Advancing Economic Diversification in America's Energy Communities:

ENERGY COMMUNITIES IWG PROGRESS REPORT


Casper, Wyoming


Farmington, New Mexico


Pineville, Kentucky


Wheeling, West Virginia

DECEMBER 2024

Interagency Working Group on Coal & Power Plant Communities & Economic Revitalization

EnergyCommunities.gov

THE INTERAGENCY WORKING GROUP ON COAL AND POWER PLANT COMMUNITIES AND ECONOMIC REVITALIZATION

U.S. Department of Treasury

U.S. Department of the Interior

U.S. Department of Agriculture

U.S. Department of Commerce

U.S. Department of Labor

U.S. Department of Health and Human Services

U.S. Department of Transportation

U.S. Department of Energy

U.S. Department of Education

U.S. Environmental Protection Agency

Executive Office of the President

Appalachian Regional Commission

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EXECUTIVE SUMMARY

For generations, coal, oil and gas, and power plant manufacturing workers have powered our nation's economy and the American way of life. Over time, economic demand for these industries has changed, placing energy communities and workers in the midst of an economic transition. In the past decade, more than 1,700 coal mines and nearly 500 coal-fired power plants have closed across the country. As a result, driving economic investments to energy communities has become an important mechanism for catalyzing economic revitalization, creating good-paying jobs for American workers, and strengthening our nation's competitiveness in a global economy.

The Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization *(Energy Communities IWG)*, a collaboration of 11 federal agencies, coordinates a whole-of-government effort to incentivize private investment, create good-paying jobs and spur economic revitalization in the hardest hit energy communities across the country. For decades, many energy communities have suffered due to economic shifts in the coal industry resulting in the loss of tax revenue, declining opportunities for family-sustaining jobs, infrastructure challenges and lack of resources. For energy communities not yet impacted by the transition, the Energy Communities IWG is also committed to engaging in proactive planning and identifying resources for economic diversification to mitigate future economic downturn. To best support these communities, the Energy Communities IWG's approach has been focused on addressing capacity challenges at the local level, increasing public and private sector investments, and building partnerships that enable long-term economic resilience for both communities and workers.

The Energy Communities IWG's approach has been supported by more than $54 billion in federal investments in the form of grants, loans and tax incentives to be awarded to support energy communities. Since 2021, these federal investments have catalyzed approximately $315 billion in private sector investments in energy communities across the country. Today, these investments in legacy pollution remediation, advanced infrastructure, capacity-building, greenhouse gas (GHG) emissions reduction and reductions in energy costs are building the framework for a stable economy and thriving communities.

Over the past three years, the Energy Communities IWG has engaged with nearly 13,000 local community stakeholders and Tribal organizations, including state and local governments, nonprofits, businesses, labor unions and economic development organizations. This engagement centers on addressing the unique challenges of each community by meeting them where they are in their economic transition. The Energy Communities IWG leverages our interagency partnerships to assist communities in accessing funding and resources available from partner agencies, making it easier for communities to navigate the federal process. Our commitment to supporting energy communities and workers laid the foundation for placing these communities on equal footing for attracting new industries to support local economies, drive increased revenue, and provide good-paying jobs for energy workers and their families. The impact of our coordinated approach, combined with historic economic investment, will be felt for generations to come.

While the Energy Communities IWG has made significant progress, there is more to be done to ensure that workers and communities are positioned to thrive. The Energy Communities IWG serves as an example of what can be accomplished through a whole-of-government approach that leverages resources across government agencies. This report outlines the Energy Communities IWG's ongoing efforts to address the unique stakeholder challenges and interagency initiatives to drive economic investment, build community capacity, and further decrease barriers impacting communities and workers.

I. ENERGY COMMUNITY FOCUS

Whole-of-Government Approach

The Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization (Energy Communities IWG) uses a nonpartisan, whole-of-government approach to ensure funding and assistance reach America's energy communities[1], with a goal of securing a strong economic future for generations to come. Engaging with energy communities, workers and elected officials across the political spectrum is crucial to achieving the Energy Communities IWG's mission of advancing efforts to position communities for long-term success.

