

Affiliated Tribes of Northwest Indians
 AirWorks, Inc.
 Alaska Housing Finance Corporation
 Alliance to Save Energy
 Allumia
 Alternative Energy Resources Organization
 American Rivers
 Backbone Campaign
 Beneficial State Bank
 BFA Energy
 BlueGreen Alliance
 Bonneville Environmental Foundation
 Byrd Barr Place
 City of Ashland
 City of Seattle Office of Sustainability & Environment
 CleanTech Alliance
 Climate Smart Missoula
 Climate Solutions
 Community Action Center of Whitman County
 Community Action Partnership Assoc. of Idaho
 Community Action Partnership of Oregon
 Community Energy Project
 Earth Ministry
 Ecumenical Ministries of Oregon
 eFormative Options
 Elevate Energy
 Energy350
 EnergySavvy
 Energy Trust of Oregon
 Environment Oregon
 Environment Washington
 Forth
 Global Ocean Health
 Green Energy Institute at Lewis & Clark Law School
 Grid Forward
 Homes for Good
 Home Performance Guild of Oregon
 Human Resources Council, District XI
 Idaho Clean Energy Association
 Idaho Conservation League
 Idaho Rivers United
 League of Women Voters Idaho
 League of Women Voters Oregon
 League of Women Voters Washington
 Montana Audubon
 Montana Environmental Information Center
 Montana Renewable Energy Association
 Multnomah County Office of Sustainability
 National Center for Appropriate Technology
 National Grid
 Natural Resources Defense Council
 New Buildings Institute
 Northern Plains Resource Council
 Northwest EcoBuilding Guild
 Northwest Energy Efficiency Council
 NW Natural
 OneEnergy Renewables
 Opportunities Industrialization Center of WA
 Opportunity Council
 Oracle/Opower
 Oregon Citizens' Utility Board
 Oregon Energy Fund
 Oregon Environmental Council
 Oregon Physicians for Social Responsibility
 Oregon Solar Energy Industries Association
 Pacific Energy Innovation Association
 Pacific NW Regional Council of Carpenters
 Portland Energy Conservation, Inc.
 Portland General Electric
 Puget Sound Advocates for Retirement Action
 Puget Sound Cooperative Credit Union
 Renewable Hydrogen Alliance
 Renewable Northwest
 Save Our *wild* Salmon
 Seattle City Light
 Sierra Club
 Sierra Club, Idaho Chapter
 Sierra Club, Montana Chapter
 Sierra Club, Washington Chapter
 Small Business Utility Advocates
 Snake River Alliance
 Snohomish County PUD
 Solar Installers of Washington
 Solar Oregon
 Solar Washington
 South Central Community Action Partnership
 Southeastern Idaho Community Action Agency
 Spark Northwest
 Spokane Neighborhood Action Partners
 Sustainable Connections
 The Climate Trust
 The Energy Project
 Transition Missoula
 UCONS, LLC
 Union of Concerned Scientists
 United Steelworkers of America, District 12
 Washington Environmental Council
 Washington Physicians for Social Responsibility
 Washington State Community Action Partnership
 Washington State Department of Commerce
 Washington State University Energy Program
 YMCA Earth Service Corps
 Zero Waste Vashon



NW Energy Coalition
for a clean and affordable energy future

May 29, 2020

The Honorable Patty Murray
 The Honorable Maria Cantwell
 The Honorable Suzan DelBene
 The Honorable Rick Larsen
 The Honorable Jaime Herrera Beutler
 The Honorable Dan Newhouse
 The Honorable Cathy McMorris Rodgers
 The Honorable Derek Kilmer
 The Honorable Pramila Jayapal
 The Honorable Kim Schrier
 The Honorable Adam Smith
 The Honorable Denny Heck

To the members of the Washington State Congressional Delegation:

The NW Energy Coalition leads the Northwest's broadest alliance of energy interests in designing, promoting, and implementing clean, affordable, and equitable energy policy grounded in analytical expertise. Our members include more than 100 environmental, civic, and human service organizations, progressive utilities, and clean energy businesses in Oregon, Washington, Idaho, Montana and British Columbia.

