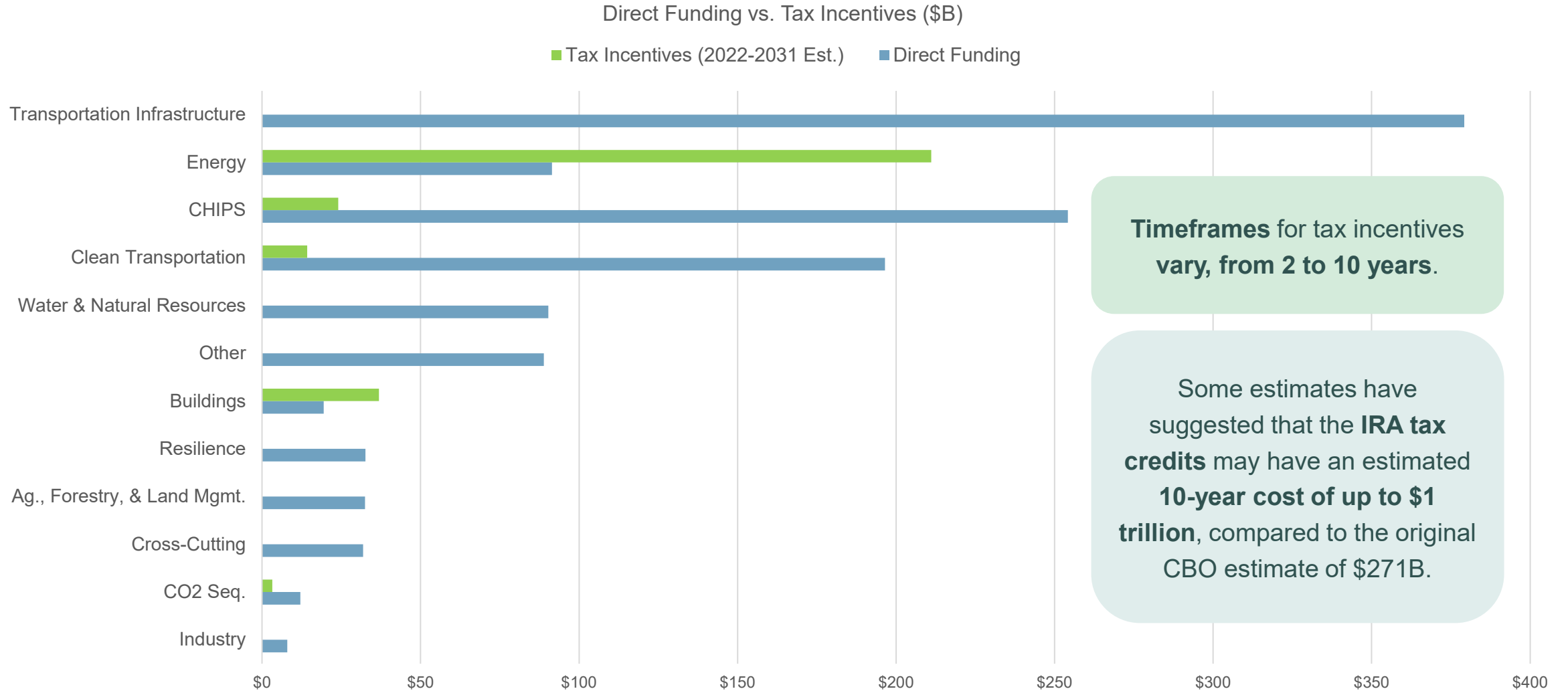


“Other” includes large broadband grants, environmental remediation funding, and regionally-specific economic development funds.

States are likely eligible for over \$200B in competitive / non-formula grants

SUMMARY OF RESEARCH

Opportunities by Funding Type: Direct Funding vs. Tax Incentives



Timeframes for tax incentives vary, from 2 to 10 years.

Some estimates have suggested that the **IRA tax credits** may have an estimated **10-year cost of up to \$1 trillion**, compared to the original CBO estimate of \$271B.

Note: Tax incentives shown represent original CBO estimates for 2022-2031.

SUMMARY OF RESEARCH

Funding Received to Date

As of Sept. 2023, Washington ranked 6th in total dollars awarded, and 15th in per capita dollars awarded.

\$866M awarded within WA State to date

across

32 programs

and

52 local governments

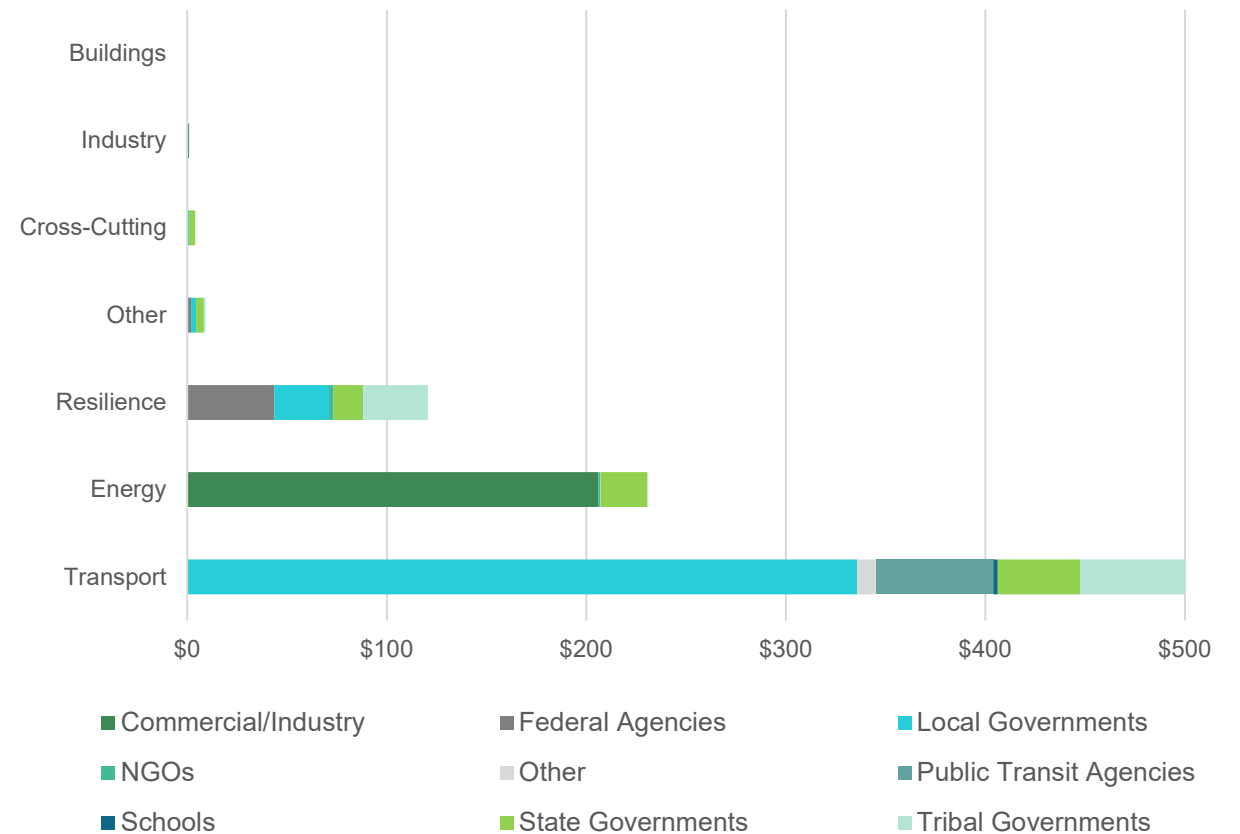
11 Tribal governments

37 Commercial / Industry

6 NGOs

3 State Agencies

WA Federal Climate-Related Funding Received (\$M)



Based on Climate Program Portal Data

Key Findings from Interviews



Work is underway across agencies to track, apply, & manage approach to federal funding opportunities with many applications submitted, many in process, and significant funding received from the IIJA while only limited IRA funding received to date.



Washington has multiple climate & decarbonization related plans, strategies, & priorities. The challenge is to **align, prioritize, and connect the federal funding opportunities to these strategies**. *Cross-cutting themes that emerged as guidance and to establish priorities: delivering on the state's climate & equity policies, making the transition affordable, and creating green jobs.*



Federal Funding opportunities outstrip state agency and stakeholder **capabilities and resources**.



Consistent themes emerged across agencies regarding **needs and gaps**, including:

- **The capacity** to (1) plan, organize and apply for and (2) manage and report on new federal grants is a significant **issue across agencies as well as with external stakeholders**
 - The need for a better process and strategy to **coordinate and leverage federal and state funds** (CCA, CEF, other state funding sources) to maximize their value to Washington as it pursues its climate, energy, equity and related goals.
 - The need for a **compelling and coherent narrative** around successes as well as needs / gaps.
-

3 | Priority Funding Opportunities

This section summarizes the results from the initial prioritization of federal funding opportunities as well as estimated resource needs to inform the FY24 supplemental budget.

- Section 3.1 summarizes the opportunities prioritized by agencies and additional funding opportunities recommended for further vetting.
- Section 3.2 summarizes matching funds and other resource needs to pursue and deploy priority funding opportunities.

For additional detail on priority funding opportunities, see Appendix 7B.

3.1 | Prioritization

Funding Opportunity Prioritization Process*

PURPOSE

Considering the unprecedented set of opportunities available to the state - 535 funding opportunities across IRA, IJJA, and CHIPS - the Roadmap Project initiated a process to develop priorities to guide executive and agency decision making through 2024, inform the 24 Supplemental budget, and provide a framework for the next administration.

PRIORITIZATION CRITERIA

- Alignment with state priorities
- Scale of potential funding for WA
- Where WA is most competitive
- Opportunity to address key gaps
- Level of effort required relative to benefits received
- Timeframe

APPROACH

1. Created an Excel database of all funding opportunities.
2. Engaged agencies in identifying an initial set of priorities and associated resource needs with a focus on identifying needs for the FY24 supplemental budget.*
3. The consultant team reviewed the initial agency priorities and identified other potential priorities that met the criteria.

** Given the compressed timeline for Phase 1, not all agencies participated in the Phase 1 prioritization process. Commerce ED, Ecology, WADOT, WSDA, and DOH provided an initial set of priorities and needs. Commerce OEDC, PSP, and RCO provided mostly qualitative input. Other state agencies with climate and energy related funding opportunities have indicated that they are limited in their capacity to engage in the prioritization process (GOIA, Workforce Board) or were not involved in the Phase 1 project, including WDFW, DNR, CC, and EMD.*

Funding Opportunity Prioritization Process*

RESULTS

Results of the initial prioritization process are presented in the tables on pages 34-41. **The high priority opportunities alone equal \$231.2B** representing approximately 16% of all federal funding available. Using a rough estimate based on per capita allocation of these federal dollars, **this could represent roughly \$5.4B for WA**. Priorities include:

- **Tax incentives, loans, and grants to invest in clean energy generation, alternative fuels, new transmission facilities, and technologies** essential for the transition. These include the \$20 billion National Clean Investment Fund and Clean Communities Investment Accelerator establishing Green Bank lending facilities, and Direct Pay provisions to enable not-for-profit entities such as education establishments, consumer owned utilities, and government facilities to benefit from tax credits here-to-for only available to the private sector.
- **Rebates and tax credits** for consumers and organizations to purchase electric vehicles, heat pumps, and other electrified appliances, as well as to fund energy efficiency improvements and other building and transportation decarbonization projects.
- **Dedicated funding for Tribes**, including the Tribal Electrification, the Tribal Energy Loan Guarantee, and the Tribal Climate Resilience programs.
- **Programs to support overburdened and underserved communities**, including Solar for All, Environmental & Climate Justice Block Grants, the Rural Energy for America Program, as well as Justice 40 provisions included in the IRA and IIJA requiring that 40% of federal funding directly benefit those communities.

Funding Opportunity Prioritization Process*

RESULTS, CONT.

Priorities include:

- **Funding for resilience**, including the Investing in Coastal Communities & Climate Resilience and Building Resilient Infrastructure and Communities programs.
- **Funding for alternative, clean transportation** including the Neighborhood Access & Equity Grant Program, Charging & Fueling Infrastructure Grants, and the Active Transportation Infrastructure Investment Program.

RECOMMENDATIONS FOR FURTHER PRIORITIZATION

Further work is needed to refine and vet these initial priorities, incorporate input from all agencies, and strategically align the state around the most critical, “can’t miss” opportunities.

- Focus on programs that **benefit consumers and advance equity** – addressing affordability and access (*e.g., rebates, tax credits*)
- **Prioritize high leverage/return opportunities** (*e.g., CPRG Comprehensive Climate Action Plan unlocking \$500M in potential funding, tax incentives and Direct Pay, funding for equity and workforce, opportunities to leverage private investment*)
- **Advance opportunities to bundle programs for maximum impact** (*e.g., green bank financing combined with weatherization and heat pump rebates for residents and green bank financing combined with Direct Pay for schools and other non-profit entities*)
- **Align priority opportunities with CCA investments and existing budgetary priorities** (*e.g., in Transportation, Move Ahead WA*)

Preliminary Agency Priorities

Of the 535 federal funding opportunities identified, agencies have so far prioritized:

85 High Priority

49 Medium Priority

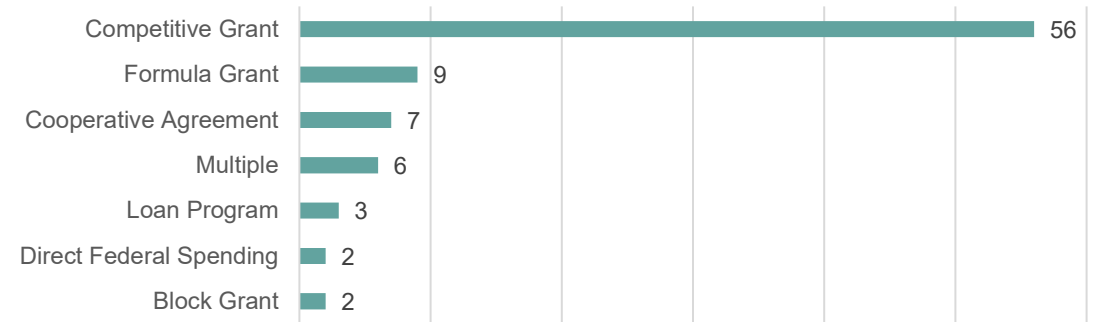
34 TBD

| | High | Medium | TBD | Low |
|----------------|------|--------|-----|-----|
| ComED | 23 | 37 | | |
| ECY | 37 | 3 | 32 | 4 |
| DOT | 17 | 3 | | 3 |
| WSDA | 8 | | 8 | |
| DOH | 4 | 15 | | |
| ComOEDC | 2 | | | |

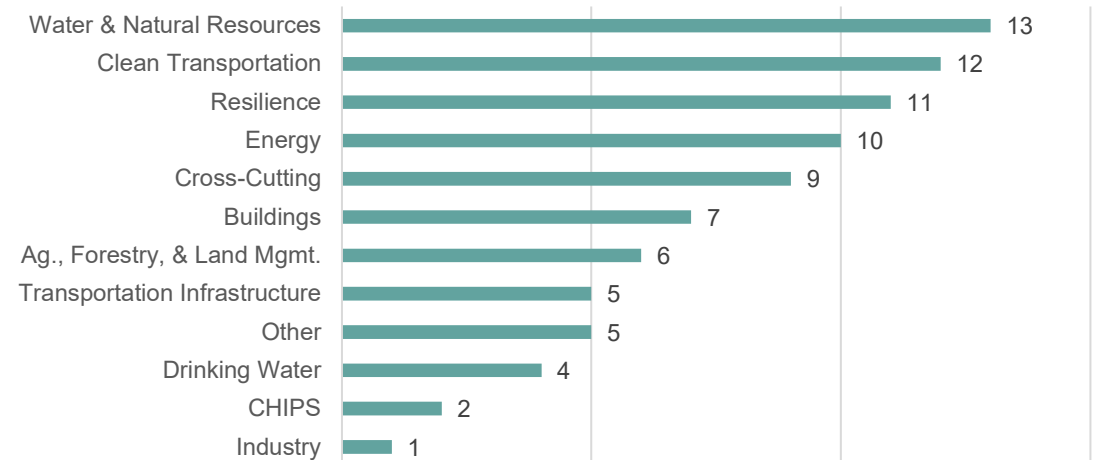
Note: Some opportunities listed in table above were prioritized by multiple agencies.

