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On

Investing in Native communities: Transformative Opportunities in the Infrastructure

Investment and Jobs Act

Good afternoon, Chairman Schatz, Vice Chairman Murkowski, Senator Smith, and Members of the Committee. My name is Jeremiah Baumann, and it is my honor and privilege to serve at the Department of Energy (DOE or the Department), as the Chief of Staff for the Office of Infrastructure. The Department of Energy is responsible for upholding our trust responsibilities to federally-recognized tribes, and we are also directed by the President to uplift and meaningfully engage overlooked and marginalized communities to ensure the new clean energy future holds the same promise for everyone in the United States, including Tribal Nations and Native communities.

Thank you for the opportunity to testify today. I am pleased to be able to highlight the work that the Department of Energy carries out related to opportunities provided through the Infrastructure Investment and Jobs Act (IIJA also known as the Bipartisan Infrastructure Law (BIL)) and specifically investments in Native communities.

In support of IIJA, in February, DOE in February announced a realignment to ensure the Department has the structure needed to effectively implement the clean energy investment in President Biden's Bipartisan Infrastructure Law (or BIL) and the Energy Act of 2020, which includes over \$60 billion primarily for major clean energy demonstration programs and more than triples DOE's annual funding for energy programs.

Further, to embed equity into the way DOE does business and support the President's efforts to build a better America, the Department released a Roadmap to Equity. The Roadmap set five strategic equity goals as the foundation for helping us create a more inclusive, diverse environment for American communities, including Tribal Nations. The goals of this Roadmap include (1) addressing gaps in data collection to facilitate data-informed decision-making; (2) increasing opportunities for new applicants to DOE funding opportunities; and (3) increasing participation in DOE research and development and financial assistance programs.

Investing in Native Communities

The IIJA (or BIL) positions DOE to support American communities, including Tribal Nations and Native communities, to upgrade and modernize infrastructure to build the clean energy

economy that our Nation needs, to address climate change, and longstanding inequities in our energy system and our economy, and to move towards energy and environmental justice. The Bipartisan Infrastructure Law makes a historic investment in infrastructure—more than \$62 billion for DOE to deliver a more equitable clean energy future—and the Department aims to use these funds to help address a range of critical energy issues in Indian Country, including the unacceptable fact that many in Indian Country still don't have access to reliable, affordable electricity.

Congress made funds available specifically to Indian tribes for energy efficiency and conservation, clean energy projects, and preventing outages and enhancing resilience of the electric grid. This historic investment in clean energy demonstration projects will create jobs and economic opportunity for all Americans, including American Indian and Alaska Native communities.

To maximize the benefits of BIL, including its benefits for Indian country, the Secretary implemented a historic realignment of the Department's organizational structure. DOE's energy programs have historically been approximately 80% focused on relatively early-stage research and development. By contrast, the programs authorized in the Energy Act of 2020 and the IJA are more than 90% focused on later stage demonstration projects, to commercialize new technologies, and deployment work, to help communities and the private sector widely and rapidly adopt clean energy technologies. To this end, the Secretary created a new Under Secretary for Infrastructure and instead of being organized around technology type, it is organized by demonstration or deployment strategy. The Office of Indian Energy Policies and Programs is overseen by that Office, alongside a new Office of State and Community Energy Programs, so that both teams can work together as the Department further develops its capacity to help local communities with clean energy deployment. These offices compliment the activities of the Loan Programs Office, as well as offices that focus on modernizing the grid, building manufacturing and energy supply chains, and constructing clean energy demonstration projects.

There are a number of provisions within the IJA specifically for tribes and Native communities. These were detailed during the Secretary of Energy's March 29th consultation with Tribal Leaders across the country.

Provisions with specific allocations for Tribal Nations include:

- Energy Efficiency and Conservation Block Grants – a formula program that will allocate \$550 million to Indian tribes, states and local governments. The funds can be used for a range of clean energy purposes.
- Weatherization Assistance Program - This existing DOE program will provide \$3.5 billion to improve home energy efficiency for low-income families, reduce energy costs, improve household comfort and safety, and cut pollution. The funding flows through states or to Tribal Nations to provide to weatherization services to low-income families.
- Programs to upgrade the electrical grid—
 - One of these – Preventing Outages and Enhancing the Resilience of the Grid – allocates \$2.5 billion by formula to states and Indian tribes. These funds are primarily for increasing the grid's resilience and hardening the grid to natural disasters, using among other things, micro-grids and distributed energy resources.

Many American Indian and Alaska Native communities have expressed interest in micro-grids and distributed energy resources.

- The Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency is a competitive grant program that will offer \$5 billion to states, Indian tribes, and others, for a broader range of projects to upgrade and modernize transmission systems.

In addition, tribes can apply to a wide range of programs offering investment in various new energy technologies, ranging from hydrogen hubs to advanced battery manufacturing to long-duration energy storage demonstrations. Several of these programs may be of particular interest to tribes and Native communities in rural areas or those who have a legacy of mining, fossil energy production, or other industrial activity.