In addition to health impacts, the COVID-19 crisis is resulting in modern history's most unprecedented economic impacts and job losses, which are disproportionately affecting lower wealth communities. Our membership and community and tribal allies are concerned about the short-term and expected long-term impacts on utilities and the communities they serve, and are looking for ways to recover and rebuild that also accelerate the clean energy transformation and reduce greenhouse gas emissions.

Building upon our growing knowledge of environmental and economic justice and how to target solutions to our most impacted communities, we urge you to construct a recovery plan that lifts up those most impacted and focuses on clean energy advancement. In order to undertake this in a manner that creates systematic change, it is critical to address the short-term impacts of the crisis and to prioritize longer-term clean energy investments that can revive our economy to make the United States healthier and resilient.

Immediate Needs

Substantial relief is needed for households struggling to pay utility bills. While many utilities across the country have halted disconnections and waived late fees during the crisis, when the immediate public health crisis is over and moratoria lifted, many households will be faced with large balances on their utility bills. The National Consumer Law Center estimates,

nationwide, residential electric customer arrearages alone could total more than \$18 billion. In Oregon, one of our local utilities recently released approximately \$200,000 in additional customer bill payment assistance and reported that it was all taken within one hour. Clearly, there is tremendous need for bill assistance dollars.

We thank Congress for including \$900 million in additional assistance for the Low-Income Home Energy Assistance Program (LIHEAP) in the CARES Act; this funding will help more families heat and power their homes. However, substantially more funding is needed to prevent households from choosing between utilities and other vital needs like medicine or food. **We urge you to allocate at least \$4.3 billion in supplemental funding to LIHEAP to help families pay their energy bills.** This funding should be in coordination with program changes that simplify eligibility and relieve administrative burden on agencies.

In addition, because it is unlikely that LIHEAP funding will cover the full extent of the immediate need, it is critical that Congress develop programs that can help utilities, especially small, consumer-owned utilities, manage customer arrearages and stay solvent. Providing low interest or forgivable loans, or providing funding for states to create loans, will make it possible for utilities to write off debt for customers unable to pay large balances and also to extend longer-term payment options for customers just getting back on their feet. The Bonneville Power Administration (BPA) may be well-positioned to assist consumer-owned utilities throughout the Northwest with capital needs related to end-use customer unpaid balances and other financial hurdles being encountered due to the economic circumstances related to the COVID-19 emergency.

Economic Stimulus Investments

A significant infrastructure and workforce stimulus package is critical to help the economy recover after the emergency. Clean energy investments are well-suited to deliver 1) opportunities for immediate employment, 2) approaches that put impacted communities first for training, jobs and economic opportunity and 3) projects that simultaneously contribute to greenhouse gas emission reductions, air pollution reductions and create healthier homes and communities. In developing the economic stimulus proposal, we ask that you:

1. Target those communities, including tribal communities, and workforce sectors who are most affected by the COVID-19 emergency;
2. Prioritize the creation of family-wage jobs with good working conditions and benefits, with particular attention to employing those experiencing low income, people of color, and people with disabilities; and
3. Continue making progress on needed environmental goals such as greenhouse gas emissions reduction, clean air and water improvements, and species protection and recovery, instead of backsliding on these vital regulations.

Below, we highlight four clean energy investment opportunity areas. Additionally, a full list of specific program suggestions is attached to this letter.

Prioritize Healthy and Efficient Homes and Businesses

Three quarters of the clean energy jobs in the nation are in energy efficiency, totaling more than 125,000 jobs in the Northwest states in 2019 alone. This industry is being particularly hard-hit by the COVID-19 crisis, as homeowners, utilities, and businesses halt or delay work that involves being

inside buildings. By the end of June, the nation could lose more than 850,000 clean energy jobs. But with targeted investments, these workers can be put back to work immediately.