Summary of High Priority Funding Opportunities

High Priority Funding Opportunities by Funding Type

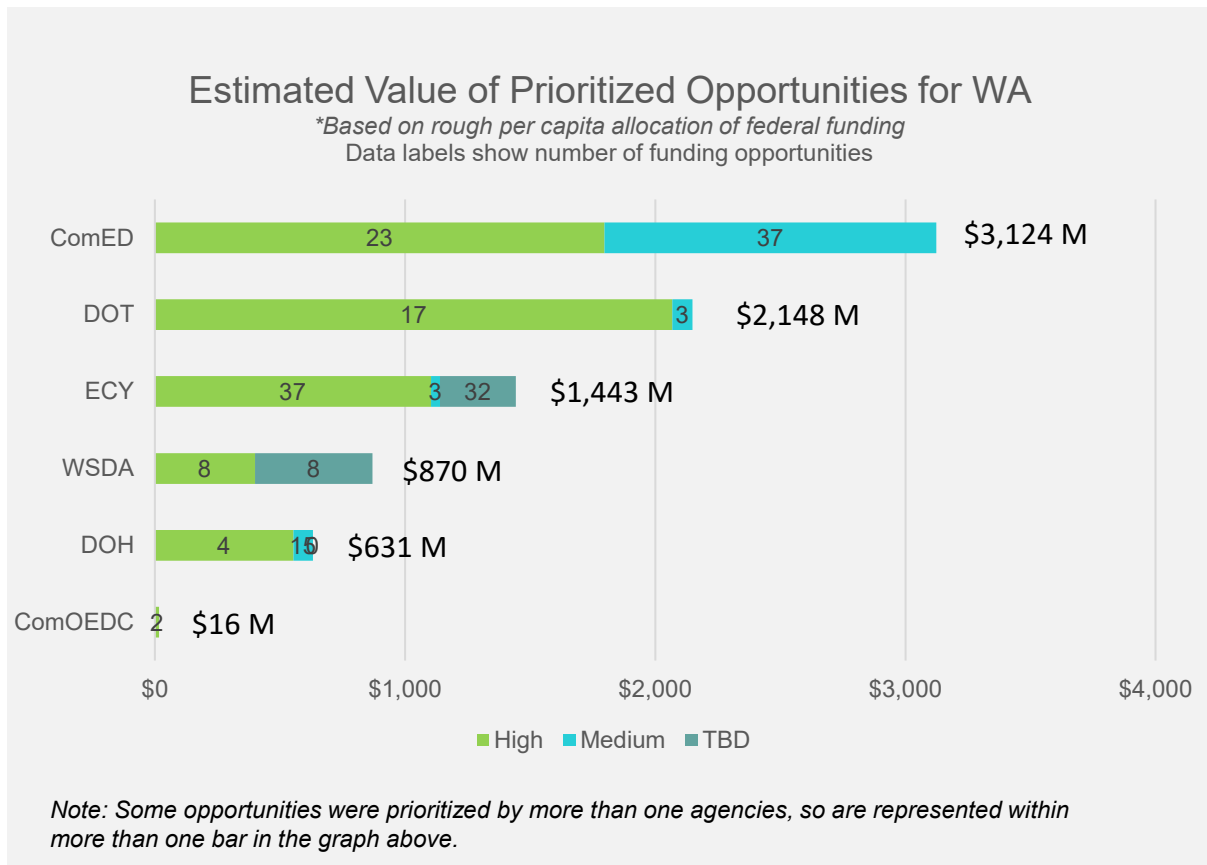


High Priority Funding Opportunities by Sector



Preliminary Agency Priorities

The total program value (at the federal level) of the **high priority** funding opportunities identified is **\$231.2B**, representing approximately **16%** of all federal funding available from IIJA, IRA, and CHIPS. Using a rough estimate based on per capita allocation of these federal dollars, this could represent roughly **\$5.4B** for WA.

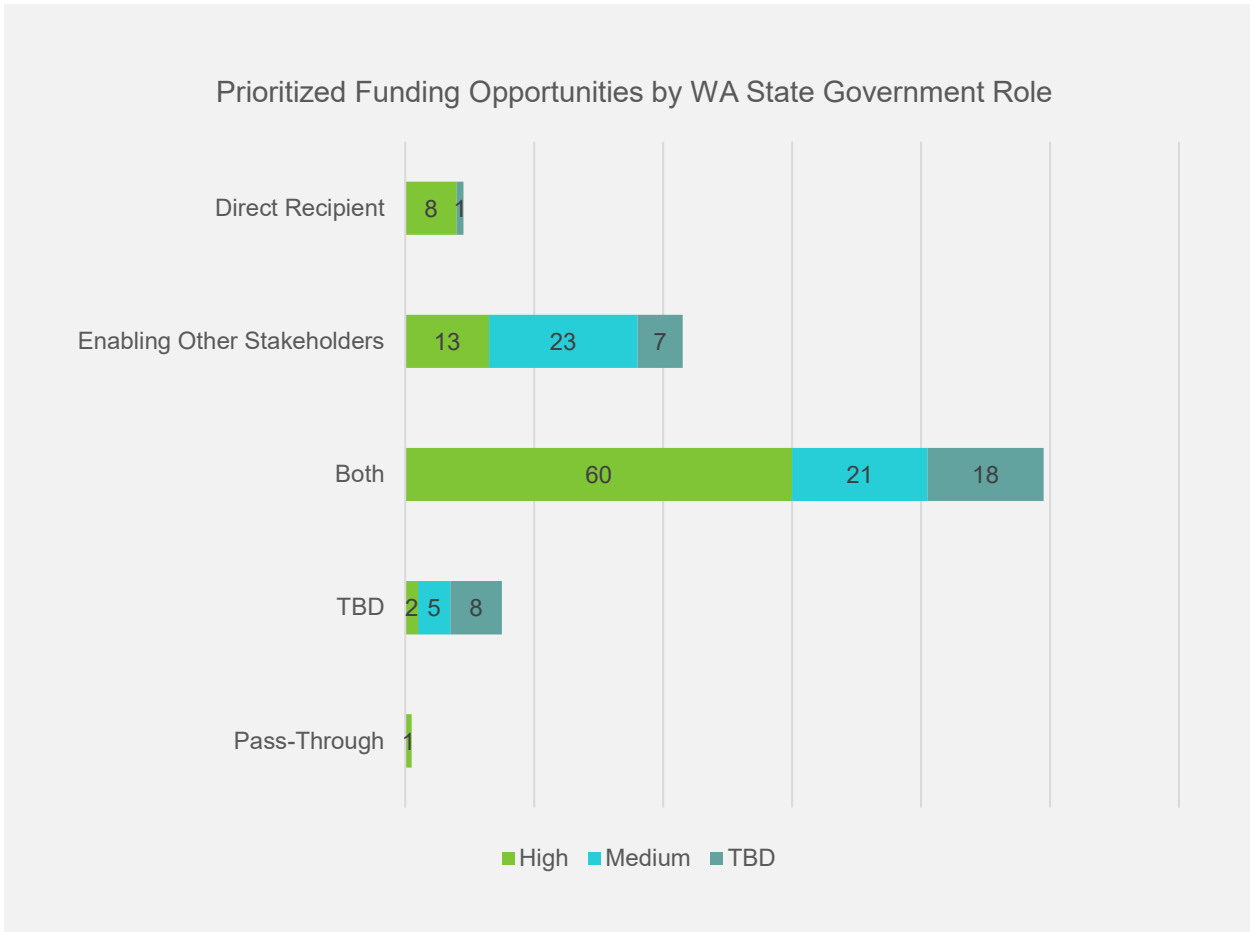


Opportunity Status of Prioritized List

| | Priority Level | | | | Total |
|--|----------------|--------|------|-----|-------|
| | High | Medium | Low* | TBD | |
| Applied - Awarded | 17 | | 3 | | 20 |
| Formula - Received | 4 | | | | 4 |
| Applied - Awaiting Decision | 13 | 1 | 3 | | 17 |
| Formula - Awaiting Allocation | 4 | | | | 4 |
| Applied - Not Selected | 2 | 1 | | | 3 |
| Declined to Apply | 1 | 2 | 6 | | 9 |
| Intending to Apply | 10 | | | | 10 |
| Supporting / Coordinating External Stakeholder(s) | 7 | 5 | 2 | | 14 |
| Other | 5 | 2 | 1 | | 8 |
| TBD | 23 | 35 | 3 | 17 | 78 |

*Any opportunity not given a prioritization level by agency was classified as low

Preliminary Agency Priorities



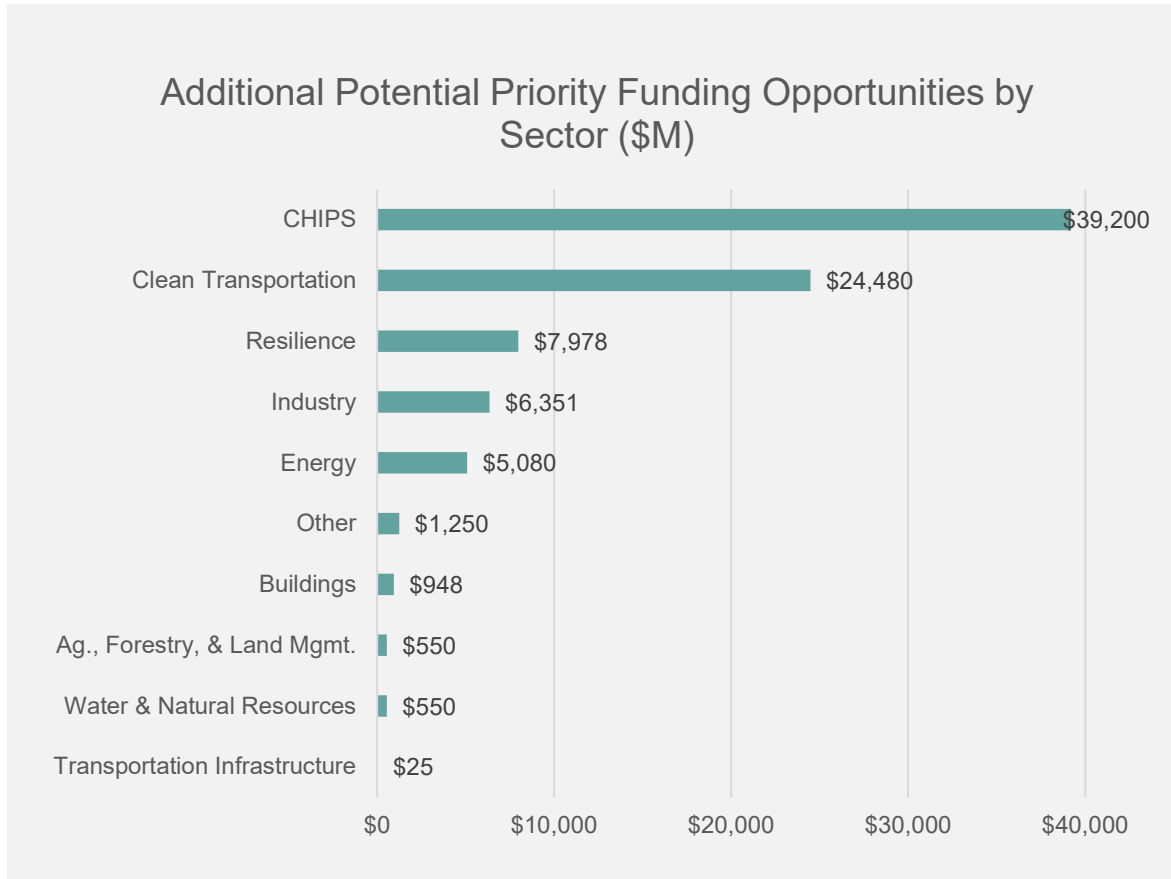
Most of the priority opportunities identified are available to both state agencies as direct recipients and to other stakeholders, such as local governments, Tribes, and private entities.

Prioritized opportunities for which the state’s primary role is to **enable other stakeholders** to access funding represent approximately **\$1.39B** in total potential value to WA.*

Opportunities for which WA state agencies can both be direct recipients and can enable other stakeholders represent approximately **\$5.5B** in total potential value to WA.*

* Rough estimate based on per capita allocation of federal funding given WA represents 2.9% of the US population.

Other Potential Priority Funding Opportunities – identified by the Consultant Team



In addition to the opportunities prioritized by agencies, an additional **47** opportunities representing **\$86.4B** in overall federal funding were identified for review based on the state’s priorities related to climate, clean energy, economic development, and natural resources.

While the state would be eligible to apply as a direct recipient for 40% of these dollars, the **majority** of this funding is available to other stakeholders where the **state would play an enabling role**.

See Appendix 7B for list of other potential priority opportunities identified.

Other Potential Priority Funding Opportunities – Tax Incentives

Tax incentives represent a major opportunity for WA state but have not been identified as agency priorities. The state should evaluate the opportunities below to develop a strategy to maximize the value of these tax credits to WA.

1. Ensure consumers are aware of and maximize key building- and EV-related tax credits; consider opportunities to leverage state and other funding sources to amplify impact

- 30D: Clean Vehicle Credit
- 25E: Credit for Previously-Owned Clean Vehicles
- 25D: Residential Clean Energy Credit
- 25C: Energy Efficient Home Improvement Credit
- 45L: New Energy Efficient Homes Credit

2. Ensure businesses in WA are maximizing key energy- and transportation-related tax credits; consider opportunities to leverage state and other funding sources to amplify impact

- Clean Energy Production and Investment Tax Credits (45, 48E, 45X, 45U, 48, 45Y, 45V, 48C) – *see Appendix for details*
- 45W: Credit for Qualified Commercial Clean Vehicles
- 30C: Alternative Fuel Vehicle Refueling Property Credit
- 179D: Energy Efficient Commercial Buildings Deduction

3. Support non-taxed entities (e.g., local governments, school districts, non-profits, etc.) as well as state agencies in accessing direct-pay-eligible tax credits:

- | | |
|---|--|
| <ul style="list-style-type: none"> • 45: Production Tax Credit for Electricity from Renewables (placed in service before 2025) • 48E: Clean Electricity Investment Tax Credit • 45X: Advanced Manufacturing Production Credit • 45U: Zero-Emission Nuclear Power Production Credit • 48: Investment Tax Credit for Energy Property • 45Y: Clean Electricity Production Tax Credit (projects placed in service in 2025 or thereafter) • 45V: Clean Hydrogen Production Tax Credit | <ul style="list-style-type: none"> • 48C: Advanced Energy Project Credit • 45W: Credit for Qualified Commercial Clean Vehicles • 45Q: Credit for Carbon Oxide Sequestration • 45Z: Clean Fuel Production Credit • 30C: Alternative Fuel Vehicle Refueling Property Credit • 179D: Energy Efficient Commercial Buildings Deduction • 48(e) and 48E(h): Low-Income Communities Bonus Credit |
|---|--|

Summary - Priority Funding Opportunities

| Opportunities | \$* | # | Resource Requirements | Notes |
|--|-----------------|------------|--|---|
| Identified by agencies to date | \$315.4B | 168 | <ul style="list-style-type: none"> \$82.8M matching funds initially identified but not comprehensive; Additional capacity needed to acquire & manage | <ul style="list-style-type: none"> Further agency review and cross-agency consultations needed to vet and refine the initial priorities Not all agencies have participated (e.g., GOIA, DNR, WDFW, EMD) |
| High Priority | \$231.2B | 85 | | |
| Medium Priority | \$55.0B | 49 | | |
| TBD | \$29.2B | 34 | | |
| Other potential priority funding opportunities | \$86.4B | 47 | <ul style="list-style-type: none"> TBD | <ul style="list-style-type: none"> Further agency and cross-agency review needed to determine level of priority |
| Tax Incentives | \$289.3B | 26 | <ul style="list-style-type: none"> TBD – needs include marketing, outreach, education and technical assistance to eligible entities | <ul style="list-style-type: none"> Recommended topic for further work as a Phase 2 Roadmap focus area |
| Consumer-facing EV and home efficiency tax credits | \$45.4B | 5 | | |
| Commercial transportation and energy-related tax credits | \$216.7 | 19 | | |
| Direct Pay eligible tax credits | \$213.7 | 15 | | |

*Total federal funding value

Summary - Priority Funding Opportunities: by Sector

In total, **122** funding opportunities have been identified as priorities for agencies to date (with an additional 34 TBD), which could represent approximately **\$6.2B** in potential value to WA.*

| Sector | High Priority Opportunities Identified by Agencies | Other Potential Priorities | Tax Incentives |
|---|--|----------------------------|----------------|
| Agriculture, Forestry & Land Management | 6 | 5 | |
| Buildings | 7 | 3 | 4 |
| CHIPS | 2 | 2 | 1 |
| Clean Transportation | 12 | 18 | 4 |
| Cross-Cutting | 9 | | |
| Energy | 10 | 7 | 16 |
| Industry | 1 | 3 | |
| Other | 5 | 1 | |
| Resilience | 11 | 6 | |
| Transportation Infrastructure | 5 | 1 | |
| Water & Natural Resources | 14 | 2 | |

See Appendix 7B for priority funding opportunity lists

* Rough estimate based on per capita allocation of federal funding given WA represents 2.9% of the US population.

