

Brightfields Accelerator Funding Roadmap

How To Use This Roadmap

This roadmap is designed to help local governments and other non-profit site owners strategically prioritize funding and financing opportunities to develop brightfields – or clean energy on brownfields. In general, this roadmap fits into the following strategic planning process:



This roadmap first offers best practices to consider when seeking funding and building your brightfields funding stack as well as additional brightfields-specific considerations that may impact your funding strategy. The second part of the roadmap highlights **16** relevant resources to support brightfields projects. To ease your search, this roadmap organizes brightfields funding into the following categories:



Note: Funding for other reuses and updated deadlines can be explored using the AFFORD tool.

Best Practices When Seeking Funding:

- Proactively build relationships with utilities, decision-makers, and other key stakeholders.
- Co-create funding applications, as appropriate, with frontline and disadvantaged communities (as described below in the Biden Administration's Justice40 Executive Order).
- Quantify <u>all</u> co-benefits (including savings and possible ROI) wherever possible; include these in funding requests.
- Consider <u>all</u> available resources and how they can complement each other. Learn more about stacking and leveraging resources <u>here</u>.
- Celebrate wins with project partners, community organizations, funders, elected leaders, and other stakeholders to lay the groundwork for future requests.

Best Practices for Building Your Brightfields Funding "Stack"

- Start with tax credits, which for the most part, are guaranteed sources of funding. For example, the Investment Tax Credit can provide *up to* 70% tax credit for qualified clean energy projects. This can be used for clean energy reuse or energy storage portion of brightfields projects.
 - Note: Tax-exempt entities can now own the project and claim clean energy tax credits now with <u>direct pay</u>.
- Use grants and/or loans to fund what the tax credits do not cover. Grants and loans can be used may be available from federal, state, regional, and private entities.
- Leverage available technical assistance. Technical assistance, like RMI's Brightfields Accelerator and KSU's Technical Assistance to Brownfields, can help reduce the costs of planning, site screening, and procurement.
- A stacking strategy is focused on paying for the *upfront costs* of your project. Remember to account for lifetime energy savings as well as operational costs to understand the complete financial picture.



Funding-Specific Considerations for Brightfields Projects:

- The location of your site:
 - Is it located in an area that qualifies for the 10% low-income or energy communities bonus adders application? <u>Find out here.</u>
- The energy generation capacity (aka size) of your project:
 - Is it large enough to host utility-scale solar (typically 1 megawatt (MW) or greater)?
 - Is it small enough to be under 5 MW of solar capacity? Projects under 5 MW may qualify for the <u>Investment Tax Credit's low-income bonus adder</u>.
 - Is your project expected to be under 1 MW in capacity? Projects under 1 MW do not have to meet federal domestic content, prevailing wage, and apprenticeship requirements.
- The regulations of your state and utility:
 - Does your state or utility allow for community solar? If yes, your project could be eligible for an additional 20% tax credit bonus.
 - Does your state or utility territory allow for your local government or organization to own the asset? If so, are you consuming all the power generated or will you need to sell the power generated to others? Are you allowed to sell power in your market?
 - If the answer to these questions is *favorable* for you to own the energy asset, then pursue funding and financing that supports an ownership model.
 - If the answer is *not favorable* for you to own the energy asset, then you will either want to discuss your options with your utility or see if your state or utility allow for third-party contracts (i.e. a power purchase agreement or lease).
 - Learn more about your market and regulatory options by state <u>here</u>.

Supporting Resources

What resources are available to help us refine our funding plan?

- America's Federal Funding Opportunities and Resources for Decarbonization¹
- <u>City Renewables Accelerator Funding Guidance</u>

How can I consider equity and environmental justice in my brightfields project?²

- <u>CEQ Climate and Economic Justice Screening Tool (CEJST)</u>
- EPA Environmental Justice Mapping and Screening Tool (EJScreen)
- DOE Low-Income Energy Affordability Data (LEAD) Tool
- <u>City Renewables Accelerator Community Solar Procurement Guidance</u>
- RMI Turning Trash Into Treasure

¹ Most deadlines in the <u>AFFORD tool</u> and charts below recur annually, though exact dates may vary. Deadlines listed as 'expected' reflect recent timeframes that should be considered when planning future applications. Applicants should review program websites or <u>the AFFORD tool</u> (updated quarterly) for the latest information. ² Funders – especially federal agencies – may advise using specific tools. Follow agency requirements accordingly.