Investing in building energy efficiency lowers utility bills--and results in homes and businesses that are more comfortable, healthier, and more resilient. This investment also puts contractors and suppliers to work immediately by building on existing utility, local and state government energy efficiency programs that can identify, prioritize and expand project activities now.

Federal investment in energy efficiency is a critical component of economic stimulus legislation. This investment should include provisions to protect worker health and safety and pay workers family wages. We highlight two federal programs that could be quickly enhanced with new funding, and a new initiative:

- The Department of Energy (DOE) **Weatherization Assistance Program (WAP)** assists lower income households to permanently lower energy bills while creating local jobs. Every year, there are far more households in need than the program can serve. This program is one of the shining examples of workforce training and effectively investing in systematic investment for communities in need. A stimulus package should include at least \$7 billion in funding for WAP, as well as changes that provide more flexibility in program administration and household eligibility.
- The DOE **Energy Efficiency and Conservation Block Grant Program (EECBG)** was established during the Great Recession and provides funding to communities and tribal governments to implement programs that reduce energy waste. This program directly addresses community needs. For example, municipal, university, school, hospital buildings (“MUSH buildings”) need critical infrastructure updates to address energy use and disaster risk. Block grant investments can address these mission-critical infrastructure needs and put people to work now. We recommend investing at least \$3.2 billion in this program.
- Congress should allocate \$6 billion in funding to a new program to support small businesses and their recovery, the **Small Business Energy Efficiency Grant Program**.¹ This proposal, presented by the Alliance to Save Energy and partners, would distribute funding to energy utilities to enhance existing small business efficiency programs, lowering costs for these businesses and creating local jobs for energy efficiency workers.

Invest in Clean Energy

The Northwest, and much of the rest of the United States, has been transitioning rapidly to a cleaner energy system. Renewable energy such as hydropower, wind, solar, and geothermal are fueling this transition. However, most of the existing tax credits for new renewable energy are expiring in 2022. Especially in light of the COVID emergency and associated project delays, this expiration is too early. We recommend the following actions:

- As a first step, Congress should **extend the deadlines to qualify for the renewable energy production and investment tax credits (PTC and ITC)**. Like many industries, the renewable sector has been hit hard by supply chain disruptions and pandemic-related delays that threaten the jobs of hundreds of thousands of workers, as well as the time-sensitive tax incentives on which renewable projects depend. Extension of the phase down of these tax credits to at least 2024 is crucial. The tax credits should also be extended to include the full value for geothermal

¹ For more information, see: <https://www.ase.org/small-business-energy-efficiency-grant-program>

resources and storage technologies, which are vital to transitioning off fossil fuels. A package should also include options for **direct pay or grants in lieu of tax credits (Section 1603 grants)** for those without enough tax equity to qualify for tax credits. [e.g., see Renewable Energy Extension Act (H.R. 3961/S. 2289), the Offshore Wind Incentives for New Development Act (H.R. 3473/S. 1957), the Energy Storage Tax Incentive and Deployment Act (H.R. 2096/S. 1142), the Home Energy Savings Act (H.R. 4506/S. 2588), and the Renewable Energy Transferability Act (H.R. 2704)].

- Similarly, Congress should also extend and expand funding for the **Advanced Manufacturing Tax Credit** (section 48C of the Internal Revenue Code) to boost domestic manufacturing of the new energy systems that will need to power our economy. This extension should come with options that provide direct pay or grants for those who do not qualify for tax credits.