3.2 | Preliminary 2024 Resource Needs

2024 Supplemental Budget – Phase 1 Initial Estimates

Resource needs associated with acquiring and deploying grant funds, tax incentives, loan programs, and other types of federal funding can be summarized as follows:

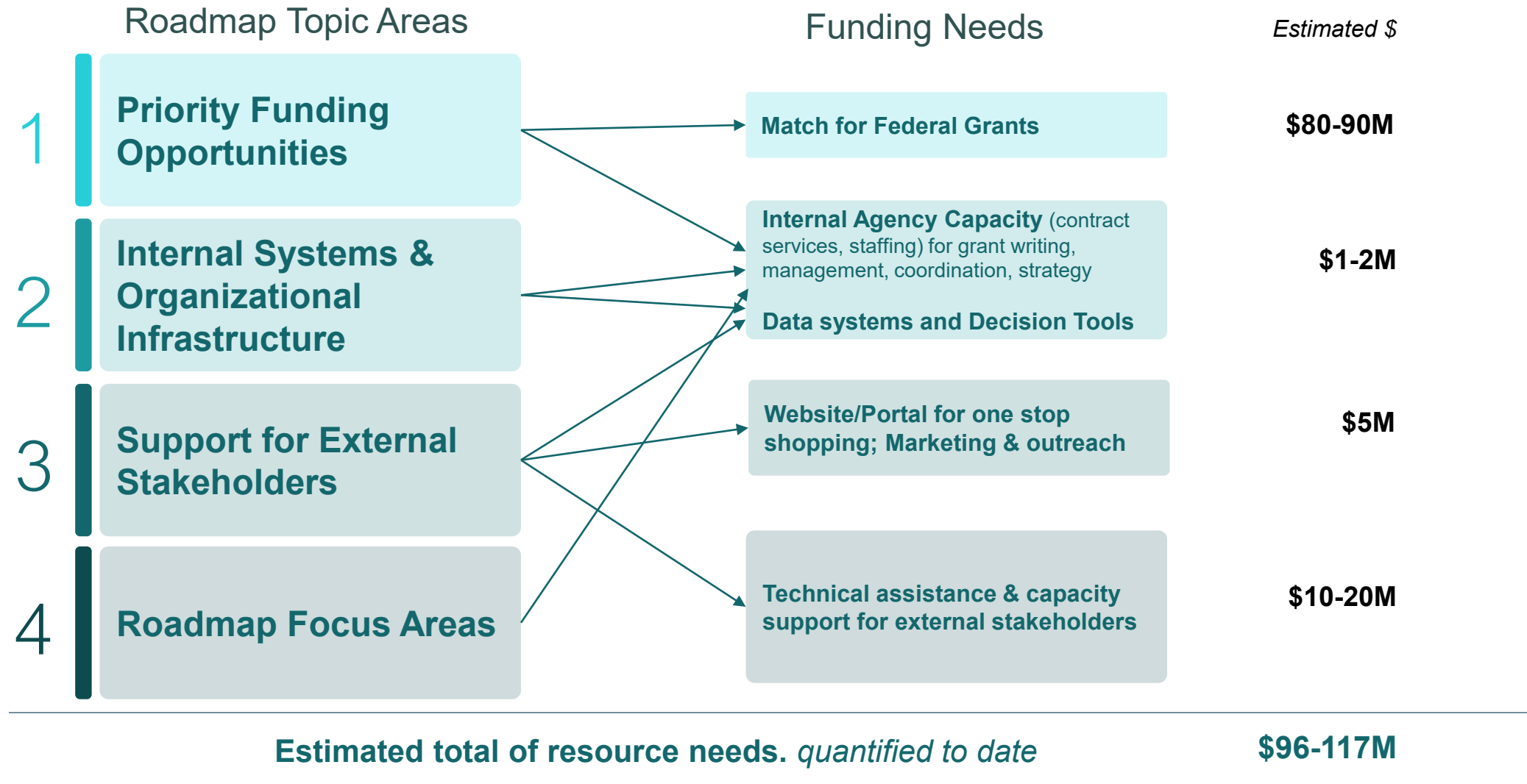
- **Dedicated and flexible/opportunistic match** for both competitive and formula grants. Match requirements can range from 10-50% or more depending upon the grant. For competitive grants, more match funding often equates to a more competitive grant application and therefore a greater potential for an award.
- **Internal agency capacity** – FTE and contractor support resources are needed for grant writing, management, and administration as well as for future roadmap development.
- **Data systems and support tools** – to establish a shared cross-agency centralized database of and tracking and reporting system for funding opportunities. This could be developed internally, using contractor support, and/or by purchasing and adapting a system developed and being deployed elsewhere.
- **Communications and marketing** – including staffing for an internal communications manager, contractors to develop and implement the marketing campaign, and funding for expenses including website development and maintenance (including for a one-stop shopping clearinghouse), social media, paid media, and other types of promotion.
- **Technical assistance and capacity to coordinate and support external stakeholders** - including low-capacity entities, NGO's, education institutions, consumer owned utilities, and local governments - acquire and manage grants, access tax incentives through the IRA Direct Pay provisions, and take advantage of Green Bank loan programs and other innovative funding mechanisms. The private sector will also benefit from technical assistance to access tax incentives, rebates, loan programs and eligible competitive grants. State engagement is also needed to advance Washington interests as funding programs are being designed and to coordinate stakeholder efforts to secure competitive grants.

2024 Supplemental Budget – Phase 1 Initial Estimates

PHASE 1 INITIAL ESTIMATES

- To develop estimates of these resource needs, agencies, as part of the prioritization process, provided information - when known - for match, capacity, and other related resource needs associated with federal funding opportunities. This information consisted of:
 - Matching funds identified by agencies
 - Matching funds TBD associated with specific funding opportunities
 - Other funding opportunity-specific funding needs
 - Additional cross-cutting funding needs, not opportunity specific
 - Federal authorization needs – where funding has been awarded or received and requires legislative authorization to be spent
- The consultant team also developed initial estimates of resource needs considering the information provided by agencies and input received from agency staff and stakeholders via interviews, at meetings, and through follow-up calls.
- These initial estimates are summarized on page 45. These estimates are to be considered preliminary and intended to inform budget deliberations for the Supplemental and beyond. The figures represent a first-cut at determining what is likely needed over the next 1-2+ years to:
 - meet match requirements, given the abundance of high priority opportunities identified by the agencies and consultant team
 - develop and deploy the internal systems and infrastructure needed to strategically manage and coordinate across agencies
 - develop and implement a robust program to deliver technical assistance to stakeholders, including providing the capacity needed for grant writing and administration and to navigate through the complexity of some of the funding opportunities.

2024 Supplemental Budget – Phase 1 Estimates



4 | Internal Systems & Organizational Infrastructure

This section summarizes recommendations regarding improvements to the state's internal systems and organizational infrastructure needed to enable the state to maximize the federal funding opportunities available.

WA needs to build and improve internal systems and organizational infrastructure

OPPORTUNITY

WA state needs to build and improve on its **internal systems and organizational infrastructure** to cohesively and strategically acquire and manage these priority funding opportunities.

WHAT'S NEEDED

Capacity for acquiring and managing federal grants *to address...*

- Unprecedented pace and scale of opportunities
- Insufficient grant-writing and management staff across all agencies

Cross-agency coordination, strategic decision making, & accountability, *including*

- Approach to strategically managing/optimizing federal & CCA\$
- Tools and analytics to model and track outcomes
- Timely, comprehensive reporting

Communication and outreach strategy *to...*

- Deliver a compelling narrative for investing state resources to maximize federal \$
- Inform and engage with key stakeholders and the public

Recommendation Summary

| Need | Recommendation |
|---|--|
| Capacity for acquiring and managing federal grants | Ensure that each agency has adequate staff and resources for FF acquisition and management of high priority funding opportunities, using the Phase 1 Roadmap prioritization exercise to assess needs. |
| | Create a centralized grant writing team/resource to provide services to agencies. |
| Cross-agency coordination, strategic decision making, & accountability | Assign lead responsibilities to manage and coordinate strategic decision making to the Federal Funding Coordinator position. Include in the planned EJ coordinator role a focus on the nexus between federal funding, the CCA, and Heal Act opportunities and requirements. |
| | Develop and deploy a shared, multi-functional federal & state funding database and management system that can support acquisition, tracking, and reporting. |
| | Streamline / rationalize the process & systems to track and manage agency efforts to better use existing resources. |
| | Establish a Federal Funding Strategy Working Group to develop and assist with coordinating the state’s federal funding strategy and its implementation. |
| Communications | Develop a Decision Support Tool to model and track emissions reductions and other benefits associated with state and federal climate and clean energy investments. |
| | Create and communicate a compelling narrative/case statement for investing state resources to maximize federal funding . Strengthen/fund the state’s communications capacity. |

*Includes resource needs communicated to the Caspian Group as of 10/22

Capacity for acquiring and managing federal grants

CURRENT SITUATION

Across agencies, staff are assigned to track and respond to federal funding (FF) opportunities. Capacity limited relative to size and scope of opportunities.

- **DOT** is relatively well positioned & staffed but has limited capacity to pursue alternative transportation-type opportunities (ped, bike). Many regions and local government partners lack capacity to pursue or manage an increased flow of grants.
- **Commerce (COM)** is lead agency for many FF opportunities, with 3-4 staff working on these full-time. Both Energy Division and OEDC have processes to triage opportunities and are pursuing high potential projects. With many open positions, turnover, and responsibility for multiple grants and tax incentives, etc. COM is understaffed relative to the size of opportunity but working to fill gaps. Many external stakeholders are frustrated with the slow pace of COM contracting and funds deployment. New procedures are being developed to accelerate development. *Note – Applications for Solar for All and CPRG include funding for new term-limited staff to manage and administer grants and programs. However, additional administrative and communication support is likely needed.*
- **Ecology** operates at the program level to track, decide, apply, and manage grants. Ecology has hired a Federal Funding coordinator to manage across programs and departments.
- **WSDA** relies primarily on formula grants but sees additional opportunities and lacks capacity to pursue. Sees need for coordination across agencies re rural community opportunities.
- **PSP** has created a Strategic Federal Funding team and website to track and share opportunities. Potential model for other agencies.
- **RCO** and **Salmon Recovery Office** are tracking opportunities. See the potential need for more capacity.

NEEDS AND GAPS

- **Limited capacity** for acquiring and managing grants relative to scale of opportunities
- Insufficient **grant-writing and management staff** across all agencies

RECOMMENDATIONS

1. **Ensure that each agency has adequate staff and resources for FF acquisition and management of high priority funding opportunities, using the Phase 1 Roadmap prioritization exercise to assess needs.**
 - COM and WSDA will likely need additional FTE and/or contract resources.
 - As needed, include funding for new FTE capacity and contract capacity in the supplemental budget.
 - Find opportunities to redeploy existing staff or use open positions to meet need.
2. **Develop a centralized grant writing team/resource to provide services to agencies.**
 - A team and/or contracted service skilled at preparing applications, grant writing, documentation etc. could work with subject matter experts to prepare grant applications.
 - This team/contractor could also be deployed to help external stakeholders with limited resources apply.

Cross-agency coordination, strategic decision making, & accountability

CURRENT SITUATION

Tracking

- OFM reviews federal NOFO/FOAs and the FISA system and notifies agencies [and partners] of opportunities; strives to track and report on outcomes.
- Agencies track NOFOs/FOAs relevant to their portfolios. Each agency has different tracking systems and processes; no standardized approach, database or software for tracking.

Coordination

- OFM and Policy Office convene regular coordination meetings to share information. OFM provides a base level of cross-agency coordination by sharing FOAs/NOFAs, reporting to senior leadership, and communicating with agencies to track results.
- Many funding opportunities involve working across agencies; agencies currently coordinate on a case-by-case and/or ad-hoc basis.
- Policy Office plans to hire a Federal Funding Coordinator position to assist with coordination and management of FF opportunities.

Strategic Decision Making & Accountability

- Agencies are generally responsible for making decisions about which funding opportunities to pursue and associated allocation of resources.
- Policy Office engages with agencies on an ad-hoc basis on opportunities that are particularly significant to the state or of concern to key stakeholder groups
- ECY is developing tools and analytics to track and report on emission reductions and other benefits associated with state policies and investments.
- OFM tracks status of funding opportunities and outcomes through communicating with agency staff and monitoring federal funding databases; approach is imperfect as OFM does not always receive this information.
- State lacks expertise in tax incentives, direct pay, and other funding opportunities targeted at consumers, businesses, non-profits, local governments and other non-state actors.

NEEDS AND GAPS

- **No formal or definitive process for coordinating** across agencies or strategic decision making
- **Limited accountability for and tracking of go / no-go decisions and outcomes**
- **Tracking efforts are duplicated** across agencies and with OFM
- State lacks process **to optimize deployment of state and federal resources** in dynamic environment
- State lacks **comprehensive tracking and reporting mechanisms to monitor and report on use of state and federal funds** related to climate and clean energy, including equity
- **Modeling and analytical tools to measure and track emission reductions** and other benefits associated with federal and state funding are needed to inform decision-making
- **Many implementation-related bottlenecks and constraints** exist (permitting, procedures, agency capacity, etc. that need to be addressed to enable deployment of funds.

RECOMMENDATIONS

1. **Assign lead responsibilities to manage and coordinate strategic decision making to the Federal Funding Coordinator position.**
2. **Develop and deploy a shared, multi-functional federal & state funding database and management system that can support acquisition, tracking, and reporting.**
3. **Streamline / rationalize the process/system to track and manage agency efforts to better use existing resources**, convene an inter-agency group to develop approach and assign lead agency for all funding opportunities.
4. **Establish a *Federal Funding Strategy Working Group* to develop and assist with coordinating the state's federal funding strategy and its implementation.**
5. **Develop a *Decision Support Tool* to model and track emissions reductions and other benefits associated with state and federal climate and clean energy investments.**

Communications

CURRENT SITUATION

Developing and communicating a compelling narrative regarding the value of state and federal investments in climate and clean energy is critical.

- Both internal and external stakeholders emphasized the need for and importance of having a compelling narrative for legislators, other stakeholders, and the public about:
 1. the benefits of the state’s clean energy investments to communities, people, and business;
 2. the value proposition associated with investing state funds to maximize federal funds.
- Stakeholders also emphasized the need for the state to be able to ‘tell the story’ about how current efforts underway are benefiting people, especially those in overburdened communities, creating green jobs, and advancing sustainable economic vitality.
- Communication regarding clean energy and climate to the public, legislature, and key stakeholder groups is provided by the Governor’s office and individual agencies.
- Commerce, the lead agency on clean energy, is short staffed to fulfill this function, with open positions in their communications department.

NEEDS AND GAPS

- **A compelling narrative for legislators** about how state funds can unlock federal dollars
- The need to **educate stakeholders and the general public** about benefits associated with CCA and federal funds considering public perception challenges

RECOMMENDATIONS

1. **Create and communicate a compelling narrative/case statement for investing state resources to maximize federal funding**
2. **Strengthen/fund the state’s communications capacity.** *Assemble Comms Team. Fill open communication positions in Commerce. Provide contractor support.*

5 | Support for External Stakeholders

This section summarizes recommendations regarding how the state can best support external stakeholders in accessing federal funding opportunities to maximize the total value to the state.

WA state needs to **support external stakeholders** in accessing funding opportunities to maximize value to the state

OPPORTUNITY

Many funding opportunities are (sometimes exclusively) available to other entities in WA, such as local governments, NGOs, private sector, and consumers, but these **stakeholders often lack awareness or capacity to access these opportunities**. In order to maximize the total value that can be delivered to WA, the state needs to help these entities access funding opportunities available to them.

WHAT'S NEEDED

Outreach and communication to external stakeholders regarding federal funding opportunities

Support and technical assistance for stakeholders to enable greater access to federal funding opportunities

Agency capacity to serve as advocate and catalyst to shape federal opportunities and coordinate WA stakeholders

Matching funds and financing to maximize competitiveness

Recommendations Summary

WA state needs to **support external stakeholders** in accessing funding opportunities to maximize value to the state

RECOMMENDATIONS

| | |
|--|--|
| | Establish a website/portal to provide “one-stop shopping” information on and access to federal and state funding opportunities. |
| | Develop and launch a marketing and outreach campaign to build awareness and create demand for funding from state and federal programs. |
| | Provide technical assistance, grant writing, and management support to enable greater access to state and federal resources. |
| | Increase state agency capacity to provide advocacy and catalyst services. |
| | Provide matching funds and financing |

Findings

CURRENT SITUATION

- **Billions in federal funding are available to non-state entities**, particularly from the IRA, but also CHIPS & Science and IIJA. These opportunities offer enormous potential for Washington State to bring resources to the state to advance climate, clean energy, and equity goals.
- **Many stakeholders lack the awareness, capacity, and know-how to take advantage of opportunities**; others may have capacity and expertise, but still are challenged to apply for and obtain funding.
- **External and internal stakeholders alike see the need and opportunity for the state to help** these entities access the federal funding available to them.
- **State agencies are already taking action and providing support with available funding to address some of these needs.**
 - PSP's Strategic Funding Team provides these services to LIOs and local governments in Puget Sound to access restoration funding.
 - Commerce, DOT, and Ecology are likewise providing assistance albeit with limited resources.
 - Funding for some of these functions and services is already included in decision packages (e.g., \$250 million from OEDC for assistance and matching funds, and \$100 million from the Energy Office for the Energy Navigator program).
- **Trade associations, membership organizations, consultants, lawyers, and others are also providing support and assistance.** And many larger organizations have staff and resources available to meet most if not all of their needs related to pursuing federal funding.
 - The City of Seattle, Seattle City Light, King County, and Puget Sound Clean Air Agency all have dedicated staff and resources.
 - McKinstry has a 3-person staff as a 'ninja team' focused on federal funding.

NEEDS AND GAPS

- **Significant outreach** is needed to ensure stakeholders are aware of funding opportunities available to them and know how to access
- Many stakeholders require **additional support in applying for and managing federal grants**
- Given finite state resources, tight timelines for many funding opportunities, and competing priorities, **Washington State's resources and services will need to be carefully deployed** to 1) maximize funds brought to the state, 2) assist those most in need, 3) reduce emissions, and 4) demonstrate that the clean energy transition is affordable and accessible to all.

Stakeholder Needs and Gaps

KEY STAKEHOLDER GROUPS



External and internal stakeholders alike see the need and opportunity for the state to help these entities access the federal funding available to them. Needs and gaps identified through initial stakeholder interviews and other surveys and research (i.e., the OEDC survey) that could potentially be filled by the state include:

- **Creating awareness** through marketing, education, and outreach of opportunities; building demand for and increasing the use of federal funding programs.
- **Advocating for Washington interests** in federal funds program design, development, guidelines, and rulemaking.
- Serving as a **catalyst** - Assistance convening, fostering, joining partnerships and alliances to pursue funding opportunities – including forming “hubs”, aligning and coordinating applications, and providing letters of support.
- Providing **capacity to apply for and administer federal funds** – grant writing and grant management, support to plan, organize and develop projects.
- Providing **technical assistance and expertise** on program requirements, application procedures, loans, tax incentives, direct pay, and other innovative or complex aspects of funding opportunities.
- Providing **matching funds** when required or needed to improve competitiveness.

