



# Understanding the Infrastructure Investment and Jobs Act (IIJA) and what it means for Electric Utilities

Prepared for the



An **AEP** Company

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# Evaluating Opportunities

Efforts are being prioritized to identify funding opportunities that have potential to lower costs for customers, improve grid reliability and resiliency, and align with our capabilities and strategy.

## **Formulaic funding:**

Neither AEP nor PSO is generally eligible to be a direct recipient.

In these instances, AEP, on behalf of PSO, is taking an advocacy / advisory approach and is in active discussions with stakeholders to provide them with expertise, education, and support to identify the best use of funds.

## **Competitive funding:**

PSO is working in unison with corporate resources to identify and evaluate funding opportunities that have potential to lower cost for customers, while also creating low risk to PSO and its customers.

PSO will offer advisory and technical expertise on certain opportunities and seeking partnerships on other opportunities to jointly compete for funding and shift management of funds to private entities.

# Competitive Funding Opportunities:

## Allocation by Program Key Areas for PSO & AEP

### Broadband

- Broadband, equity, access & deployment (\$42.5B)
- Middle mile grants program (\$1B)

### Economic Development

- Regional Clean Hydrogen Hubs (\$8B)
- Battery Processing & Manufacturing (\$6.2B)
- Transmission Facilitation Program (\$2.5B)

### Electric Grid

- Preventing outages and enhancing grid resilience (\$5B)
- Electric grid upgrades and ensuring reliability (\$5B)
- Deployment of technologies to enhance grid flexibility (\$3B)
- Energy improvement in rural or remote areas (\$1B)

### Electric Transportation

- National Electric Vehicle Infrastructure (NEVI) formula grants(\$5B)
- EV charging & clean fuel infrastructure: community charging grants(\$2.5B)
- Zero Emissions Vehicle/Clean transit grants (\$5.1B)

### Generation

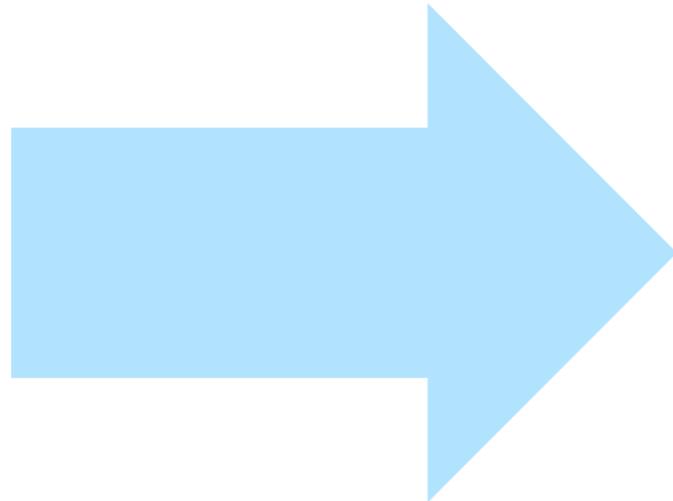
- Energy storage demonstration projects (\$505M)
- Clean energy demonstration on mine land or distressed area (\$500M)
- Hydroelectric (\$775M)

# Competitive Funding Opportunities:

## Under Evaluation for Application

### Electric Grid

- Preventing outages and enhancing grid resilience (\$5B)
- Electric grid upgrades and ensuring reliability (\$5B)
- Deployment of technologies to enhance grid flexibility (\$3B)
- Energy improvement in rural or remote areas (\$1B)



- Residential Distributed Energy Resources (DER)
- Energy storage demonstration
- Capacity Deferral using Generators
- Vegetation Management
- Cybersecurity
- Vehicle to Grid
- Closing Radials
- Undergrounding Facilities

# IIJA Applications Deadlines

- [August 1, 2022](#) – EV Infrastructure Deployment Plans due for the National Electric Vehicle Infrastructure Formula Program
- [August 15, 2022](#) – Requests for Initial Planning Funds for NTIA’s Broadband Equity, Access and Deployment Program due
- [August 19, 2022](#) – Applications close for EPA Clean School Bus Program
- [August 22, 2022](#) – Comments due on DOT’s Notice of Proposed Rulemaking on proposed minimum standards and requirements for projects funded under the National Electric Vehicle Infrastructure (NEVI) program
- [September 30, 2022](#) – Applications due for Enabling Middle Mile Broadband Infrastructure Program
- [September 30, 2022](#) – Application Due – DOE (40101) Preventing Outages and Enhancing the Resilience of the Electric Grid
- [January 10 to May 12 2023](#) – NTIA’s Broadband Equity, Access and Deployment Program Five-Year Action Plans due no later than 270 days after receipt of Initial Planning Funds (due date will vary depending on when planning funding allocated to states/territories)

# How can the OCC Support these Efforts?

- **Competitive opportunities:** For example, rural communities could potentially benefit from the creation of a demonstration involving a microgrid or long duration storage. However, winning competitive IIJA funding for projects such as these would come with cost-sharing expectations, which would ultimately impact customers. The cost-sharing dynamic is an important consideration when making a decision to apply for competitive IIJA funding.
- Establishing a “Commission Position” on cost-sharing expectations within the IIJA and how IIJA federal funding would be treated within rate base and ultimately impact customers would help PSO better understand risks and benefits of IIJA funding. This position could be established by partnering with PSO upfront to build alignment on cost-sharing treatment, or by issuing a whitepaper outlining the Commission’s position on the topic, or something similar.
- The Commission could help stakeholders receiving formulaic funding and applying for competitive funding by outlining the Commission’s **perspective on high priority funding interests**, best use of funds, and specifying how to effectively engage with the Commission, etc.