Relevant Resources for Brightfields Planning

Program	Purpose	Funding & Match	Due Date	Considerations
US EPA: <u>Brownfields</u> <u>Assessment Grants</u>	To evaluate sites that may need cleanup from prior use. This may include community-wide assessments for multiple sites, site-specific grants, and/or assessment coalition grants to help multi- jurisdictional entities assess sites across communities.	 Competitive grant program No match required Grant size varies based on assessment grant; up to \$500k for community wide grants; up to \$1.5M for assessment coalition grants 	 November 13, 2023, recurring annually in late Fall 	 There are three types of assessment grant. Review them <u>here</u>. This program targets communities historically affected by economic disinvestment, health disparities, and environmental contamination.
US EPA: <u>Brownfields</u> <u>Multipurpose</u> <u>Grants</u>	To develop brownfield site inventories, prioritize sites, engage local stakeholders, conduct assessments, develop cleanup/reuse plans, conduct cleanup activities, and develop revitalization plans.	 Competitive grant program \$20M available in FY24 \$1M max per award No match required 	 November 13, 2023, recurring every 2 years (unlike other EPA brownfield grant programs) 	 EPA requests that, if applicable, the applicant describe how reuse of the priority site(s) will involve renewable energy.
US EDA: Economic Adjustment Assistance (EAA)	To help communities experiencing or anticipating economic dislocations to plan and implement specific solutions to leverage their existing regional economic advantages to support economic development and job creation.	 Competitive grant program \$39.5M available in 2023 Awards between \$150K- 2.5M (average \$650K) 20-50% match depending on local unemployment and area median income 	 Rolling; early application recommended 	 Flexible funds may be used to train a clean energy workforce, promote clean energy economies, and establish long-term revolving loan funds. Build or leverage existing relationships with your <u>EDA regional representative</u>. Applicants defined by the coal economy or nuclear closures and negatively impacted regionally should specifically consider the EAA programs for <u>coal</u> and <u>nuclear closure</u> communities.

US EPA: <u>Brownfields</u> <u>Cleanup Grants</u>	To clean up one or multiple brownfield sites contaminated by hazardous substances, pollutants, contaminants, and/or petroleum.	 Competitive grant program \$55M No match required \$500k-\$5M max grant size 	 November 13, 2023, recurring annually in late Fall 	 National program priorities tend to change each year. Review the latest to tailor projects appropriately.
US EPA: <u>Brownfields</u> <u>Revolving Loan Fund</u> (<u>RLF</u>)	To capitalize revolving loan fund programs which provide no-interest and low- interest loans and subgrants to clean up and remediate sites; to cover other programmatic costs necessary to manage loan funds.	 Competitive grant program to establish revolving loan programs \$10M available in FY22, only supplemental funding available for FY24 No match required 	 Supplemental funding application will be posted February 2024 	 Revolving loan funds can generate income from loan repayments and sustain programs over time. Consider regional partnerships to share financial, administrative, and marketing burdens.
US EPA: <u>Superfund</u> <u>Technical Assistance</u> <u>Grant Program</u> (TAG) (TAG)	To clean up the nation's most contaminated lands, support healthy communities, and strengthen environmental protection through a variety of technical assistance resources and tools.	 Competitive grant program Approx. \$1.2B available in FY23 No match required Initial funding of \$50,000, opportunity for more at a later point 	 Rolling 	 Sites must be on the <u>National Priorities</u> <u>List (NPL)</u> to qualify. Applicants are urged to read more about the process <u>here.</u>
US EPA: <u>Brownfields</u> Job Training (JT) Grants	To fund brownfields programs that recruit, train, and place local unemployed/ under- employed residents with the skills needed to secure full- time employment in the environmental field.	 Competitive grant program \$12M available in FY23 24 awards anticipated No match required 	 August 2, 2023, recurring annually 	 This program is designed to (a) recruit, train and place unemployed or underemployed residents from communities impacted by brownfields, (b) further environmental justice by ensuring that residents benefit from the cleanup of brownfields, (c) help workforce develop skills for larger environmental field.