Recommendations (1 of 3)

1. Establish a website/portal to provide “one-stop shopping” information on and access to federal and state funding opportunities.

- Customize the portal(s) to the needs and capabilities of different stakeholder groups. Engage end users in the portal development.
- The Puget Sound Partnership [Recovery Acceleration Funding Tool](#) could serve as a model for a portal for Tribes and local governments. Portals for consumers and the private sector could be more complex and challenging to develop to meet end user needs, requiring greater resources and expertise.
- Build on existing efforts: Climate Solutions/NGO website and outreach campaign for incentives and rebates; the Commerce Energy Office Energy Navigator program; Rep. Ramel home navigator proposed legislation; private company software offerings for one-stop shopping – [Canopy Climate](#), [Switch is On](#).

2. Develop and launch a marketing and outreach campaign to build awareness and create demand for funding from state and federal programs.

- Create a comprehensive communications strategy and program –developing a narrative/case statement for legislators and the public, collecting and telling stories to engage target audiences, and promoting one-stop shopping portals.
- Develop a strategic framework for a campaign that can be quickly launched and then scaled over time. Involves digital, social media, earned, and traditional media.
- Build a “tapestry of stories” – to make the opportunities and benefits of the CCA, IRA, and other federal funding “real” for people.
- Form partnerships with NGOs, other public entities, and the private sector to amplify state efforts.
- Requires a Federal Funding Communications Manager and contracted services.
- Potential budget: \$2-5 million, including the website development and case statement/narrative for the legislative audience.

Recommendations (2 of 3)

3. Provide technical assistance, grant writing, and management support to enable greater access to state and federal resources.

- Create an interdisciplinary team to help NGOs, local governments, and other priority stakeholders obtain federal funding and access tax incentives and financing. Further evaluate the best means to provide this support:
- Establish regional teams to support multiple stakeholders (e.g., local governments, NGOs, utilities, private sector) in a given region. For example, teams could be created for Eastern Washington, Central Washington, SW Washington, and Central Puget Sound – or aligned with the Governor’s 9 regions.
- Alternatively, establish sector-specific teams or pursue a hybrid approach.
- The Puget Sound Partnership’s Strategic Funding Team consisting of a manager, grant writer, strategist, funding program coordinator, technical specialist, and “funding barrier specialist” could serve as a model.
- Scale up the Commerce Energy Office’s request for \$2.5 million for an initial technical assistance program for local governments and \$1.94M to provide tax guidance and legal support to NGOs.
- Prioritize support for NGOs working with overburdened communities including rural communities.
- For Tribes, identify needs and provide support through the GOIA process currently underway.

4. Increase state agency capacity to provide advocacy and catalyst services.

- Commerce OEDC has proposed hiring and/or contracting for a liaison to engage with the private sector on funding opportunities and a person to advocate for Washington’s interests with federal agencies.
- As part of the Roadmap Project, determine if additional resources are needed for these functions. If needed, include in the Supplemental budget.
- Engage the Federal Funding coordinator and the Strategic Funding Working Group in monitoring and coordinating the state’s role as advocate and catalyst.

Recommendations (3 of 3)



5. Provide matching funds and financing.

Match

- Commerce’s decision package includes \$80+ million to be used as match when applying for competitive grants.
- Key legislators indicated their support for an “opportunity match fund” to be deployed as needed when securing grant funding and linked to the state’s climate, energy, and equity goals, aligned with legislative priorities and including guardrails.
- Include in the '24 Supplemental, funds anticipated to be needed for match in the July 24- June 25 budget cycle – derived from the priority funding requests submitted by agencies supplemented by .

Financing

- Proceed with developing the Washington State Green Bank as an NGO; include funding needed for start-up in the Supplemental budget.
- Collaborate with CDFIs and other financial institutions to leverage Green Bank related programs.

6 | Roadmap Focus Areas

This section identifies key topics and sector-specific focus areas where the state could benefit from additional research, planning, and/or strategy development to effectively capitalize on federal funding opportunities and/or accelerate decarbonization in priority sectors.

‘PHASE 2’ ROADMAP

Topics and sector-specific focus areas where the state could benefit from additional research, planning, and/or strategy development to effectively capitalize on federal funding opportunities and/or accelerate decarbonization in priority sectors.

RECOMMENDED FOCUS AREAS

Tax Incentives & Direct Pay – Gaining expertise, establishing priorities, strategy for outreach & technical assistance

Federal Funding for Equity – Sharing knowledge; creating capacity; framework; pursuing priority funding opportunities

Clean Energy Workforce – Integrated, leveraged approach to federal funding; coordination

Agriculture & Rural Communities – Cross-agency approach and strategy for federal funding

Building Decarbonization – Strategy to capitalize on new funding opportunities

Resilience – Short-term action plan for priority resilience grants and programs

Tax Incentives & Direct Pay



CURRENT SITUATION & NEEDS / GAPS

- Approximately 2/3 of federal funding in the IRA comes from Direct Pay, tax incentives, including investment and production tax credits, energy efficiency and electric vehicle credits, and rebates.
- Some of these opportunities are complex and can be difficult to understand and access. In many cases the Treasury Department and other Federal agencies are still writing the guidelines and rules for implementation.
- Direct Pay – the equivalent of tax credits for governments and non-profit organizations – represents a particularly ripe opportunity for Washington; state agencies, education institutions, health care institutions, public utilities and related organizations all stand to benefit, in some cases reducing the cost of a clean energy or efficiency related investment by 20-30%.
- In general, the state and stakeholders lack the knowledge to capitalize on many of these opportunities.



ROADMAP: NEXT STEPS

- Develop and share a basic level of knowledge about Direct Pay and other tax incentives with Executive and Agency leadership and key staff as well as legislators, their staff, and key stakeholder groups.
- Conduct additional research; identify priority opportunities for Washington.
- Assess the level of knowledge and awareness among key stakeholders associated with priority opportunities; identify and highlight current efforts underway in the state to access Direct Pay and other incentives.
- Develop a strategy/action plan focused on how the state can play a catalytic role so that Washington gets its full share of incentives. Plan should include elements to build awareness, provide technical assistance, and advocate for Washington’s interests – incorporate into the communications strategy and technical assistance services recommended above. Seek additional funding, if needed.

Federal Funding for Equity



CURRENT SITUATION & NEEDS / GAPS

- Substantial resources are available from the IRA, the IIJA, and the CCA to enable the state to achieve its equity goals.
- However, understanding and meeting the requirements of the different programs, which can conflict, can be complicated and challenging – requiring additional time and resources to “get it right”.
- However, state resources to achieve the state’s equity goals are stretched thin, particularly with implementation of the Heal Act just now underway. EJ staff at state agencies and at the EJ council have had almost no time to focus on federal funding opportunities.



ROADMAP: NEXT STEPS

- Create and share knowledge of the equity components, requirements, and opportunities associated with federal funding (along with CCA\$) with key stakeholders.
 - Present to the EJ Council and disseminate to EJ groups and other interested stakeholders.
- Convene a working group to develop a framework and best practices for agencies to meet Justice 40 and CCA requirements, prepare community benefit plans, and engage communities. Develop a toolkit and provide technical assistance.
- Review the Roadmap Phase 1 Federal Funding Prioritization spreadsheet to identify a comprehensive set of opportunities for advancing equity goals.
- Prioritize programs and actions to benefit overburdened communities in the state’s Priority and Comprehensive Climate Action Plans. Engage community groups in developing those priorities.
- Assign leadership of this effort to the Policy Office’s EJ Coordinator, when hired.

Clean Energy Workforce



CURRENT SITUATION & NEEDS / GAPS

- Washington lacks the workforce needed to enable the clean energy transition to succeed at the pace and scale required to meet state goals. Multiple efforts are underway to create this workforce with the required skills.
- State efforts include the Workforce Board’s climate and clean energy workforce planning process (HB1176), Career Connect Washington’s pathways into the clean energy/tech sector, and initiatives in higher-ed and at community colleges. Local governments, Labor, and the private sector are also developing similar plans and programs.
- Many federal grant applications include a clean energy workforce component. For competitive grants, points are awarded for applications with strong workforce development strategies and programs.
- While Washington has many of the elements and is viewed in some regards as a national leader on workforce, it lacks a coordinated integrated clean energy workforce strategy. In addition, agency staff lack the knowledge of the state’s workforce programs to include in grant applications – potentially losing points in the process.



ROADMAP: NEXT STEPS

- Formulate a strategy to maximize federal funding for clean energy workforce development.
- Leverage the Workforce Board’s planning process (with an initial report due to the legislature in November) to identify best practices and create a summary package of Washington’s workforce initiatives to include in grant applications.
- Leverage Career Connect Washington’s EDA *Good Job Challenge* grant award and technical assistance capabilities as an implementation partner to develop and scale pathways into clean tech/energy jobs.
- Convene staff across agencies and with local governments to share knowledge and coordinate programs and initiatives.

Agriculture and Rural Communities



CURRENT SITUATION & NEEDS / GAPS

- Substantial new sources of federal funding are available to rural communities – from USDA, DOE, and EPA – to assist with the clean energy transition, as well as increase resilience and advance equity.
- Engagement with rural communities is siloed – with Commerce, WSDA, Ecology and other agencies pursuing different strategies and approaches that are not often coordinated.
- Rural areas are a high priority for clean energy investments, particularly for renewables and transmission facilities. Improving the political climate in rural areas could sub advance Washington’s ability to meet its clean energy goals.



ROADMAP: NEXT STEPS

- Form a working group or task force to formulate a rural strategy for the state, building on existing efforts and initiatives.
- Coordinate efforts across WSDA, Commerce, and Ecology.
- Consider appointing a Rural Community Coordinator to integrate and align work across agencies.
- Engage the Federal Funding Coordinator and the Federal Funding Strategy Working Group in this effort.

Building Decarbonization



CURRENT SITUATION & NEEDS / GAPS

- Commerce has multiple policies and programs in development and/or underway to advance decarbonization of the building sector, both residential and commercial.
- To achieve CETA and state energy efficiency goals, utilities are also involved, providing rebates, incentives, and technical assistance to their customers. BPA provides funding for public utilities while IOUs fund programs for their customers.
- The IRA creates an unprecedented set of opportunities to secure funding and finance the decarbonization of buildings – through tax credits and deductions for clean energy and efficiency investments, Green Bank financing, rebates for heat pumps and other appliances, among other mechanisms.
- This additional funding, combined with additional CCA funds, utility programs and rebates, along with Commerce’s existing programs creates a new landscape and potential to accelerate the pace and scale of building decarbonization.



ROADMAP: NEXT STEPS

- Assign to Commerce the responsibility to incorporate into its building decarbonization strategy the new sources of federal funding.
- Sequence this with the Roadmap work on tax incentives and Direct Pay.

Resilience



CURRENT SITUATION & NEEDS / GAPS

- Actions and initiatives to make Washington more resilient in the face of a changing climate touch on all aspects of Washington's economy and affect the health and well-being of everyone Making Washington resilient will cost billions over time.
- The state is developing a comprehensive resilience strategy, to be completed within a year, which will articulate priorities, actions and investments, and resource needs.
- Meanwhile, billions in federal funding for resilience through formula and competitive grants are available – including the PROTECT program, flood mitigation assistance grants, and the Investing in Coastal Communities and Climate Resilience.
- Tribes, utilities, and health departments particularly can benefit from increased federal funding for resilience.
- Using the Roadmap Phase 1 Federal Funding Prioritization Spreadsheet, Ecology staff identified potential priority funding opportunities.



ROADMAP: NEXT STEPS

- As the resilience planning process gets underway, further vet and refine the list of resilience-related priority funding opportunities.
- Ensure that the state has the capacity and resources to apply for priority resilience-related grants, even without a comprehensive strategy in place.
- Include a resilience component in the marketing and outreach campaign and in technical assistance provided to stakeholders.

7 | Appendix

- Appendix 7A – Summary of Federal Funding Research & WA State Climate Investments
- Appendix 7B – Funding Opportunity Prioritization Summaries
- Appendix 7C – Tax Incentives

7A | Federal Funding Research

FUNDING OPPORTUNITIES

Largest Funding Opportunities in Key Sectors (\$B)

ENERGY

\$10 Power Marketing Administration Transmission Borrowing Authority for Bonneville Power Authority

\$9.7 Empowering Rural America (New ERA) (formerly USDA Assistance for Rural Electric Cooperatives)

\$8 Regional Clean Hydrogen Hubs

\$7 Solar for All Competition

\$6 Civil Nuclear Credit Program

\$5 Energy Infrastructure Reinvestment Financing

CROSS-CUTTING

\$14 National Clean Investment Fund

\$9.7 Clean Communities Investments Accelerator

\$5 Climate Pollution Reduction Grants

\$3 Environmental and Climate Justice Block Grants

CLEAN TRANSPORTATION

\$36 Federal-State Partnership for Intercity Passenger Rail Grants

\$33 Urbanized Area Formula Grants

\$21 State of Good Repair Formula Grants (Public Transit)

\$15.7 Amtrak National Network Grants

\$8 Capital Investment Grants (Public Transit)

\$6.4 Carbon Reduction Program

AGRICULTURE

\$8.5 Environmental Quality Incentives Program (EQIP)

\$5 Regional Conservation Partnership Program (RCPP)

\$3.3 Conservation Stewardship Program (CSP)

WATER & NATURAL RESOURCES

\$15 Drinking Water State Revolving Fund Lead Service Lines Replacement

\$11.7 Clean Water State Revolving Fund

\$11.7 Drinking Water State Revolving Fund

\$5 Water Infra. Improvements for the Nation, Small and Underserved Communities Emerging Contaminants Grant Program

BUILDINGS

\$4.5 Home Electrification and Appliance Rebates

\$4.3 Home Efficiency Rebates

\$3.5 Weatherization Assistance Program

RESILIENCE

\$7.3 Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT)

\$3.5 Flood Mitigation Assistance Grants

\$2.6 Investing in Coastal Communities and Climate Resilience

Inflation Reduction Act: Overview

\$393.7B in climate & clean energy spending

FORM

Tax Incentives
\$259B

Grants
\$82B

Loans
\$40B

Fed. Ops.
\$13B

SECTORS

Energy
\$250.6B

Manufacturing
\$47.7B

Environment
\$46.4B

Transport.
& EVs
\$23.4B

Agriculture
\$20.9B

Water
\$4.7B

ELIGIBLE RECIPIENTS

States: \$61.6B in grants + \$213B in tax incentives

Nonprofits: \$73.1B + \$213B in tax incentives

Local Governments: \$53.4B + \$14.2B in tax incentives

Private Sector: \$54B (+\$20B as secondary recipients) +\$221.4B in tax incentives

Tribes: \$102.7B in grants + \$214B in tax incentives

Consumers: \$43B in tax incentives

Inflation Reduction Act: Key Funding Programs

+ = Equity / EJ Focus

ENERGY

General GHG Reduction Programs

- National Clean Investment Fund (\$14B) +
- Clean Communities Investments Accelerator (\$9.7B)
- Climate Pollution Reduction Grants (\$5B)

Renewables

- Solar for All (\$7B) +
- Electric Loans for Renewable Energy (\$1B)
- Loan guarantees for clean energy infrastructure projects

Grid Modernization & Infrastructure

- Transmission Facility Financing (\$1B)
- Transmission & Siting Grants (\$76M)

Rural Communities & Tribes

- **Rural:** Expansion of Empowering Rural America (New ERA) program and Rural Energy for America Program (REAP)
- **Tribes:** Expansion of Tribal Electrification Program and Tribal Energy Loan Guarantee Program

HOMES & BUILDINGS

- **Home Energy Rebate Program:** WA gets \$82M for Home Efficiency Rebates and \$166M for Home Electrification & Appliance Rebates
- State-Based Home Efficiency **Contractor Training Grants**
- Latest and **Zero Building Energy Code Adoption**
- **HUD Green & Resilient Retrofits Program** +

TRANSPORTATION

Clean Vehicles

- Expansion of Advanced Technology Vehicles Manufacturing Loan Program (\$3B)
- Grants for converting domestic vehicle manufacturing to LEV and ZEV production (\$2B)
- Grants for Clean Heavy Duty Vehicles (\$1B)

Public Transit

Neighborhood Access and Equity Grant Program (\$3.2B) to improve walkability and public transit access +

Ports

Grants to reduce air pollution at ports (\$3B)

Aviation

FAST Program: Competitive grants for SAF development and low-emission aviation technologies

WATER & NATURAL RESOURCES

Water

- Drought Mitigation to protect basins experiencing long-term drought (\$4B)
- Domestic Water Supply programs (\$550M) +

Conservation

- Resiliency projects on National Wildlife Refuges
- Endangered Species Act Recovery Plans
- Tribal fish hatcheries
- Forest Legacy Program

EJ & HEALTHY COMMUNITIES

- Environmental and Climate Justice Block Grants (\$3B) +
- Expanded Urban and Community Forestry Assistance Program +
- Funding to Address Air Pollution (285M) in Fenceline Communities, School, and other +
- Diesel Emissions Reductions (\$60M) +

RESILIENCE

- Coastal Resilience Funding (\$2.6B)
- Tribal Climate Resilience (\$225M) and Emergency Drought Relief for Tribes (\$12.5M)
- Funding for weather and climate forecasting and research

AGRICULTURE

Ag Conservation

- Major expansion of conservation programs including EQIP, CSP, RCPP, Conservation Technical Assistance, and Agricultural Conservation Easement Program

