

Prepared Opening Remarks of Stephen J. Humes, Holland & Knight LLP  
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Welcome everyone to the Chicago Advanced Energy Series Breakfast Meeting and the Chicago office of Holland & Knight. I'm an energy partner with the firm based in our New York City office. We are delighted to have you here and it is so good to meet in person after all our time apart due to the pandemic. Last night's dinner was a great opportunity to see some of you as well.

Thank you once again H.G. Chissell, your team and all the sponsors who are investing in these challenges and working to find solutions. The time is now to be discussing Critical Infrastructure, Equity and Resilience and the challenge we all face is to confront the problems and help put solutions into action. There are many efforts underway locally, in Springfield and in Washington to address critical infrastructure, equity and resilience and we can expect more actions later this year.

As we consider these issues here in Chicago, I thought I would spend a few minutes commenting on actions we're seeing at the federal level because we can expect resources from Washington to start rolling out soon in our major cities especially in critical infrastructure, equity and resilience as we start to see the impact of the Biden Administration's policies and the Infrastructure Investment and Jobs Act signed into law last fall, sometimes called the Biden Infrastructure law or the President's bipartisan infrastructure law.

As you may recall, the Infrastructure law calls for federal spending of approximately \$1.2 trillion, including approximately \$550 billion in new spending, over the next eight years. In addition to significant spending on "traditional" infrastructure like roads and bridges, the IJA

includes major provisions important to the energy industry, ranging from significant support for electrification of the transportation system to building out the nation's electric transmission grid and support for expanded renewable power generation. The law creates major new investments, and major new programs, touching nearly every aspect of the energy industry.

What are some of those policies and legislative developments likely to impact the energy industry and communities like Chicago? I'll highlight just a few.

Electric Vehicle Infrastructure is a heavy focus of investment. The Infrastructure Law authorized \$7.5 billion for EV charging station infrastructure. These EV programs include:

**Charging and Refueling Grant Program (\$2.5 billion) at DOT:** Authorizes and appropriates \$2.5 billion over five years to establish a competitive grant program for the deployment of publicly accessible alternative fuel charging infrastructure to be installed along designated alternative fuel corridors and in certain publicly accessible locations. The funding will be administered by DOT and will be available to states, metropolitan planning organizations, local governments and other public-sector entities.

- **Community Grant Set-Aside:** Fifty percent (50%) of the total program funds will be made available each fiscal year for Community Grants, to install EV charging and alternative fuel in locations on public roads, schools, parks, and in publicly accessible parking facilities. **These grants will be prioritized for rural areas, low-and moderate income neighborhoods, and communities with low ratios of private parking, or high ratios of multi-unit dwellings.**
- **EV Charging Formula Program (\$5 billion) at DOT:** Establishes a National Electric Vehicle Formula Program to provide funding to States to deploy EV charging infrastructure for costs associated with the acquisition, installation, network connection, data sharing and operation and maintenance of eligible EV Charging Infrastructure. Funds will be provided to the states on an 80-20 basis on a proportionate basis calculated in the same manner as is used for allocation of other federal highway formula funds.

The Infrastructure Law also commits the federal government to:

- **Invest more than \$7 billion in the supply chain for batteries,** which are essential to powering our economy with 24/7 clean, affordable, and resilient energy and

transportation options. This will include producing critical minerals, sourcing materials for manufacturing, and even recycling critical materials without new extraction/mining.

- **Provide an additional \$1.5 billion for clean hydrogen manufacturing and advancing recycling RD&D.**
- **Create a new \$750 million grant program to support advanced energy technology manufacturing projects in coal communities.**
- **Expands the authority of DOE's Loan Program Office (LPO) to invest in projects that increase the domestic supply of critical minerals and expand LPO programs that invest in manufacturing zero-carbon technologies for medium- and heavy-duty vehicles, trains, aircraft, and marine transportation. (We are seeing significant ramping up of capacity and personnel at the LPO to execute these programs.)**

In addition to the Infrastructure Law, President Biden is directing the federal government to use its purchasing power to drive clean energy policy as well. He issued an Executive Order in December directing the federal government to lead by example and leverage scale and procurement power of the United States to drive clean, healthy and resilient operations. The Executive Order is aimed at setting an example in tackling the climate crisis and commits the federal government to reducing emissions across federal operations, investing in American clean energy industries and manufacturing, and creating clean, healthy, and resilient communities.

The President's executive order directs the federal government to use its scale and procurement power to achieve five goals:

- 100 percent carbon pollution-free electricity (CFE) by 2030, at least half of which will be locally supplied clean energy to meet 24/7 demand;
- 100 percent zero-emission vehicle (ZEV) acquisitions by 2035, including 100 percent zero-emission light-duty vehicle acquisitions by 2027;
- Net-zero emissions from federal procurement no later than 2050, including a Buy Clean policy to promote use of construction materials with lower embodied emissions;
- A net-zero emissions building portfolio by 2045, including a 50 percent emissions reduction by 2032; and
- Net-zero emissions from overall federal operations by 2050, including a 65 percent emissions reduction by 2030.

The President also directed the federal government to orient its procurement and operations efforts in line with the following principles and goals:

- Achieving **climate resilient infrastructure** and operations;
- Building a **climate- and sustainability-focused workforce**;
- Advancing **environmental justice** and equity; and
- Prioritizing the **purchase of sustainable products**, such as products without added perfluoroalkyl or polyfluoroalkyl substances (PFAS).

So through this executive order, the federal government is attempting to transform its portfolio of 300,000 buildings, fleet of 600,000 cars and trucks, and annual purchasing power of \$650 billion in goods and services to:

- Transition federal infrastructure to zero-emission vehicles and buildings powered by carbon pollution-free electricity, which will reduce the federal government’s greenhouse gas emissions by 65 percent by 2030 and achieve net-zero emissions by 2050.
- Make federal agencies more adaptive and resilient to the impacts of climate change, and increase the sustainability of federal supply chains, achieving net-zero emissions from federal procurement by 2050.
- Mainstream sustainability within the federal workforce, advance equity and environmental justice, and leverage partnerships to accelerate progress.

And so there are many challenges and opportunities for addressing critical infrastructure, equity and resilience here in Chicago and throughout the Midwest and we are now seeing federal spending and priorities aimed at implementing strategies to address these challenges.

That leaves us with a number of questions and our great panel of discussion leaders are here to help us discuss these issues and to identify problem statements and solutions. And so, without further ado, it is my pleasure to bring up HG to introduce our speakers and kick off our collaborations. Please enjoy the meeting and stay involved for future programs as our collaborations continue.