Relevant Resources for Brightfields Implementation

Program	Purpose	Funding & Match	Due Date	Considerations
US IRS: <u>Investment</u> <u>Tax Credit (ITC)</u>	To provide a tax credit for facilities that generate clean electricity. To provide a tax credit for	 30% base credit through 2032, if prevailing wage and apprenticeship requirements are met or project is less than 1 MW in capacity Up to an additional 40% in stackable <u>bonus credit</u> <u>"adders"</u> for projects with domestic content, on eligible brownfields, and/or in target communities 2.75 cents/kWh, inflation 	 Claimed on taxes the year the project is complete Claimed on taxes 	 The ITC is available to non-taxpaying entities as a <u>direct payment or through a 3rd party arrangement.</u> Credits are fully transferrable. Various technologies eligible for the ITC, including but not limited to solar, wind, geothermal, battery storage. The PTC is available to non-taxpaying
Tax Credit (PTC)	the production of clean electricity.	 2.75 cents/kwn, innation adjusted Up to an additional 40% in stackable <u>bonus credit</u> <u>"adders"</u> for projects with domestic content, on eligible brownfields, and/or in target communities 	annually based on production over a 10-year period	 The PTC is available to hon-taxpaying entities as a <u>direct payment or through a 3rd party arrangement.</u> The PTC is only available on solar, wind, geothermal, and closed loop biomass. Note: Entities cannot claim both ITC and PTC. Typically, developer or utility will make that decision, but in some cases where local governments, institutions, and other non-profits may need to decide, consult a tax expert for most updated guidance.
US DOE: <u>Clean Energy</u> <u>Demonstration</u> <u>Program on Mine Land</u>	To demonstrate the technical and economic viability of clean energy projects on current and former mines.	 Competitive grant program \$450M available in total 5 awards anticipated 50% cost share required 	• May 11, 2023	 Brightfields can reuse mine land in communities trying to generate clean energy and transition workers to the new energy economy.

US EPA: <u>Climate</u> <u>Pollution Reduction</u> <u>Grants -</u> <u>Implementation</u> () () () () () () () () () ()	To implement GHG reduction programs, policies, projects, and measures identified in a Priority Climate Action Plan (PCAP) developed under a CPRG planning grant.	 Competitive grant program \$4.3B available Awards will be \$2M-\$500M 	 April 1, 2024 (one-time, not recurring) 	 Grants are awarded through entities that received planning grants. Grants can support a wide array of activities like site restoration and development of community-scale renewable energy generation.
US EPA: <u>Community</u> <u>Change Grants</u> <u>Program</u>	To support partnerships of community-based organizations to implement pollution reduction, workforce development, and community engagement projects.	 Competitive grant program \$2B will be awarded Most awards will be \$10-20 million; a limited number of smaller awards \$1-3 million 	 November 21, 2024 Applications will be reviewed on a rolling basis 	 Grants could support a wide array of brightfields projects in communities disproportionately impacted by climate change, pollution, and environmental issues.
US Congress: <u>Congressionally-</u> <u>Directed Spending</u>	To support a broad array of infrastructure and community development projects that meet local and regional needs.	 Congressional program similar to earmarks Approx. \$3B was available for FY23 Local matches/leveraged resources are encouraged 	 Expected April of each year 	 Applications must have community support to be considered. To apply, you must have your representative bring the funding request to Congress, to be considered under an eligible account. See <u>eligible accounts here</u>, but note that priorities and eligibility requirements may change annually, especially if there's a new Congress. See additional suggestions <u>here</u>.

US EPA: <u>Greenhouse</u> <u>Gas Reduction Fund</u>	To mobilize financing and private capital to combat the climate crisis by funding green banks to fund greenhouse gas reduction projects.	 Loan program \$27 billion available in total, distributed across the country to flow through forthcoming green lending programs 	 Money expected to flow Summer 2025 	 Funding from non-profit financing entities will be available for a wide range of projects that reduce greenhouse gas emissions and benefit low-income communities. The loans can serve as bridge financing for receiving a grant or tax credit.
US DOE: Energy Infrastructure Reinvestment Program (EIR)	To provide low-interest loans to help retool, repurpose, or replace defunct fossil fuel infrastructure and/or avoid, reduce, utilize, or sequester emissions. While there is no minimum, loans are typically for projects seeking \$100M or more.	 Loan program \$250B available in financing through FY26 No match required 	■ Rolling	 This funding can develop brightfields on sites that previously housed energy infrastructure – a powerful incentive for coal communities. EIR can be used for a wide range of projects including but not limited to refinancing a retiring coal plant's remaining balance, replacing with clean energy, environmental remediation, and site redevelopment that spur local economic opportunities. Read more about EIR here.
US EPA: <u>Transmissions Siting</u> <u>and Economic</u> <u>Development</u> <u>Grants Program</u> <u>Grants Program</u> <u>CD</u>	To ensure the timely siting and construction of new or upgraded interstate or offshore electric transmission facilities while providing economic benefits to impacted communities.	 Competitive grant program \$750 million available 5-50% required in matching 	■ August 2024	 Funding can be used to help with permitting, including staff time, coordinating with other states and Tribes, and engagement/education. Funding can be used for economic development activities that benefit communities impacted by the covered transmission project, including energy storage, EV charging, job training, affordable housing, community facilities, green spaces, and more.