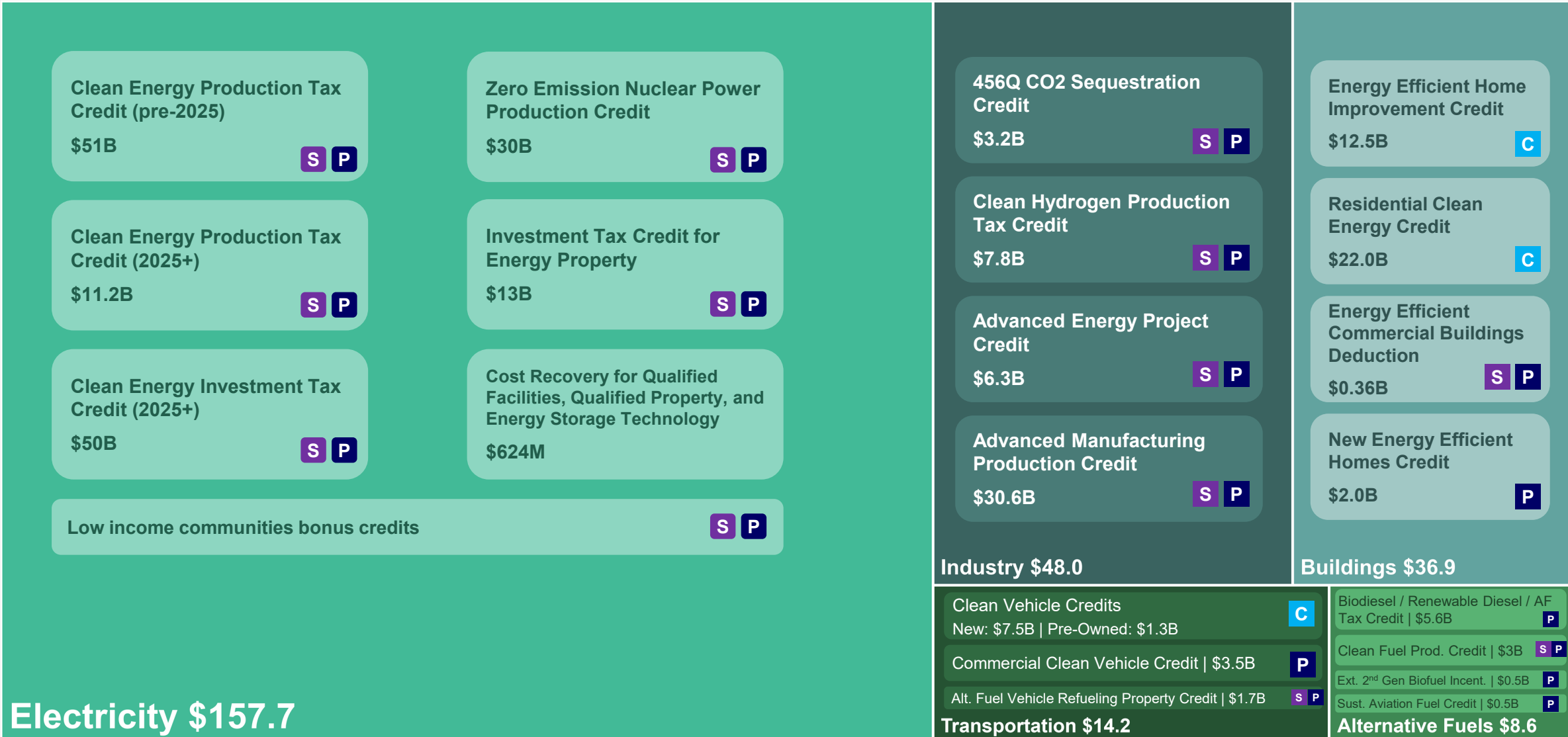
Underserved Ag Producers

- Assistance for underserved farmers, ranchers and foresters +
- Specific funding for forest landowners for climate mitigation projects and access to carbon markets
- USDA Equity Council funding +

Inflation Reduction Act: Key Tax Incentives

Eligibility

- S State & local gov's
- P Private sector
- C Consumers



Electricity \$157.7

CHIPS & Science Act: Overview of Investments

Total funding authorized by the CHIPS & Science Act is estimated at \$280B over the next 10 years, with \$52.7B in subsidies for domestic semiconductor manufacturing and \$200B for scientific R&D and commercialization.

SEMICONDUCTOR MANUFACTURING

\$39B
Semiconductor
Manufacturing Incentives
Program (CHIPS for
America Fund)

\$11B
for semiconductor R&D

**Advanced Manufacturing
Tax Credit**
(25% of qualified
investment)
est. **\$24B** through 2026)

\$1.5B
Public Wireless Supply
Chain Innovation Fund

\$200M CHIPS for America Workforce and Education Fund

*Note: Applicants must demonstrate that they have **secured incentives from state or local governments** to apply to many of these programs*

RESEARCH AND INNOVATION

\$36B
in additional funding for
the National Science
Foundation
(incl. basic research and
STEM education and
workforce development)

\$12.9B
in additional DOE
Office of Science
funding
*for basic science and
energy research*

\$10B
to establish **20**
Regional
Technology Hubs

\$9B for NIST
*for standards, manufacturing support, and workforce
programs*

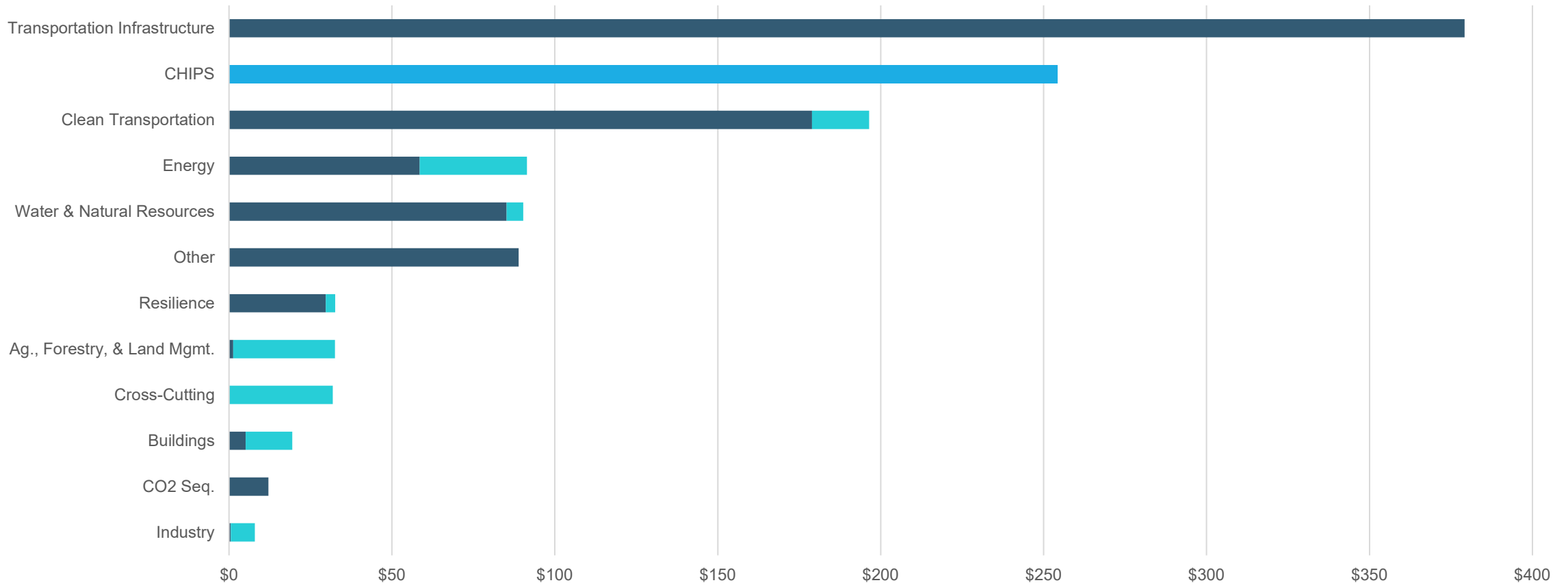
\$250M for Regional Clean Energy Innovation Program

FUNDING OPPORTUNITIES

Direct Funding by Sector: IIJA vs. IRA vs. CHIPS & Science Act

Direct Funding by Act and Sector (\$B)

■ CHIPS ■ IIJA ■ IRA

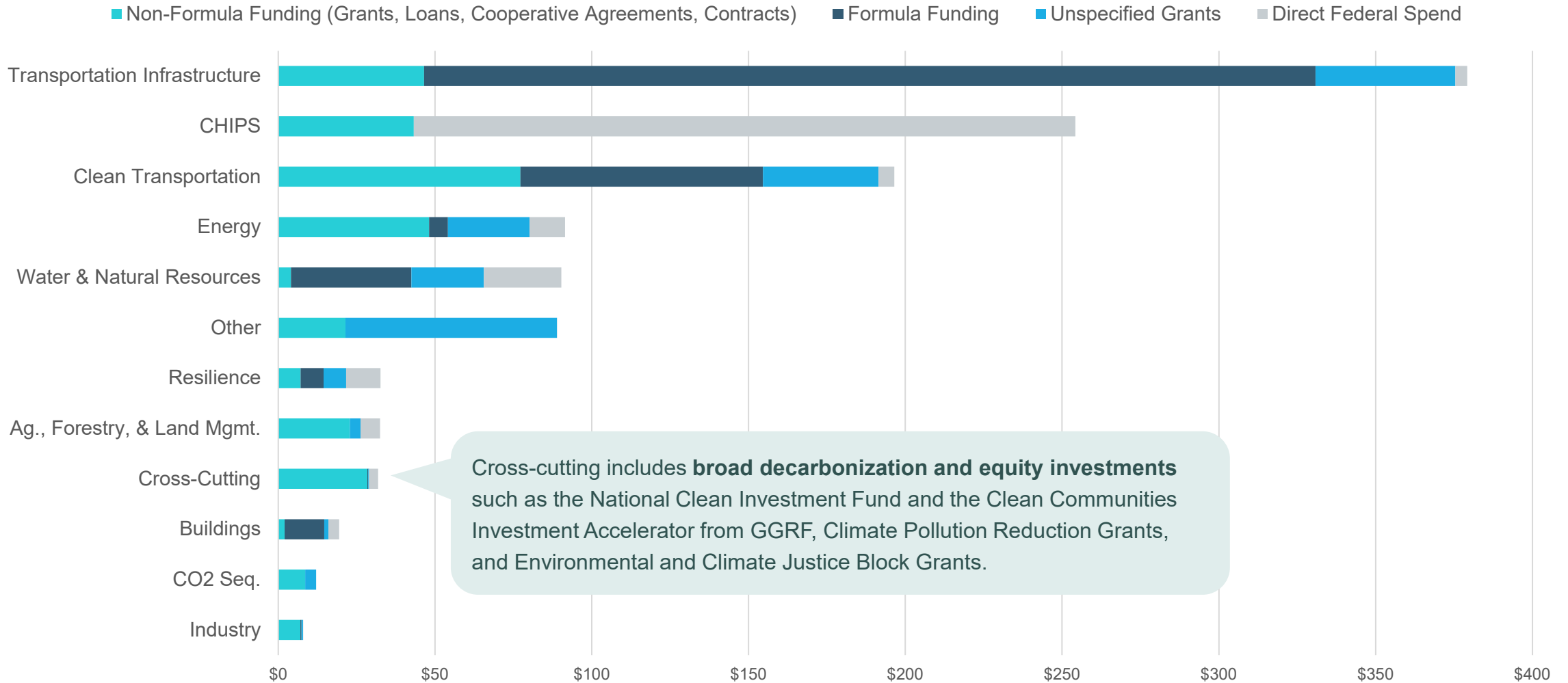


Note: Direct funding only; excludes tax incentives

FUNDING OPPORTUNITIES

Opportunities by Funding Type: Direct Funding

Direct Spending by Type (\$B): Sector Breakdown



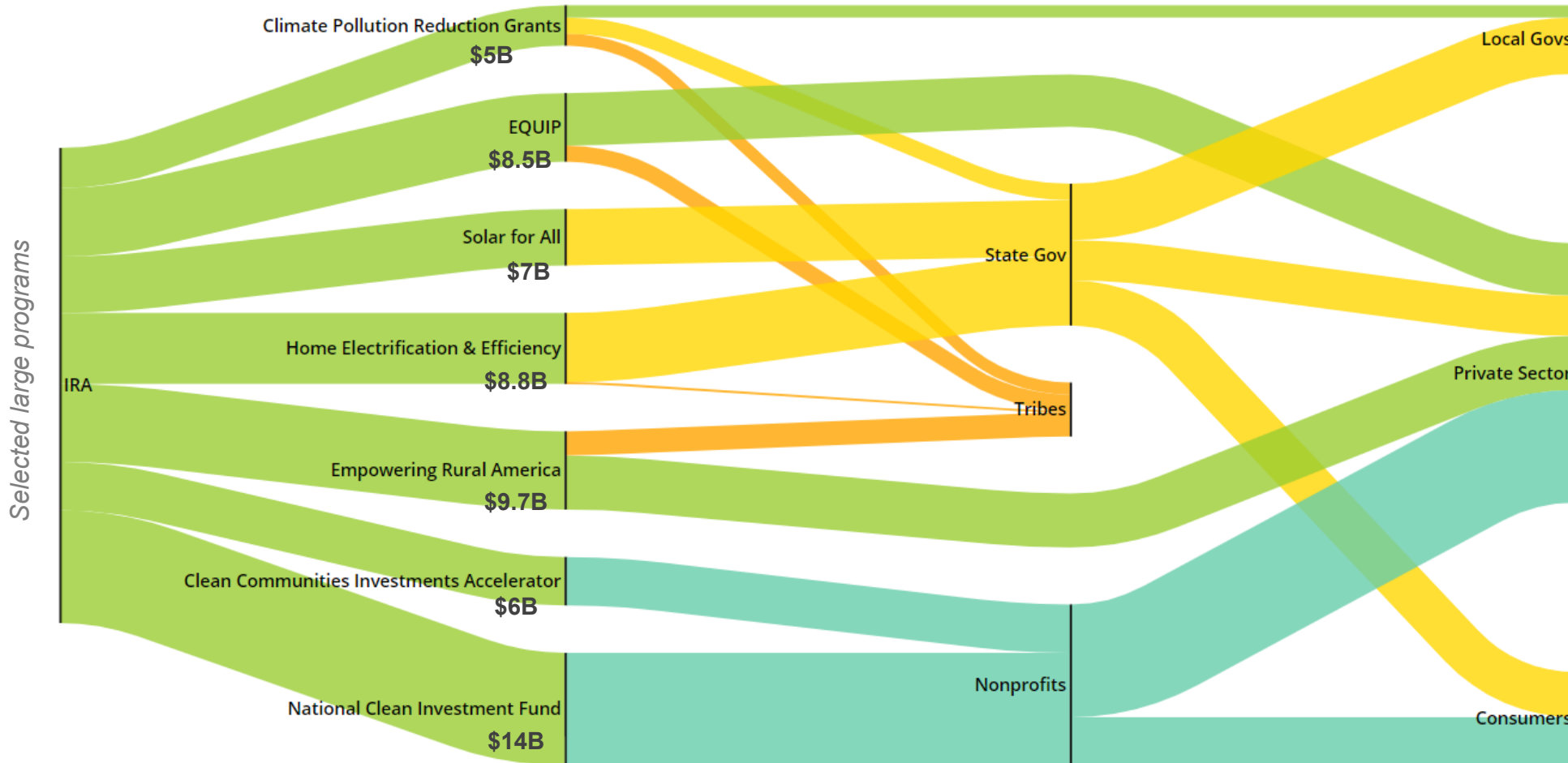
Cross-cutting includes **broad decarbonization and equity investments** such as the National Clean Investment Fund and the Clean Communities Investment Accelerator from GGRF, Climate Pollution Reduction Grants, and Environmental and Climate Justice Block Grants.