Decarbonize our Transportation System

Financial relief to households, businesses, schools, and transit agencies is essential to mitigate the current economic fallout. Investments in zero and low-emission transportation will create sustained reductions in transportation costs and support long-term economic recovery. The average U.S. household spends nearly one-fifth of its total family expenditures on transportation, and businesses, schools, and transit agencies with large fossil fueled fleets must cover significant fuel and maintenance costs. Transportation electrification can support annual household savings of \$750-\$1,200, and electric buses can provide savings of up to \$50,000 a year over fossil fuel-powered buses. Congress should target investments in the following two programs:

- The **Federal Transit Administration's Low or No Emission Program** provides funding to state and local government authorities for the purchase or lease of zero- and low-emission transit buses and supporting infrastructure. \$10 billion in program funding, in addition to significantly increased and sustained funding to urban and rural transit agencies to cover operating costs, can create new living wage construction jobs, help sustain jobs for transit employees, and provide long-term cost savings and air pollution reductions.
- The **Diesel Emissions Reduction Act (DERA)** could be reauthorized to allow the EPA to offer rebates and grants to reduce harmful pollution from diesel emissions. In particular, grants are needed to replace older, dirtier diesel school buses. School buses safely transport 25 million children every day, but diesel exhaust from these buses can have significant negative impacts on human health. \$10 billion of expanded DERA funding for the EPA's Clean School Bus program, specifically to provide grants to replace the oldest and dirtiest diesel school buses with zero emission buses, will bring sustained cost savings to school districts and help protect the health of bus drivers, children, and communities living along transportation corridors.

School transportation and convenient public transit services provide economic value to working families and it is essential they remain accessible and affordable, especially to vulnerable populations and communities of color that have been hit hardest by this health and economic crisis. We encourage Congress to consider ways to ensure funding does not burden school districts and transit agencies with additional capital costs, new loans, or the need to use other discretionary funds that could be used to reduce fares or other costs.

Modernize the Electric Grid

To support our clean energy transition and the clean energy jobs that come with it, we need to upgrade and extend the electric power grid to support the rapid uptake of clean energy, reduce emissions, and substantially improve reliability and resilience.

Grid modernization needs upfront funding and low-cost capital to improve power, distribution, and transmission planning and development, and much closer coordination between federal, regional, and state agencies. At the local level, utilities and state regulatory commissions need assistance to modernize distribution systems for the "two-way grid" where customers can provide value through rooftop solar, storage, and demand response to improve reliability, decrease costs and integrate a wide range of renewable resources and electric vehicles.

A few examples of how Congress could support grid modernization are:

- An **interagency program** to expedite new transmission and renewable energy projects in an environmentally responsible manner. A similar program, the Rapid Response Team for Transmission, was initiated in conjunction with the Recovery Act in 2009. A renewed program should also include support for coordinated federal/state accelerated review.
- Restart and enhance the **DOE Smart Grid Investment Grant Program**, with an investment of at least \$8 billion to provide direct funding to expand the capability of the grid to support distributed generation, demand response, operational flexibility and increased reliability.
- For both transmission and distribution modernization, there are major needs for information technology and operational technology, and for cyber and physical security. Expanding and extending efforts such as building on the utility industry **Spare Transformer Equipment Program** to create a Strategic Transformer Reserve as recommended by DOE under the FAST Act² could significantly improve grid resilience.

Finally, the Bonneville Power Administration (BPA) plays a critical role in the generation and distribution of clean energy in our region. Ensuring that it has the financial resources needed to continue modernizing and innovating will bring widespread benefits and enable it to become the clean energy platform for the Northwest. Congress could consider an expansion of BPA's borrowing authority to advance clean energy modernization investments.

In the coming weeks and months, we will continue working with our membership and allies to understand their needs and their views on opportunities to make real economic and clean energy progress in their communities. We look forward to being a resource to your office as we all move forward together.

Sincerely,



Nancy Hirsh, Executive Director



Wendy Gerlitz, Policy Director

² For more information, see: <https://www.energy.gov/sites/prod/files/2017/04/f34/Strategic%20Transformer%20Reserve%20Report%20-%20FINAL.pdf>

Attachment: NW Energy Coalition U.S. Economic Stimulus Proposals

We recommend that an infrastructure and workforce stimulus package include the following funding and programmatic changes.

DHHS Low Income Home Energy Assistance Program (LIHEAP) - \$4.3 billion

This program helps low-income customers pay their energy bills, and the expected need is tremendous. Funding should be in coordination with program changes that simplify eligibility and relieve administrative burden on agencies.

