



*Northeast
Public Power
Association*

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2022 LEGISLATIVE UPDATE

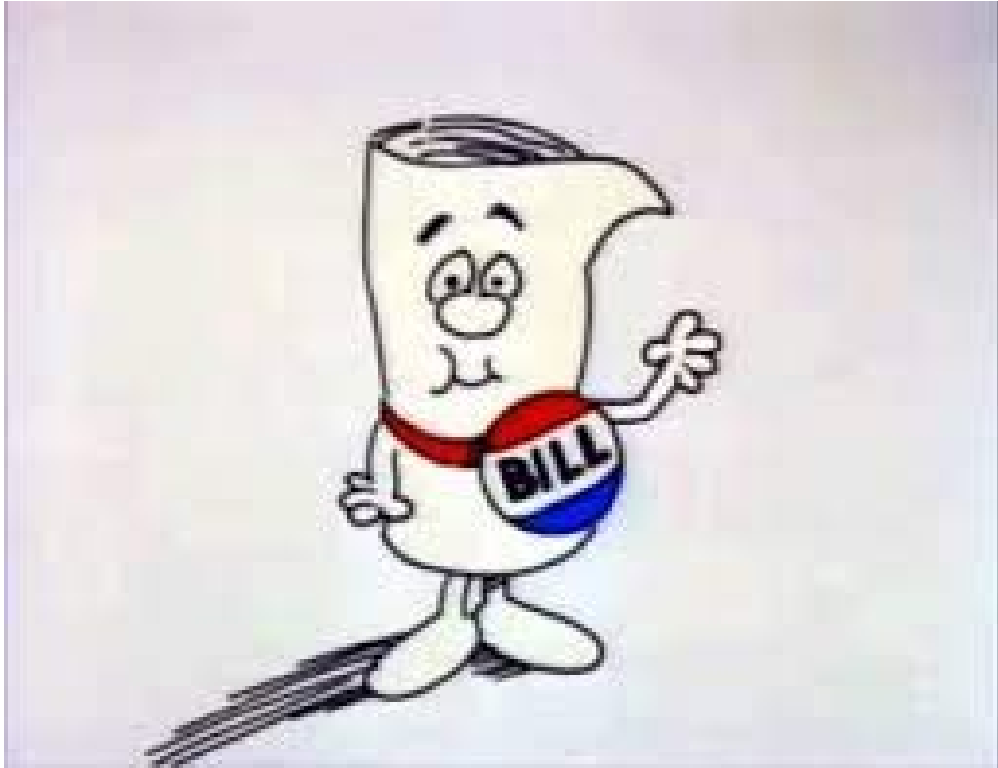


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2022 LEGISLATIVE UPDATE

-
- Democrats pass Inflation Reduction Act
 - Implementing the Infrastructure Investment and Jobs Act
 - FERC Transmission and Markets
 - *West Virginia v. EPA*
 - Election preview

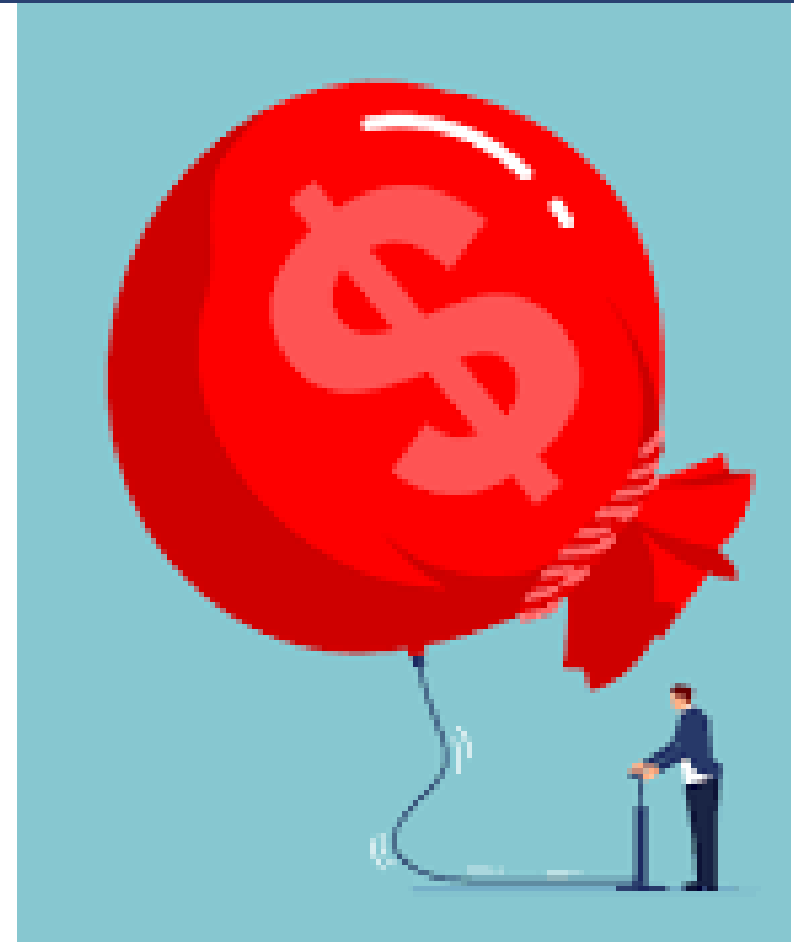
INFLATION REDUCTION ACT – HOW WE GOT HERE



- Budget reconciliation
 - Must be budgetary in nature
 - Used once for ARPA
- Build Back Better Act represents Dems' entire social agenda (in budget form)
- Infrastructure pieces with bipartisan support pulled out but still connected procedurally
- Manchin the Grinch
- McConnell's gambit

INFLATION REDUCTION ACT – WHAT'S IN IT (FOR ME)

- Extensions of the PTC and ITC for clean energy (with strings attached)
 - Direct pay for consumer-owned utilities
 - Bonus for energy community siting
 - Full credit for hydro, new credits for existing nuclear and hydrogen
- Tech-neutral tax credit in 2025
- EV tax credit gets some new strings
- New grant and loan programs, including co-op transition fund, rural renewables, siting interstate transmission, environmental and climate block grants



IIJA IMPLEMENTATION



- EVs: NEVI, VTO
- Reliability: Hardening program (states and DOE)
- Cybersecurity: Muni/co-op assistance
- RFIs: long-duration storage, CCS, hydro incentives, hydrogen
- Waiting on: smart grid, rural energy, public/community charging

FERC TRANSMISSION POLICY: TURNING THE SHIP

- From ANOPR to NOPR – NEPPA and TAPS successfully advocate for joint ownership
- D.C. Circuit cost allocation ruling approves hybrid (area and usage) approach
- MISO massive transmission investment gets good marks from influential grid policy experts



FERC MARKETS POLICY: INCHING IN THE RIGHT DIRECTION

- Reliability concerns in multiple markets
- Majority view that the MOPR needs overhaul
- Click reconfirmation iffy



WEST VIRGINIA V. EPA



- Clean Power Plan still technically law of the land until rescinded
- New articulation of “Major Questions” doctrine
 - BSER may not require fuel switching, but may cause it
 - EPA may not establish a cap-and-trade system when Congress explicitly rejected that mechanism
- EPA expected to promulgate a rule in 2023

QUESTIONS?



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