FUNDING OPPORTUNITIES

States are recipients and distributors of grants to end users

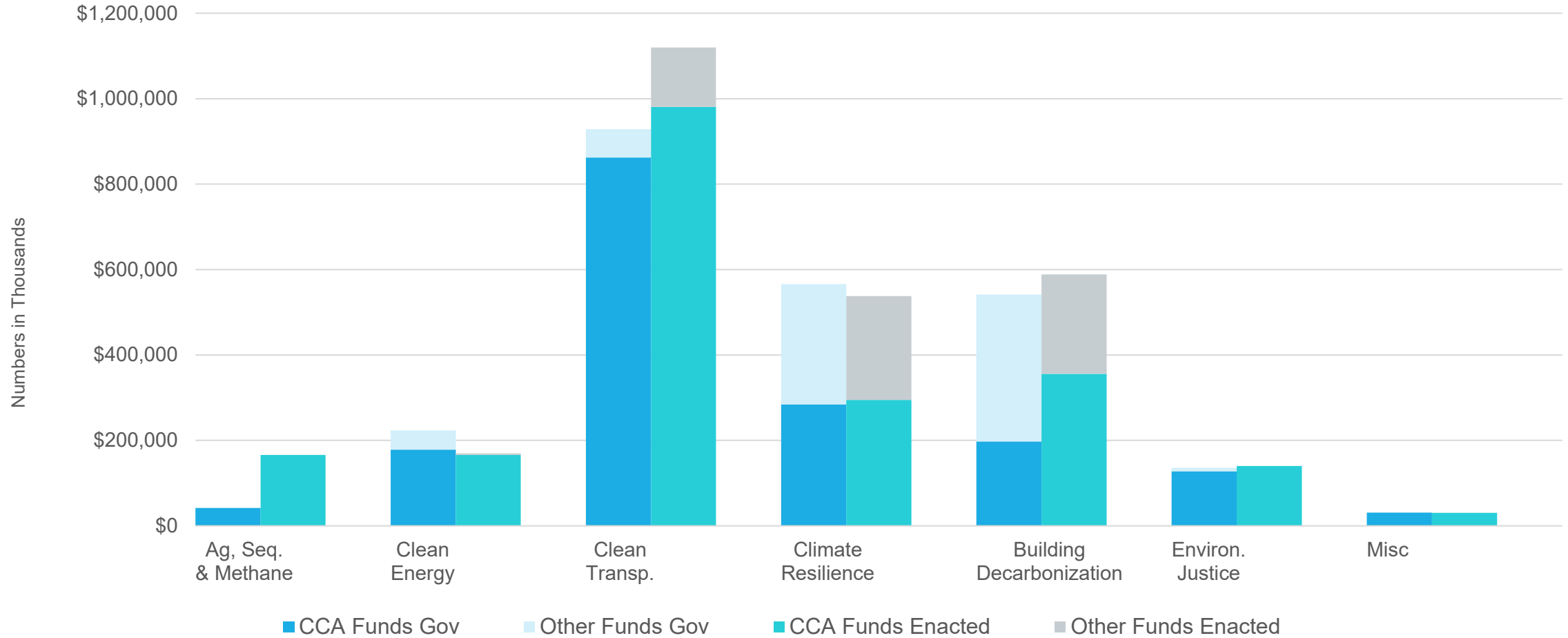
Select IRA Programs: Funding Flows

Size of flows to intermediate and end recipients are illustrative; actual funding flows are not yet determined



FUNDING OPPORTUNITIES

WA State Climate Investments by Category, 2023-25 Biennium



From OFM

7B | Priority Funding Opportunities

Pages 80 - 82 summarize the agency prioritization process.

Pages 83 - 92 present the results of the prioritization in the Energy, Buildings, Clean Transportation, Resilience, Water & Natural Resources, Industry sectors as well as for cross-cutting programs. *Note – for a complete list of prioritized funding opportunities [see the Federal Funding Prioritization Master Spreadsheet](#).*

Pages 93-94 summarize key tax incentives available through the IRA

Pages 95-98 present other potential funding opportunities identified by the consultant for further review and decision making in the prioritization process

Agency Prioritization Overview

PURPOSE

- Give the unprecedented number of federal funding opportunities available to the state, the goal of this effort is to prioritize these opportunities and identify associated resource needs to inform the FY24 supplemental budget as well as further actions needed to ensure the state maximizes the potential impact of these funding opportunities.
 - The initial prioritization exercise was intended to gather the first round of input needed from agencies to inform priorities and resources for the FY24 supplemental budget.
-

APPROACH

- State agencies were asked to provide input regarding which funding opportunities they are prioritizing, including indicating opportunities they have applied for and those they are planning to apply for in the coming months.
 - Agencies were also asked to indicate resource needs associated with priority funding opportunities, including matching funds, additional capacity, and resources to support external stakeholders in the state in applying for federal funding
 - The Caspian Group reviewed this input and provided additional recommendations based on consultations with internal and external stakeholders as well as the state's priorities related to climate, clean energy, economic development, and natural resources.
-

FINDINGS

- The following pages summarize the agency prioritization received to date, as well as additional recommendations based on the state's priorities.
 - In total, **134** funding opportunities have been identified as priorities for agencies to date (with an additional 34 TBD), which could represent over **\$6.2B** in potential value to WA.* Many of these opportunities will require matching fund needs, plus an additional resources to acquire, manage, and administer the grants.
 - While the initial list of priorities and resource needs provided here are intended to inform budgeting, the priority funding opportunity list should be seen as a living document that will continue to be refined with additional agency input.
-

Agency Prioritization Process

- As of 11/15, initial prioritization input has been received from ComED, Ecology, DOT, ComOEDC, DOH, and WSDA. PSP has also provided initial input on additional resource needs. RCO/Salmon Recovery Office provided verbal input. Input on funding for Tribes via GOIA is being obtained via a separate process.
- Priority level of funding opportunity is indicated as follows:
 - **High Priority:** at least one agency identified as high priority
 - **Medium Priority:** at least one agency identified as medium priority
 - **TBD:** Identified as a potential priority with further review needed
- “Input From” column indicates the agencies from whom prioritization input was received for a given opportunity (i.e., agency designated high/medium/TBD). Agencies that did not designate a priority level are not listed here.

CRITERIA

- Where are we most competitive?
- How well does this align with our top priorities as a state?
- Does this funding address key gaps?
- What is the scale of the potential funding for WA?
- How much effort will it take to pursue this opportunity? What is the timeline?

Agency Prioritization: Takeaways

INITIAL TAKEAWAYS

- **An abundant set of opportunities** meet agency priorities and could provide valuable resources to the state to fund programs and initiatives in the energy, buildings, clean transportation, resilience, water & natural resources, health, and industrial sectors among others.
- **Many funding opportunities cut across more than one agency**, but agencies lack a clear process for coordination and collaboration. In several cases, agencies provided feedback that a funding opportunity was of interest and/or important to their stakeholders, but since they didn't own the opportunity, they weren't sure how to support.
- **It is not always clear which agency owns a given funding opportunity.** There is significant crossover between e.g., DOH and ECY, ECY and other species and ecosystem restoration agencies, ComED and WSDA, etc.
- **Agencies did not prioritize any tax incentive opportunities** (with the exception of one "TBD"). Based on stakeholder interviews, agencies have indicated they lack expertise and capacity to evaluate and pursue these opportunities.
- A number of opportunities that are **priorities for rural communities** were highlighted by WSDA but were not identified as high priority for the lead agency for the program. Opportunity for further discussion to determine how agencies can collaborate on these.
- **Further analysis of prioritization inputs is needed** to identify where there may be gaps or additional agency input needed.
- **Not Included in prioritization spreadsheets:** Funding for Tribes via GOIA; Equity specific programs and funding; Input from PSP, RCO/Salmon Recovery Office

NEXT STEPS

- Include input from all agencies
- Review and vet priority list: *are there other opportunities that should / could be prioritized? Within the initial list of priorities, which are the most important 'can't miss' opportunities?*
- Enable collaboration across agencies for any cross-cutting opportunities and associated resource needs
- Refine and finalize resource needs for budgeting

Agency Prioritization, Initial Results: ENERGY

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|---|-------------------------|-------------------|------------------------------|-------------|-----------------------|---------------------------|
| 3 | IRA | Solar for All Competition | Competitive Grant | \$7,000 | 0% | Both | High | ComED |
| 17 | IRA | Grants to Facilitate the Siting of Interstate Electricity Transmission Lines | Competitive Grant | \$760 | 50% | Both | High | ComED |
| 63 | IRA | Rural Energy for America Program (REAP) | Competitive Grant | \$1,722 | 50% | Enabler | High | WSDA |
| 64 | IRA | Rural Energy for America Program (REAP) - Underutilized Renewable Energy Technologies | Competitive Grant | \$304 | 50% | Enabler | High | WSDA |
| 65 | IRA | Funding for Department of Energy Loan Programs Office | Loan Program | \$3,600 | Not applicable | Both | High | ComED |
| 224 | IIJA | State Energy Program | Formula Grant | \$500 | 0% | Both | High | ComED |
| 233 | IIJA | Energy Efficiency and Conservation Block Grant Program | Block Grant | \$550 | 0% | Both | High | ComED |
| 244 | IIJA | Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency | Competitive Grant | \$5,000 | Varies | Both | High | ComED |
| 272 | IIJA | Preventing Outages and Enhancing the Resilience of the Electric Grid / Hazard Hardening | Multiple | \$5,000 | Varies | Both | High | ComED |
| 276 | IIJA | Regional Clean Hydrogen Hubs | Competitive Grant | \$8,000 | TBD | Both | High | ComED |
| 13 | IRA | Empowering Rural America (New ERA) (formerly USDA Assistance for Rural Electric Cooperatives) | Loan Program | \$9,700 | Varies | Enabler | Medium | ComED |
| 14 | IRA | Electric Loans for Renewable Energy | Loan Program | \$1,000 | 50% | Both | Medium | ComED |
| 16 | IRA | Transmission Facility Financing | Loan Program | \$2,000 | Not enumerated | Enabler | Medium | ComED |
| 18 | IRA | Interregional and Offshore Wind Electricity Transmission Planning, Modeling and Analysis | Direct Federal Spending | \$100 | 0% | None | Medium | ComED |
| 19 | IRA | Tribal Electrification Program | Block Grant | \$150 | Not enumerated | Enabler | Medium | ComED |
| 67 | IRA | Energy Infrastructure Reinvestment Financing | Loan Program | \$5,000 | Not applicable | Both | Medium | ComED |
| 68 | IRA | Tribal Energy Loan Guarantee Program | Loan Program | \$75 | Not enumerated | Enabler | Medium | ComED |
| 215 | IIJA | Assisting Federal Facilities with Energy Conservation Technologies Grant Program | Direct Federal Spending | \$250 | 0% | None | Medium | ComED |
| 217 | IIJA | Hydroelectric Production Incentives | Competitive Grant | \$125 | N/A | Enabler | Medium | ComED |
| 219 | IIJA | Industrial Research and Assessment Centers | Competitive Grant | \$150 | Not specified | Enabler | Medium | ComED |
| 222 | IIJA | Power Marketing Administration Transmission Borrowing Authority | Direct Federal Spending | \$10,000 | N/A | None | Medium | ComED |

Note: As of 10/31/23; The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: ENERGY

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|---|-----------------------|-------------------|------------------------------|-------------|-----------------------|---------------------------|
| 3 | IRA | Solar for All Competition | Competitive Grant | \$7,000 | 0% | Both | High | ComED |
| 17 | IRA | Grants to Facilitate the Siting of Interstate Electricity Transmission Lines | Competitive Grant | \$760 | 50% | Both | High | ComED |
| 63 | IRA | Rural Energy for America Program (REAP) | Competitive Grant | \$1,722 | 50% | Enabler | High | WSDA |
| 223 | IIJA | Solar Energy Research and Development | Cooperative Agreement | \$40 | TBD | Enabler | Medium | ComED |
| 237 | IIJA | Energy Efficient Transformer Rebates | Competitive Grant | \$10 | 0% | Enabler | Medium | ComED |
| 240 | IIJA | Industrial Research and Assessment Center Implementation Grants | Competitive Grant | \$400 | 50% | Enabler | Medium | ComED |
| 242 | IIJA | Transmission Facilitation Program | Loan Program | \$2,500 | N/A | Enabler | Medium | ComED |
| 255 | IIJA | Clean Energy Demonstrations on Current and Former Mine Land | Competitive Grant | \$500 | | Enabler | Medium | ComED |
| 256 | IIJA | Clean Hydrogen Electrolysis Program | Multiple | \$1,000 | TBD | Both | Medium | ComED |
| 257 | IIJA | Clean Hydrogen Manufacturing Recycling Research, Development, and Demonstration Program | Competitive Grant | \$500 | TBD | Both | Medium | ComED |
| 262 | IIJA | Energy Improvement in Rural or Remote Areas | Competitive Grant | \$1,000 | TBD | Enabler | Medium | ComED |
| 268 | IIJA | Maintaining and Enhancing Hydroelectricity Incentives | Competitive Grant | \$554 | N/A | Enabler | Medium | ComED |
| 270 | IIJA | Long-Duration Energy Storage Demonstration Initiative and Joint Program | Competitive Grant | \$150 | TBD | Both | Medium | ComED |
| 278 | IIJA | Section 243 Hydroelectric Efficiency Improvement Incentives (Sec 40332) | Competitive Grant | \$75 | N/A | Enabler | Medium | ComED |
| 280 | IIJA | Smart Grid Investment Matching Grant Program | Competitive Grant | \$3,000 | 50% | Enabler | Medium | ComED |
| 481 | IIJA | National Dam Safety Program | Multiple | \$215 | | Both | Medium | ComED |
| 70 | IRA | Biofuel Infrastructure and Agriculture Product Market Expansion (Higher Blend Infrastructure Incentive Program) | Competitive Grant | \$500 | 25% | Enabler | TBD | ComED, WSDA |
| 508 | IRA | 48: Investment Tax Credit for Energy Property | Tax Credit | \$13,962 | N/A | Both | TBD | WSDA |

Note: As of 10/31/23; The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: BUILDINGS

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|--|-------------------------|-------------------|------------------------------|------------------|-----------------------|---------------------------|
| 5 | IRA | Home Efficiency Rebates | Formula Grant | \$4,300 | 50% | Direct Recipient | High | ComED, ECY |
| 6 | IRA | Home Electrification and Appliance Rebates | Formula Grant | \$4,500 | Varies | Both | High | ComED, ECY |
| 7 | IRA | State-Based Home Efficiency Contractor Training Grants | Formula Grant | \$200 | 0% | Both | High | ComED |
| 225 | IIJA | Weatherization Assistance Program | Formula Grant | \$3,500 | 0% | Both | High | ComED |
| 231 | IIJA | Cost-effective Codes Implementation for Efficiency and Resilience | Competitive Grant | \$225 | | Both | High | ComED |
| 232 | IIJA | Building, Training, And Assessment Centers | Competitive Grant | \$10 | TBD | Enabler | High | ComED |
| 236 | IIJA | Energy Efficiency Revolving Loan Fund Capitalization Grant Program | Formula Grant | \$250 | 0% | Both | High | ComED |
| 8 | IRA | Assistance for Latest and Zero Building Energy Code Adoption | Formula Grant | \$1,000 | 0% | Both | Medium | ComED |
| 92 | IRA | Use of Low-Carbon Materials | Direct Federal Spending | \$2,150 | Not enumerated | None | Medium | ComED |
| 234 | IIJA | Energy Auditor Training Grant Program | Competitive Grant | \$40 | 0% | Both | Medium | ComED |
| 239 | IIJA | Grants for Energy Efficiency and Renewable Energy Improvements at Public School Facilities | Competitive Grant | \$500 | TBD | Enabler | Medium | ComED |
| 245 | IIJA | Career Skills Training | Competitive Grant | \$10 | TBD | Enabler | Medium | ComED |
| 483 | IIJA | Low Income Home Energy Assistance Program | Incentive Program | \$500 | 0% | Both | Medium | ComED |

Note: As of 10/31/23; The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: CLEAN TRANSPORTATION (excl. formula)

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|---|-----------------------|-------------------|------------------------------|------------------|-----------------------|---------------------------|
| 27 | IRA | Neighborhood Access and Equity Grant Program | Competitive Grant | \$3,205 | 20% | Both | High | DOT |
| 29 | IRA | Clean Heavy-Duty Vehicles | Competitive Grant | \$1,000 | TBD | Both | High | ComED |
| 337 | IIJA | Bus and Bus Facilities Competitive Grants | Competitive Grant | \$1,966 | Varies | Both | High | DOT |
| 339 | IIJA | Capital Investment Grants | Competitive Grant | \$8,000 | Varies | Both | High | DOT |
| 341 | IIJA | Charging and Fueling Infrastructure Grants (Corridor Charging) | Competitive Grant | \$1,250 | 20% | Both | High | DOT, ComED |
| 343 | IIJA | Charging and Fueling Infrastructure Grants (Community Charging) | Competitive Grant | \$1,250 | 20% | Both | High | ComED |
| 346 | IIJA | Consolidated Rail Infrastructure and Safety Improvement Grants | Competitive Grant | \$5,000 | 20% | Both | High | DOT |
| 353 | IIJA | Federal-State Partnership for Intercity Passenger Rail Grants | Competitive Grant | \$36,000 | 20% | Both | High | DOT |
| 382 | IIJA | Urbanized Area Passenger Ferry Program | Competitive Grant | \$150 | Varies | Both | High | DOT |
| 435 | IIJA | National Electric Vehicle Infrastructure Formula Program | Formula Grant | \$5,000 | 20% | Both | High | DOT, ComED |
| 436 | IIJA | Low or No Emission (Bus) Grants | Competitive Grant | \$5,625 | Varies | Both | High | DOT, ComED |
| 535 | IIJA | Active Transportation Infrastructure Investment Program | Competitive Grant | TBC | | Direct Recipient | High | DOT |
| 261 | IIJA | Electric Drive Vehicle Battery Recycling And 2nd Life Apps | Cooperative Agreement | \$200 | TBD | Both | Medium | ComED |
| 384 | IIJA | Pilot Program for Transit Oriented Development | Competitive Grant | \$69 | 20% | Both | Medium | DOT |
| 393 | IIJA | Railroad Crossing Elimination Grants | Competitive Grant | \$3,000 | 20% | Both | Medium | DOT |
| 444 | IIJA | Clean School Bus Program | Competitive Grant | \$5,000 | 0% | Both | Medium | ComED |

Note: As of 10/31/23. The list below excludes tax incentive. Formula grants are not included here.