Other provisions under BIL which may be of interest to Tribal Nations and Native communities, include:

- The Energy Improvement in Rural and Remote Areas program provides \$1 billion to carry out activities to improve the resilience, safety, reliability, and availability of energy and to provide environmental protection from adverse impacts of energy generation in rural and remote communities with populations of 10,000 or less. Eligible projects may include: (a) constructing cost-effective energy generation, transmission, or distribution systems; (b) siting or upgrading transmission and distribution lines; (c) reducing greenhouse gas emissions from energy generation in rural or remote areas; (d) providing or modernizing electric generation facilities; (e) developing microgrids; and (f) increasing energy efficiency. DOE anticipates emphasizing energy reliability and resiliency for the funding, and will conduct stakeholder engagement over the next few months to inform the structure of the program.
- The Clean Energy on Mine Lands program: The \$500M in funding associated with this BIL effort will lead to the deployment of up to five clean energy projects on lands subject to mining. The projects will provide an opportunity for mining communities to benefit from the next generation of energy development. DOE is currently in the research stage, with community level stakeholder engagement planned to start this summer, a technical assistance and grant program to commence in the fall, and solicitations for demonstration projects in mid-2023.
- The Advanced Energy Manufacturing and Recycling grants program will offer \$750 million in communities where coal mines or coal power plants have closed to help build new or retrofit existing small or medium-sized manufacturing or industrial facilities. These facilities are envisioned to produce or recycle clean energy products or to reduce carbon emissions from industrial facilities.
- The Battery Materials Processing grant program and a Rare Earth Elements Demonstration Facility effort will invest in processing critical minerals and elements needed for the clean energy supply chain, and will solicit projects to acquire those minerals and elements from acid mine drainage, mine waste, or other deleterious materials. These efforts will offer the opportunity to create new industrial jobs and build

a domestic clean energy supply chain in the course of cleaning up and restoring these waste sites where it is much needed.

In addition to opportunities through BIL, the Department has been supporting Indian tribes and Native communities through the Office of Indian Energy Policy and Programs. Since 2010, the Office of Indian Energy Policy and Programs has invested over \$114 million in more than 200 tribal energy projects, making tangible benefits in many Native communities. These investments have resulted in more than 43 MW of new generation, and more than 10 MWh of new battery storage, providing electricity to over 8,600 tribal buildings across the Nation. These investments have saved over \$13.7 million annually and are estimated to save over \$295 million over the life of these systems, resulting in \$3.46 saved for every DOE dollar invested.

Because we are here in the great state of Minnesota, I will highlight that the following Minnesota Tribes have received financial assistance from the Office of Indian Energy Policy and Programs: (1) Leech Lake Band of Ojibwe, (2) White Earth Nation (2 awards), and (3) Lower Sioux Community. Additionally, in March, Leech Lake Band of Ojibwe was selected for an award to install 534 kilowatts of solar photovoltaic to power nine existing and to be constructed tribal buildings, estimated to save the Tribe over \$2.5 million over the life of the systems.

In May we announced two upcoming funding opportunities, one to deploy energy infrastructure on tribal lands and one to power unelectrified tribal homes and buildings.

For larger scale projects, the [Tribal Energy Loan Guarantee Program \(TELGP\)](#) under DOE's Loan Programs Office is authorized to provide up to \$2 billion total in partial loan guarantees to support economic opportunities for American Indian and Alaska Native communities through energy development projects. The Department is particularly pleased to report that for Fiscal Year 2022, Congress provided the DOE's Loan Programs Office the ability to offer direct loans through the U.S. Treasury's Federal Finance Bank for tribal energy development projects.

Conclusion

Across all of DOE's IJJA efforts, the Department will prioritize the President's commitment to create quality jobs and his commitment to environmental and energy justice. These infrastructure investments represent a historic opportunity to make sure communities that have faced disproportionate environmental, economic, or other impacts from past energy production activities or that face the loss of jobs or other economic benefits aren't left behind.

The realities and unmet needs that exist in Native communities are not congruent with the vast untapped energy resources that exist on Native lands. Tellingly, American Indian and Alaska Native communities' interest in developing these resources have increased in recent decades. Like many communities in the United States, Native communities are working towards strengthening their economies and increasing their well-being and accessible and reliable energy is foundational to achieving these goals.

At DOE, the President's commitments require applicants for most programs to engage with communities where their work will be located and to develop specific plans to address job

quality; diversity, equity, inclusion, and accessibility so that DOE can assess its progress toward meeting the President's Justice 40 commitments.

On behalf of the DOE, thank you again for the opportunity to testify before you today. I appreciate the ongoing bipartisan support for the development of energy resources in Native communities. We want to create more opportunity for dialogue about how tribes, Alaska Native Corporations, and Native communities can lead the way to a clean, secure, and reliable energy future.

I welcome your questions.