DOE Weatherization Assistance Program (WAP) - \$7 billion

This program funds critical weatherization needs for low income families nationwide while creating local jobs. Funding should be in coordination with changes that provide more flexibility in program administration and household eligibility.

DOE State Energy Program (SEP) - \$3.1 billion

This program provides funding and technical assistance to states to enhance energy security, advance state-led energy initiatives, and maximize the benefits of decreasing energy waste and increasing energy efficiency. Funding should be expanded to support transportation electrification activities.

DOE Loan Programs Office (LPO) - \$6 billion

The loans and loan guarantees through this office help deploy large-scale clean energy infrastructure projects and support key supply chains for national security and resilience. Priority should be on energy efficiency and renewable energy investments, and changes to eligibility should include allowing for power system infrastructure and storage projects.

DOE Smart Grid Investment Grant program - \$8 billion

The Smart Grid Investment Program should be reinstated to support rapid implementation of projects that support two-way power flow on local grids, increase the availability of demand response, 'smart' charging or networked chargers, vehicle-to-grid technology, and improve reliability and resilience.

DOE State Energy Efficient Appliance Rebate Program (SEEARP) - \$300 million

Under the Recovery Act, states provided rebates for almost 1.8 million appliances resulting in long-term savings for residents and businesses and more retail activity. Congress should also expand the funding and scope of this program to include purchase and installation of insulation.

DOE Energy Efficiency and Conservation Block Grant Program - \$3.2 billion

This program, established under the Recovery Act, provided block grants to cities, communities, states, U.S. territories, and Indian tribes to develop, promote, implement, and manage energy efficiency and conservation projects that create jobs in local communities, lower household energy bills and reduce greenhouse gas emissions. This program should be reauthorized and funded.

EPA Environmental Justice Small Grants Program - \$50 million

The program supports and empowers communities working on solutions to local environmental and public health issues. We recommend raising current limits on individual grants.

EPA - Diesel Emissions Reduction Act (DERA) Reauthorization for Clean School Bus Program - \$10 billion

Reauthorize DERA to allow the EPA to offer rebates and grants to reduce harmful pollution from diesel emissions, particularly for grants to replace older, dirtier diesel school buses.

Federal Transit Administration's Low or No Emission Program - \$10 billion

This program provides funding to state and local government authorities for the purchase or lease of zero- and low-emission transit buses and supporting infrastructure.

USDA Rural Energy for America Program (REAP) - \$60 million

REAP provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. We recommend expanding the program to include electric vehicles and electric vehicle supply equipment as eligible technology and increasing the maximum incentive to 50% of project costs.

USDA Rural Utility Service Loan Programs

The RUS makes direct loans and loan guarantees (FFB)³, as well as grants and other energy project financing⁴ to electric utilities (wholesale and retail providers of electricity) that serve customers in rural areas. Consider taking advantage of historically low interest rates to reprice or refinance RUS debt without penalties for borrowers and increasing the amount invested in programs such as the Rural Energy Savings Program and the RUS Guaranteed Underwriter Program.

Extend and Expand Clean Energy Tax Credits and Deductions

- Sec. 48 solar investment tax credit
- Sec. 25C nonbusiness energy property credit
- Sec. 45L energy efficiency home credit
- Sec. 179D energy efficient commercial building tax deduction
- Sec. 30C and 30D alternative fuel vehicles
- Sec. 30C and 38 alternative fuel infrastructure
- Expansion of existing credits or creation of a standalone tax credit for energy storage (e.g., S. 1142/H.R. 2096)