Agency Prioritization, Initial Results: TRANSPORTATION INFRASTRUCTURE (excl. formula)

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|--|-------------------|-------------------|------------------------------|-------------|-----------------------|---------------------------|
| 356 | IIJA | Grants for Planning, Feasibility Analysis, and Revenue Forecasting (Bridge Investment Program Set-aside) | Competitive Grant | \$100 | | Both | High | DOT |
| 365 | IIJA | Local and Regional Project Assistance Grants (RAISE) | Competitive Grant | \$7,500 | min 20% | Both | High | DOT |
| 369 | IIJA | National Culvert Removal, Replacement, & Restoration Grant | Competitive Grant | \$1,000 | 20% | Both | High | DOT |
| 373 | IIJA | National Infrastructure Project Assistance (Megaprojects) | Competitive Grant | \$5,000 | Varies | Both | High | DOT |
| 428 | IIJA | Nationally Significant Freight and Highway Projects (INFRA) | Competitive Grant | \$7,250 | 20% | Both | High | DOT |
| 379 | IIJA | Natural Gas Distribution Infrastructure Safety and Modernization Grants | Competitive Grant | \$1,000 | 0% | Enabler | Medium | ComED |
| 417 | IIJA | Wildlife Crossings Pilot Program | Competitive Grant | \$350 | | Both | Medium | DOT |

Note: As of 10/31/23. The list below excludes tax incentive. Formula grants are not included here.

Agency Prioritization, Initial Results: **INDUSTRY, CHIPS, OTHER**

| ID | Law | Name | Funding Mechanism | Sector | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|-------|---|-------------------------|----------|-------------------|------------------------------|--------------|-----------------------|---------------------------|
| 246 | IIJA | Manufacturing Leadership (Sec 40534) | Competitive Grant | Industry | \$50 | 30% | Pass-Through | High | ComED |
| 334 | IIJA | Asset Concessions Innovative Financing Technical Assistance | Competitive Grant | Other | \$100 | | Both | High | DOT |
| 445 | IIJA | Reduce, Reuse, Recycling Education and Outreach Grants | Competitive Grant | Other | \$75 | 0% | Both | High | ECY |
| 446 | IIJA | Brownfields State & Tribal Response Programs | Cooperative Agreement | Other | \$300 | 0% | Both | High | ECY |
| 449 | IIJA | Solid Waste Infrastructure for Recycling Infrastructure Grants | Competitive Grant | Other | \$275 | 0% | Both | High | ECY |
| 456 | IIJA | Superfund | Cooperative Agreement | Other | \$3,500 | 0% | Both | High | ECY |
| 500 | CHIPS | Distressed Area Pilot Program (Recompete Pilot Program) | Competitive Grant | CHIPS | \$200 | | Both | High | ComOEDC |
| 501 | CHIPS | Regional Technology and Innovation Hub Program | Competitive Grant | CHIPS | \$500 | | Both | High | ComOEDC |
| 447 | IIJA | Brownfields Projects | Cooperative Agreement | Other | \$1,200 | 0% | Both | Medium | ECY |
| 20 | IRA | Methane Emissions Reduction Program | Multiple | Industry | \$1,550 | 0% | Both | TBD | ECY |
| 279 | IIJA | Funding to Support Orphan Well Plugging | Direct Federal Spending | Other | \$30 | N/A | None | TBD | ECY |
| 297 | IIJA | Orphaned Well Site Plugging, Remediation, And Restoration | Multiple | Other | \$4,677 | 0% | Both | TBD | ECY |
| 488 | CHIPS | Wireless Supply Chain Innovation (multiple funding opportunities) | Competitive Grant | CHIPS | \$1,500 | | Enabler | TBD | ComED, WSDA |

Note: As of 10/31/23. The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: RESILIENCE

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|-----|---|-------------------------|-------------------|------------------------------|------------------|-----------------------|---------------------------|
| 54 | IRA | Investing in Coastal Communities and Climate Resilience | Multiple | \$2,600 | TBD | Both | High | ECY, WSDA |
| 113 | IJA | Flood Control and Coastal Emergencies | Direct Federal Spending | \$251 | Varies | None | High | ECY |
| 115 | IJA | Flood Plain Management Services | Direct Federal Spending | \$45 | 0% | None | High | ECY |
| 395 | IJA | Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) - Discretionary | Competitive Grant | \$1,400 | 20% | Both | High | DOT |
| 477 | IJA | Building Resilient Infrastructure and Communities (Robert T Stafford Act Section 203(i)) | Competitive Grant | \$1,000 | Varies | Both | High | ECY |
| 478 | IJA | Flood Mitigation Assistance Grants (National Flood Insurance Act Sec 1366) | Competitive Grant | \$3,500 | 0% | Both | High | ECY |
| 479 | IJA | Hazard Mitigation Revolving Loan Funds/Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act (Robert T Stafford Act, Sec 205) | Competitive Grant | \$500 | 10% | Both | High | ECY |
| 528 | IRA | NOAA Climate Resilience Regional Challenge. | Competitive Grant | \$575 | | | High | ECY |
| 530 | IJA | National Fish & Wildlife Foundation (NFWF) National Coastal Resilience Fund (NCRF) | Competitive Grant | | | Direct Recipient | High | ECY |
| 533 | IJA | STORM Act | Competitive Grant | \$500 | | Direct Recipient | High | ECY |
| 534 | IJA | Transformational Habitat Restoration and Coastal Resilience Grant | Competitive Grant | \$240 | | Direct Recipient | High | ECY |
| 102 | IRA | Tribal Climate Resilience | Competitive Grant | \$225 | 0% | Enabler | Medium | ECY, ComED |
| 122 | IJA | Emergency Watershed Protection Program | Multiple | \$300 | 25% | Enabler | Medium | ECY |
| 130 | IJA | Develop And Publish Every 5 Years A Map Depicting At-Risk Communities, Including Tribal Communities | Direct Federal Spending | \$1 | 0% | None | Medium | ComED, DOH |
| 205 | IJA | Wildfire | Multiple | \$50 | 0% | Both | Medium | ComED, DOH |
| 305 | IJA | Tribal Climate Resilience - Adaptation Planning | Other | \$86 | 0% | Enabler | Medium | ECY, ComED, DOH |
| 306 | IJA | Tribal Climate Resilience - Community Relocation | Other | \$130 | 0% | Enabler | Medium | ECY, ComED, DOH |

Note: As of 10/31/23; The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: WATER & NATURAL RESOURCES

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|---|-----------------------|-------------------|------------------------------|------------------|-----------------------|---------------------------|
| 451 | IIJA | Water Infrastructure Improvements for the Nation, Small and Underserved Communities Emerging Contaminants Grant Program | Formula Grant | \$5,000 | 0% | Both | High | DOH, ComED |
| 453 | IIJA | Drinking Water State Revolving Fund | Loan Program | \$11,713 | 0% | Both | High | DOH, ComED |
| 454 | IIJA | Drinking Water State Revolving Fund Emerging Contaminants (incl. PFAS) | Multiple | \$4,000 | 0% | Both | High | DOH, ComED |
| 194 | IIJA | Coastal Zone Management | Competitive Grant | \$207 | 0% | Both | High | ECY, DOT |
| 198 | IIJA | Habitat Restoration | Competitive Grant | \$491 | 0% | Both | High | ECY |
| 199 | IIJA | National Estuarine Research Reserve System | Competitive Grant | \$77 | 0% | Both | High | ECY |
| 200 | IIJA | National Oceans and Coastal Security Fund | Competitive Grant | \$492 | 0% | Both | High | ECY |
| 292 | IIJA | Watershed Management Projects | Competitive Grant | \$100 | 50% | Enabler | High | ECY |
| 293 | IIJA | WaterSMART Grants | Competitive Grant | \$400 | Varies | Enabler | High | ECY |
| 286 | IIJA | Water & Groundwater Storage, And Conveyance | Multiple | \$1,150 | 50% | Both | High | ECY, DOH |
| 450 | IIJA | Clean Water State Revolving Fund-Emerging Contaminants | Multiple | \$1,000 | 0% | Both | High | ECY |
| 291 | IIJA | Water Recycling | Competitive Grant | \$1,000 | 75% | Enabler | High | ECY, WSDA, DOH |
| 452 | IIJA | Clean Water State Revolving Fund | Loan Program | \$11,713 | 0% | Both | High | ECY |
| 459 | IIJA | Geographic Programs - Columbia River Basin Restoration Program | Competitive Grant | \$79 | TBD | Both | High | ECY |
| 529 | IIJA | Puget Sound Climate Resilience Riparian Systems Lead | Competitive Grant | \$30 | | Direct Recipient | High | ECY |
| 531 | IIJA | Clean Water Act 604(b) Water Quality Management Planning Grant | Formula Grant | \$2 | | Direct Recipient | High | ECY |
| 532 | IIJA | Columbia River Basin Toxic Reduction Lead | Competitive Grant | \$40 | | Direct Recipient | High | ECY |
| 59 | IRA | Domestic Water Supply Projects | Multiple | \$550 | TBD | Enabler | Medium | ComED, ECY, DOH |
| 202 | IIJA | Regional Ocean Partnerships | Cooperative Agreement | \$56 | 0% | Both | Medium | ECY |

Note: As of 10/31/23; The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: AGRICULTURE, FORESTRY & LAND MANAGEMENT

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|------|--|-------------------------|-------------------|------------------------------|-------------|-----------------------|---------------------------|
| 34 | IRA | Regional Conservation Partnership Program (RCPP) | Cooperative Agreement | \$4,950 | Varies | Both | High | WSDA |
| 35 | IRA | Conservation Technical Assistance | Cooperative Agreement | \$1,000 | Not enumerated | Enabler | High | WSDA |
| 36 | IRA | Conservation Technical Assistance - Greenhouse Gas Emission Quantification Program | Cooperative Agreement | \$300 | Not enumerated | Enabler | High | WSDA |
| 41 | IRA | Environmental Quality Incentives Program (EQIP) | Cooperative Agreement | \$8,450 | Varies | Enabler | High | WSDA |
| 44 | IRA | Increasing Land, Capital, and Market Access (Increasing Land Access) Program | Multiple | \$250 | 0% | Enabler | High | WSDA |
| 49 | IRA | USDA Assistance and Support for Underserved Farmers, Ranchers, Foresters: Technical and Other Assistance | Cooperative Agreement | \$125 | 0% | Enabler | High | WSDA |
| 127 | IIJA | Bioproduct Pilot Program | Competitive Grant | \$10 | 0% | Enabler | TBD | ComED, WSDA |
| 156 | IIJA | National Seed Strategy | Competitive Grant | \$60 | TBD | Both | TBD | ComED, WSDA |
| 309 | IIJA | Grants For States And Tribes For Voluntary Restoration | Competitive Grant | \$400 | Varies | Both | TBD | ECY |
| 310 | IIJA | Contracts And Agreements For Restoration On Federal Lands | Other | \$50 | 0% | Both | TBD | ECY |
| 311 | IIJA | Direct Federal Spending (Or Other) For National Revegetation Strategy | Direct Federal Spending | \$70 | 0% | None | TBD | ECY |
| 312 | IIJA | Direct Federal Spending For Invasives | Multiple | \$100 | 0% | Both | TBD | ECY |
| 314 | IIJA | Direct Federal Spending for Revegetation of Mined Lands | Direct Federal Spending | \$100 | 0% | None | TBD | ECY |
| 315 | IIJA | Good Neighbor Agreements with States and Tribes | Cooperative Agreement | \$40 | 0% | Enabler | TBD | ECY |
| 316 | IIJA | Working Capital Fund | Cooperative Agreement | \$100 | 0% | Both | TBD | ECY |

Note: As of 10/31/23. The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: **CROSS CUTTING**

| ID | Law | Name | Funding Mechanism | Total Value (\$M) | Matching Req. (Cost Share %) | WA Gov Role | Agency Prioritization | Prioritization Input from |
|-----|-----|---|-------------------|-------------------|------------------------------|-------------|-----------------------|---------------------------|
| 1 | IRA | National Clean Investment Fund | Competitive Grant | \$14,000 | 0% | Enabler | High | ComED |
| 2 | IRA | Clean Communities Investment Accelerator | Competitive Grant | \$6,000 | 0% | Enabler | High | ComED |
| 4 | IRA | Climate Pollution Reduction Grants | Competitive Grant | \$5,000 | 0% | Both | High | ComED, ECY |
| 61 | IRA | Environmental and Climate Justice Block Grants | Block Grant | \$3,000 | 0% | Both | High | DOH, ECY |
| 72 | IRA | Funding to Address Air Pollution: Fenceline Air Monitoring | Competitive Grant | \$118 | 0% | Both | High | ECY, DOH |
| 73 | IRA | Funding to Address Air Pollution: Multipollutant Monitoring | Competitive Grant | \$50 | 0% | Both | High | ECY, DOH |
| 74 | IRA | Funding to Address Air Pollution: Air Quality Sensors in Low-Income and Disadvantaged Communities | Competitive Grant | \$3 | 0% | Both | High | ECY, DOH |
| 77 | IRA | Funding to Address Air Pollution: Clean Air Act Grants | Competitive Grant | \$25 | 0% | Both | High | ECY, DOH |
| 448 | IJA | Pollution Prevention Grants | Competitive Grant | \$100 | 0% | Both | High | ECY |
| 71 | IRA | Funding to Address Air Pollution at Schools | Competitive Grant | \$50 | 0% | Both | Medium | ECY, DOH |
| 75 | IRA | Funding to Address Air Pollution: Emissions from Wood Heaters | Competitive Grant | \$15 | 0% | Both | Medium | ECY, DOH |
| 76 | IRA | Funding to Address Air Pollution: Methane Monitoring | Competitive Grant | \$20 | 0% | Both | Medium | ECY, DOH |
| 208 | IJA | Wildfire | Multiple | \$50 | 0% | Both | Medium | ComED, DOH |
| 78 | IRA | Funding to Address Air Pollution: Mobile Source Grants | Competitive Grant | \$5 | 0% | Both | TBD | ECY |

Note: As of 10/31/23. The list below excludes tax incentives (shown in separate list).

Agency Prioritization, Initial Results: TAX INCENTIVES (1 of 2)

| ID | Law | Name | Sector | Total Value (\$M) |
|-----|-------|---|----------------------|-------------------|
| 502 | IRA | 45: Production Tax Credit for Electricity from Renewables (placed in service before 2025) | Energy | \$51,062 |
| 503 | IRA | 48E: Clean Electricity Investment Tax Credit | Energy | \$50,858 |
| 504 | IRA | 45X: Advanced Manufacturing Production Credit | Energy | \$30,622 |
| 505 | IRA | 45U: Zero-Emission Nuclear Power Production Credit | Energy | \$30,001 |
| 506 | CHIPS | Advanced Manufacturing Tax Credit | CHIPS | \$24,000 |
| 507 | IRA | 25D: Residential Clean Energy Credit | Buildings | \$22,022 |
| 508 | IRA | 48: Investment Tax Credit for Energy Property | Energy | \$13,962 |
| 509 | IRA | 25C: Energy Efficient Home Improvement Credit | Buildings | \$12,451 |
| 510 | IRA | 45Y: Clean Electricity Production Tax Credit (projects placed in service in 2025 or thereafter) | Energy | \$11,204 |
| 511 | IRA | 45V: Clean Hydrogen Production Tax Credit | Energy | \$7,849 |
| 512 | IRA | 30D: Clean Vehicle Credit | Clean Transportation | \$7,541 |
| 513 | IRA | 48C: Advanced Energy Project Credit | Energy | \$6,255 |
| 514 | IRA | 40A: Tax Credits for Biodiesel and Renewable Diesel | Energy | \$5,571 |
| 515 | IRA | 45W: Credit for Qualified Commercial Clean Vehicles | Clean Transportation | \$3,583 |
| 516 | IRA | 45Q: Credit for Carbon Oxide Sequestration | CO2 Sequestration | \$3,229 |
| 517 | IRA | 45Z: Clean Fuel Production Credit | Energy | \$2,946 |

Agency Prioritization, Initial Results: TAX INCENTIVES (1 of 2)

| ID | Law | Name | Type | Sector | Total Value (\$M) |
|-----|-----|---|------------|----------------------|-------------------|
| 518 | IRA | 45L: New Energy Efficient Homes Credit | Tax Credit | Buildings | \$2,043 |
| 519 | IRA | 30C: Alternative Fuel Vehicle Refueling Property Credit | Tax Credit | Clean Transportation | \$1,738 |
| 520 | IRA | 25E: Credit for Previously-Owned Clean Vehicles | Tax Credit | Clean Transportation | \$1,347 |
| 521 | IRA | 168(e)(3)(B): Cost Recovery for Qualified Facilities, Qualified Property, and Energy Storage Technology | Tax Credit | Energy | \$624 |
| 522 | IRA | 179D: Energy Efficient Commercial Buildings Deduction | Tax Credit | Buildings | \$362 |
| 523 | IRA | 40: Extension of Second Generation Biofuel Incentives | Tax Credit | Energy | \$54 |
| 524 | IRA | 40B: Sustainable Aviation Fuel Credit | Tax Credit | Clean Transportation | \$49 |

Other Potential Priority Funding Opportunities – Grants, Loans, & Cooperative Agreements

Please refer to the excel database for the full list of funding opportunities prioritized by agencies to date. The table below presents funding opportunities that were not prioritized based on agency input received to date but may merit further review to confirm prioritization given potential funding values and alignment with state priorities.

Note: Funding opportunities may not have been prioritized because input has not yet been received by the relevant agency. Nevertheless, we are including these opportunities in the list below to ensure they are reviewed and appropriately prioritized as part of the refinement of state priorities.

| ID | Law | Name | Funding Mechanism | Sector | Total Value (\$M) | WA Gov Role |
|-----|-------|--|-------------------|----------------------|-------------------|-------------|
| 487 | CHIPS | CHIPS for America Fund (multiple funding opportunities) | Multiple | CHIPS | \$39,000 | Enabler |
| 387 | IIJA | Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) - Formula | Formula Grant | Resilience | \$7,300 | Both |
| 340 | IIJA | Carbon Reduction Program | Formula Grant | Clean Transportation | \$6,420 | Both |
| 22 | IRA | Advanced Industrial Facilities Deployment Program | Competitive Grant | Industry | \$5,812 | Enabler |
| 355 | IIJA | Formula Grants for Rural Areas | Formula Grant | Clean Transportation | \$4,109 | Both |
| 26 | IRA | Grants to Reduce Air Pollution at Ports | Competitive Grant | Clean Transportation | \$3,000 | Both |
| 66 | IRA | Advanced Technology Vehicle Manufacturing Loan Program | Loan Program | Clean Transportation | \$3,000 | Enabler |
| 230 | IIJA | Battery Materials Processing Grants | Competitive Grant | Energy | \$3,000 | Both |
| 25 | IRA | Low-Carbon Transportation Materials Program | Competitive Grant | Clean Transportation | \$2,000 | Both |
| 28 | IRA | Domestic Manufacturing Conversion Grants | Competitive Grant | Clean Transportation | \$2,000 | Enabler |
| 354 | IIJA | Ferry Service for Rural Communities | Competitive Grant | Clean Transportation | \$2,000 | Both |

Other Potential Priority Funding Opportunities (2 of 4)

Please refer to the excel database for the full list of funding opportunities prioritized by agencies to date. The table below presents funding opportunities that were not prioritized based on agency input received to date but may merit further review to confirm prioritization given potential funding values and alignment with state priorities.

Note: Funding opportunities may not have been prioritized because input has not yet been received by the relevant agency. Nevertheless, we are including these opportunities in the list below to ensure they are reviewed and appropriately prioritized as part of the refinement of state priorities.

| ID | Law | Name | Funding Mechanism | Sector | Total Value (\$M) | WA Gov Role |
|-----|------|--|-------------------|---------------------------|-------------------|-------------|
| 212 | IIJA | State Digital Equity Competitive Grant | Competitive Grant | Other | \$1,250 | Both |
| 10 | IRA | Green and Resilient Retrofit Program - Grants and Loans | Multiple | Buildings | \$838 | Enabler |
| 227 | IIJA | Advanced Energy Manufacturing and Recycling Grants | Competitive Grant | Energy | \$750 | Enabler |
| 259 | IIJA | Critical Material Innovation, Efficiency, And Alternatives | Competitive Grant | Energy | \$600 | Enabler |
| 480 | IIJA | Rehabilitation of High Hazard Potential Dams | Competitive Grant | Energy | \$585 | Both |
| 59 | IRA | Domestic Water Supply Projects | Multiple | Water & Natural Resources | \$550 | Enabler |
| 269 | IIJA | Industrial Emission Demonstration Projects | Competitive Grant | Industry | \$500 | Both |
| 403 | IIJA | Strengthening Mobility and Revolutionizing Transportation (SMART) Grants | Competitive Grant | Clean Transportation | \$500 | Both |
| 140 | IIJA | Financial Assistance To Facilities That Purchase And Process Byproducts For Ecosystem Restoration Projects | Competitive Grant | Resilience | \$400 | Both |
| 429 | IIJA | Reduction of Truck Emissions at Port Facilities | Competitive Grant | Clean Transportation | \$400 | Enabler |
| 364 | IIJA | Intelligent Transportation Systems Program | Multiple | Clean Transportation | \$250 | Enabler |
| 438 | IIJA | Restoration & Enhancement Grant Program | Competitive Grant | Clean Transportation | \$250 | Both |
| 69 | IRA | Fueling Aviation's Sustainable Transition through Sustainable Aviation Fuels (FAST-SAF) | Competitive Grant | Clean Transportation | \$245 | Both |

Other Potential Priority Funding Opportunities (3 of 4)

Please refer to the excel database for the full list of funding opportunities prioritized by agencies to date. The table below presents funding opportunities that were not prioritized based on agency input received to date but may merit further review to confirm prioritization given potential funding values and alignment with state priorities.

Note: Funding opportunities may not have been prioritized because input has not yet been received by the relevant agency. Nevertheless, we are including these opportunities in the list below to ensure they are reviewed and appropriately prioritized as part of the refinement of state priorities.

| ID | Law | Name | Funding Mechanism | Sector | Total Value (\$M) | WA Gov Role |
|-----|-------|---|-----------------------|--|-------------------|-------------|
| 495 | CHIPS | CHIPS for America Workforce and Education Fund | TBD | CHIPS | \$200 | Enabler |
| 146 | IIJA | Restoration Projects Via States And Tribes | Competitive Grant | Resilience | \$160 | Both |
| 45 | IRA | Assistance to Underserved Forest Landowners - Climate Mitigation and Forest Resilience Practices | Competitive Grant | Agriculture, Forestry, and Land Management | \$150 | Enabler |
| 46 | IRA | Assistance to Underserved Forest Landowners - Emerging Private Markets for Climate Mitigation and Forest Resilience | Competitive Grant | Agriculture, Forestry, and Land Management | \$150 | Enabler |
| 394 | IIJA | Research, Development, Demonstration and Deployment Projects | Competitive Grant | Clean Transportation | \$132 | Both |
| 228 | IIJA | Battery and Critical Mineral Recycling | Competitive Grant | Energy | \$125 | Both |
| 47 | IRA | Assistance to Forest Landowners with <2,500 Acres of Forestland - Emerging Private Markets for Climate Mitigation and Forest Resilience | Competitive Grant | Agriculture, Forestry, and Land Management | \$100 | Enabler |
| 52 | IRA | Wood Innovations Grant Program | Competitive Grant | Agriculture, Forestry, and Land Management | \$100 | Enabler |
| 152 | IIJA | State Fire Assistance | Competitive Grant | Resilience | \$88 | Both |
| 9 | IRA | Green and Resilient Retrofit Program - Contracts and Cooperative Agreements | Cooperative Agreement | Buildings | \$60 | Enabler |
| 23 | IRA | Diesel Emissions Reductions | Multiple | Clean Transportation | \$60 | Both |
| 38 | IRA | Payments to Private Forestland Landowners for Implementation of Forestry Practices | Competitive Grant | Agriculture, Forestry, and Land Management | \$50 | Enabler |

Other Potential Priority Funding Opportunities (4 of 4)

Please refer to the excel database for the full list of funding opportunities prioritized by agencies to date. The table below presents funding opportunities that were not prioritized based on agency input received to date but may merit further review to confirm prioritization given potential funding values and alignment with state priorities.

Note: Funding opportunities may not have been prioritized because input has not yet been received by the relevant agency. Nevertheless, we are including these opportunities in the list below to ensure they are reviewed and appropriately prioritized as part of the refinement of state priorities.

| ID | Law | Name | Funding Mechanism | Sector | Total Value (\$M) | WA Gov Role |
|-----|------|---|-----------------------|-------------------------------|-------------------|-------------|
| 235 | IIJA | Energy Efficiency Materials Pilot Program | Competitive Grant | Buildings | \$50 | Enabler |
| 24 | IRA | Fueling Aviation's Sustainable Transition-Technology (FAST-Tech) | Competitive Grant | Clean Transportation | \$47 | Both |
| 62 | IRA | Implementation of the American Innovation and Manufacturing Act | Competitive Grant | Industry | \$39 | Both |
| 366 | IIJA | Low or No Emission Vehicle Component Assessment Program | Competitive Grant | Clean Transportation | \$26 | Enabler |
| 342 | IIJA | Commercial Motor Vehicle Enforcement Training & Support Grant Program | Cooperative Agreement | Transportation Infrastructure | \$25 | Enabler |
| 383 | IIJA | Pilot Program for Enhanced Mobility | Competitive Grant | Clean Transportation | \$24 | Both |
| 154 | IIJA | Volunteer Fire Assistance | Competitive Grant | Resilience | \$20 | Both |
| 420 | IIJA | Commercial Motor Vehicle Operators Grant Program | Competitive Grant | Clean Transportation | \$17 | Enabler |
| 103 | IRA | Tribal Climate Resilience: Fish Hatchery Operations and Maintenance | Multiple | Resilience | \$10 | Enabler |
| 238 | IIJA | Extended Product System Rebates | Competitive Grant | Energy | \$10 | Enabler |
| 241 | IIJA | Lithium-Ion Recycling Prize | Competitive Grant | Energy | \$10 | Enabler |

7C | Tax Incentives

This section provides more detail on tax incentives available through the IRA

HIGH PRIORITY FUNDING OPPORTUNITIES

Tax Incentives

| Law | Name | Sector | Base Credit Amount | Bonus Credit Amount | CBO Total Est. Value (\$M) | Direct Pay Eligible? |
|--------|---|--------|--|---|----------------------------|----------------------|
| Energy | | | | | | |
| IRA | 45: Production Tax Credit for Electricity from Renewables (placed in service before 2025) | Energy | 0.3 cents/kW, inflation adjusted (see link for current value) | Increased 5x for projects meeting prevailing wage and registered apprenticeship requirements. Increased by 10% if the project meets certain domestic content requirements; increased by 10% if located in an energy community. | \$51,062 | YES |
| IRA | 48E: Clean Electricity Investment Tax Credit | Energy | 6% of qualified investment (basis) | Increased 5x for facilities meeting prevailing wage and apprenticeship requirements. Increased by up to 10 percentage points for facilities meeting certain domestic content requirements; increased by up to 10 percentage points if located in an energy community. | \$50,858 | YES |
| IRA | 45X: Advanced Manufacturing Production Credit | Energy | Varies by technology | None | \$30,622 | YES |
| IRA | 45U: Zero-Emission Nuclear Power Production Credit | Energy | 0.3 cents/kWh, inflation adjusted after 2024. Credit amount phases down depending on the amount of energy produced and the gross receipts of the nuclear power facility. | 5 times the base credit if prevailing wage requirement is met for workers doing alteration or repair at the facility. | \$30,001 | YES |
| IRA | 48: Investment Tax Credit for Energy Property | Energy | 6% of qualified investment (basis of energy property) | Increased 5x for facilities meeting prevailing wage and apprenticeship requirements. Increased by up to 10 percentage points for facilities meeting certain domestic content requirements; increased by up to 10 percentage points if located in an energy community. | \$13,962 | YES |
| IRA | 45Y: Clean Electricity Production Tax Credit (projects placed in service in 2025 or thereafter) | Energy | 0.3 cents/kW, inflation adjusted (see link for current value) | Increased 5x for projects meeting prevailing wage and registered apprenticeship requirements. Increased by 10% if the project meets certain domestic content requirements; increased by 10% if located in an energy community. | \$11,204 | YES |
| IRA | 45V: Clean Hydrogen Production Tax Credit | Energy | \$0.60/kg multiplied by the applicable percentage, which ranges from 20% to 100% depending on lifecycle GHG emissions. The \$0.60/kg is adjusted for inflation. | 5x the base credit if the facility meets prevailing wage and apprenticeship requirements. | \$7,849 | YES |
| IRA | 48C: Advanced Energy Project Credit | Energy | 6% of taxpayer's qualifying investment | Businesses can claim a 30% credit for projects meeting prevailing wage and apprenticeship requirements. | \$6,255 | YES |

HIGH PRIORITY FUNDING OPPORTUNITIES

Tax Incentives

| Law | Name | Sector | Base Credit Amount | Bonus Credit Amount | CBO Total Est. Value (\$M) | Direct Pay Eligible? |
|----------------|---|--------|---|--|----------------------------|----------------------|
| Energy (cont.) | | | | | | |
| IRA | 40A: Tax Credits for Biodiesel and Renewable Diesel | Energy | \$1.00 per gallon for biodiesel, biodiesel mixtures, and renewable diesel. Additional \$0.10 credit for small agri-diesel producers. In addition, there is a \$1.00-per-gallon excise tax credit for biodiesel and renewable diesel mixtures. | N/A | \$5,571 | - |
| IRA | 45Z: Clean Fuel Production Credit | Energy | The base amount is \$0.20/gallon for non-aviation fuel and \$0.35/gallon for aviation fuel, multiplied by the carbon dioxide "emissions factor" of the fuel. Inflation adjusted after 2024. | Credit is 5x the base amount (\$1/gallon for non-aviation fuel, \$1.75 gallon for aviation fuel, multiplied by the emissions factor) for facilities meeting prevailing wage and apprenticeship requirements. Inflation adjusted after 2024. | \$2,946 | YES |
| IRA | 168(e)(3)(B): Cost Recovery for Qualified Facilities, Qualified Property, and Energy Storage Technology | Energy | - | - | \$624 | - |
| IRA | 40: Extension of Second Generation Biofuel Incentives | Energy | \$1.01 per gallon | N/A | \$54 | - |
| IRA | 40B: Sustainable Aviation Fuel Credit | Energy | \$1.25/gallon of SAF. | Up to \$0.50/gallon depending on lifecycle greenhouse gas emissions of SAF relative to petroleum-based jet fuel. | \$49 | - |
| IRA | 48(e) and 48E(h): Low-Income Communities Bonus Credits | Energy | 6% of qualified investment (basis of energy property). Credit is increased to 30% for facilities meeting prevailing wage and apprenticeship requirements. | Increased by 10 percentage points for projects located in low-income communities or on Tribal land. Increased by 20 percentage points for projects that are part of certain federally subsidized housing programs or that offer at least 50 percent of the financial benefits of the electricity produced to low-income households. This bonus amount will require an application by the taxpayer, with a cumulative total of 1.8 GW of direct current capacity per year available for allocation. | \$0 | YES |
| IRA | 6426(d), 6426(e), 6427(e): Tax Credits for Alternative Fuels | Energy | \$0.50 per gallon for alternative fuels and alternative fuel mixtures. | N/A | \$0 | - |

HIGH PRIORITY FUNDING OPPORTUNITIES

Tax Incentives

| Law | Name | Sector | Base Credit Amount | Bonus Credit Amount | CBO Total Est. Value (\$M) | Direct Pay Eligible? |
|----------------|--|-----------------|---|---|----------------------------|----------------------|
| Transportation | | | | | | |
| IRA | <u>30D: Clean Vehicle Credit</u> | Clean Transport | \$0 | \$3,750 credit for vehicles meeting critical minerals requirement. Additional \$3,750 credit for vehicles w/ threshold % of battery components be manufactured or assembled in North America. Vehicles must meet other requirements, including final assembly in North America and MSRP limits. Additional req. in 2024 and 2025. | \$7,541 | - |
| IRA | <u>45W: Credit for Qualified Commercial Clean Vehicles</u> | Clean Transport | The amount of the credit is the lesser of (a) 15% of the vehicle's basis (i.e. its cost to the purchaser) or 30% for vehicles without internal combustion engines, or (b) the amount the purchase price exceeds the price of a comparable internal combustion vehicle. The credit is capped at \$7,500 for vehicles < 14,000 lbs and \$40,000 for all other clean vehicles. | None | \$3,583 | YES |
| IRA | <u>30C: Alternative Fuel Vehicle Refueling Property Credit</u> | Clean Transport | 6% of the cost for businesses, limited to a \$100,000 credit per item of property for businesses. 30% for individuals, limited to \$1,000. | Businesses can claim a 30% credit for projects meeting prevailing wage and apprenticeship requirements. | \$1,738 | YES |
| IRA | <u>25E: Credit for Previously-Owned Clean Vehicles</u> | Clean Transport | The lesser of \$4,000 or 30% of sale price | None | \$1,347 | - |

HIGH PRIORITY FUNDING OPPORTUNITIES

Tax Incentives

| Law | Name | Sector | Base Credit Amount | Bonus Credit Amount | CBO Total Est. Value (\$M) | Direct Pay Eligible? |
|------------------|---|-----------|---|---|----------------------------|----------------------|
| Buildings | | | | | | |
| IRA | 25D: Residential Clean Energy Credit | Buildings | 30% of cost of equipment through 2032; 26% in 2033; 22% in 2034. | None | \$22,022 | - |
| IRA | 25C: Energy Efficient Home Improvement Credit | Buildings | 30% of cost, with limits for each type of improvement and total per year. Credit capped at \$600 for "energy property," e.g. efficient heating and cooling equipment; \$600 for windows; \$250 per door, \$500 total for doors; \$2,000 for heat pumps; \$1,200 for qualified energy efficiency improvements to the building envelope, including insulation and air sealing. Total annual credit capped at \$1,200, with a separate annual \$2,000 limit for heat pumps. \$150 credit for home energy audits. | None | \$12,451 | - |
| IRA | 45L: New Energy Efficient Homes Credit | Buildings | \$2,500 for new homes meeting Energy Star standards; \$5,000 for certified zero-energy ready homes. For multifamily, base amounts are \$500 per unit for Energy Star and \$1000 per unit for zero-energy ready. | For multifamily homes, 5 times the base amount if prevailing wage requirements are met. | \$2,043 | - |
| IRA | 179D: Energy Efficient Commercial Buildings Deduction | Buildings | \$0.50-\$1 per square foot, depending on increase in efficiency, with deduction over four year periods capped at \$1 per square foot. Inflation adjusted. Alternatively, taxpayers can deduct adjusted basis in "qualified retrofit plans" that reduce a building's energy use intensity by at least 25%. | 5 times the base amount if the project meets prevailing wage and apprenticeship requirements. | \$362 | YES |
| Other | | | | | | |
| IRA | 45Q: Credit for Carbon Oxide Sequestration | CO2 Seq. | \$17/metric ton of carbon dioxide captured and sequestered; \$12/metric ton for carbon dioxide that is injected for enhanced oil recovery or utilized. Those amounts are \$36 and \$26, respectively, for direct air capture facilities. | 5 times the base amounts if the facility meets prevailing wage and apprenticeship requirements. | \$3,229 | YES |
| CHIPS | Advanced Manufacturing Tax Credit | CHIPS | TBC | TBC | \$24,000 | - |