Workforce and Clean Jobs Development – \$10 billion

- AmeriCorps - Authorize and fund programs specifically focused on green buildings, energy efficiency, clean transportation and sustainability. AmeriCorps programs have historically benefited those who have access to resources beyond what program participation provides. We recommend reevaluating living allowances to help ensure more diverse participation and adequate compensation that allows participants to safely live in the communities in which service takes place.
- DOE Office of Electricity Smart Grid Workforce Training and Development Grants for workforce training through paid internships and apprenticeships for under/unemployed, veterans, formerly incarcerated, and upskilling or retraining for those currently employed in the fossil fuel industry including pre-apprenticeship programs and state-approved joint labor management apprenticeship programs with labor. Funding is distributed via state agencies, local government,

³ For more information, see: <https://www.rd.usda.gov/programs-services/electric-infrastructure-loan-loan-guarantee-program>

⁴ For more information, see: <https://www.rd.usda.gov/programs-services/all-programs#Electric>

state or local building and construction trades councils, tribal and community colleges. Emerging technology areas for workforce training include EV charging infrastructure and energy storage systems. This program was funded under the Recovery Act.⁵

- Home On-line Performance-based Energy-efficiency (HOPE) Training – A newly proposed program, HOPE is designed to provide stipends to contractors and businesses that enroll in and complete online training to advance their understanding of home performance sciences.⁶

Broadband

Increase funding for the Department of Agriculture’s (USDA) Rural Development Broadband ReConnect Program to help expand high-speed broadband in underserved rural areas, and funding for FCC’s Lifeline program to expand broadband access for low-income households.

Additional Legislative Proposals

- **Make significant investments to innovate and rebuild America’s infrastructure**, including in broadband and energy supply infrastructure, with a focus on clean energy. The **Leading Infrastructure For Tomorrow’s America Act (LIFT Act, H.R. 2741)** provides the thoughtful framework for these areas, as well as many other critical environmental needs.
- **Provide funding to retrofit critical buildings in the public interest**, including public housing, hospitals, schools, universities, and municipal buildings [e.g., Green New Deal for Public Housing (H.R. 5185)]; Reauthorization of Hill-Burton Act for hospitals; Rebuild America’s Schools Act (H.R. 865); Clean Air, Sharp Minds Act (S. 3364); and increased funding for the Healthy High-Performance Schools grant program.⁷
- **Create a national “green” or “climate” bank** or fund state initiatives that will provide financial backing to shovel-ready clean energy projects (e.g., National Climate Bank Act (H.R. 5416)). Fund at a level of \$35 billion over 5 years.
- **Provide grants or vouchers for zero emission medium- and heavy-duty vehicles and related infrastructure** that help transition private fleets off unpredictable fossil fuels to support fuel and maintenance cost savings. The program should prioritize independent contractors, small businesses, and non-profit organizations, should be distributed via states, and allow for public agencies to develop programs to redistribute grants to hard-to-reach populations.
- Any **light-duty zero emission vehicle incentive program** should be designed to target benefits to low- and moderate-income households who experience the highest transportation energy burdens. Low and zero emission vehicle grants, similar to a program implemented in California, would **provide incentives and affordable financing to help income-qualified drivers purchase or lease a new or used hybrid or zero emission vehicles**. This program could be coupled with a voluntary car scrap program to help income qualified drivers transition to cleaner and more affordable transportation options.
- **Provide grants to deploy public EV charging infrastructure and hydrogen refueling stations**. Medium- and heavy-duty charging infrastructure should be prioritized to support port and airport operations, at truck stops and plazas, overnight truck yards, and other strategic locations. Light-duty charging infrastructure should be prioritized along highway corridors and in rural communities.

⁵ For more information, see: https://www.smartgrid.gov/recovery_act/overview/workforce_training.html

⁶ For more information, see: <https://www.building-performance.org/news-and-resources/news/hope4homes-bpa-working-you>

⁷ For more information, see: <https://www2.ed.gov/policy/elsec/leg/esea02/pg83.html>

- Extend the **alternative fuel infrastructure tax credit** with an increase in the maximum eligible cost for commercial infrastructure, currently set at \$30,000, and an option for cash grants in lieu of a tax credit or refundable tax credits when there is insufficient tax liability. All qualified residential fueling equipment should be networked or 'smart' charging capable.