The Energy Communities IWG is composed of 11 federal agencies working together to prioritize the needs of energy communities and workers. Energy communities face challenges that span multiple federal agencies that can result in obstacles related to navigating the full scope of federal funding opportunities available to support communities and workers. Aligning agency resources and programs ensures that energy communities are better positioned to fully use funding opportunities and leverage additional opportunities that can support economic prosperity.

"We can't have a conversation about climate without including the communities and workers. Providing opportunities for people to stay in their communities instead of leaving to find a job may be a radical idea considering the long arc of American public policy, but that's exactly what the Energy Communities Interagency Working Group is doing — and exactly what we should be doing."

Ali Zaidi, U.S. National Climate Advisor and Energy Communities IWG Co-Chair

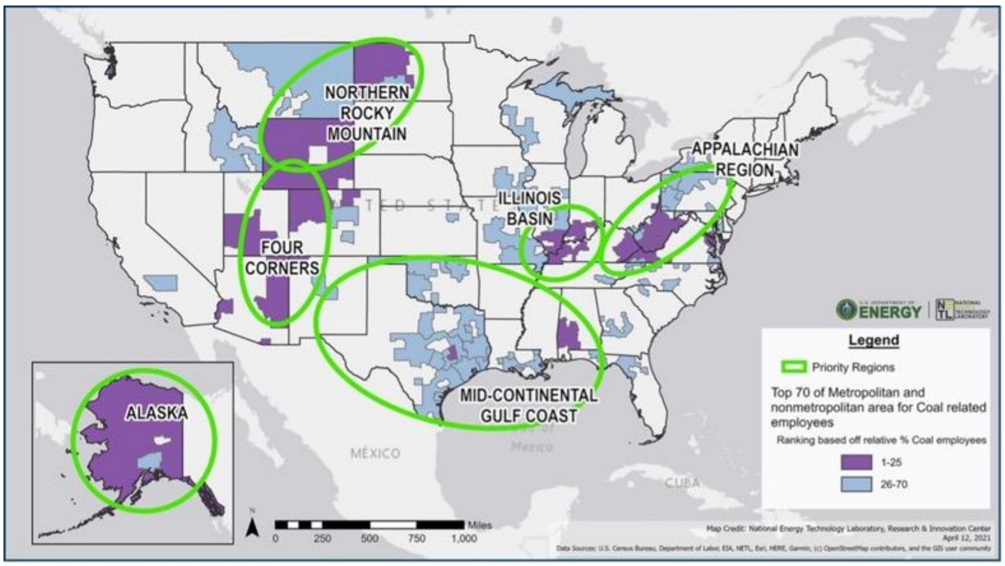
In addition to the 11 federal agencies that compose the interagency working group, the Energy Communities IWG works with other federal agencies to align resources and further strengthen our coordinated, whole-of-government approach to allocating resources to communities with the greatest needs. Through the *Waterways Freight Diversification and Economic Development Initiative*, the Energy Communities IWG has activated partnerships with the *U.S. Army Corps of Engineers* and the *Maritime Administration* to specifically address the economic diversification needs of communities along the Ohio, Allegheny and Monongahela rivers. The Energy Communities IWG will continue to identify opportunities to engage with *AmeriCorps*, the *Delta Regional Authority*, the *Denali Commission*, the *Federal Emergency Management Administration*, the *Small Business Administration*, and the *U.S. Department of Housing and Urban Development* as part of our efforts to reach more communities through a whole-of-government approach.

[1] See question 2 in the FAQs found here: https://energycommunities.gov/energy-community-tax-credit-bonus-faqs/

Federal Investments to Energy Communities

"We can't rest until every energy community feels the impact of our investments. We have to ensure communities are in the driver's seat, making the plans and being heard. That's hard work but it's work worth pursuing. The future we all imagine is possible and as long as we keep working together, I know we can turn that future into a reality."

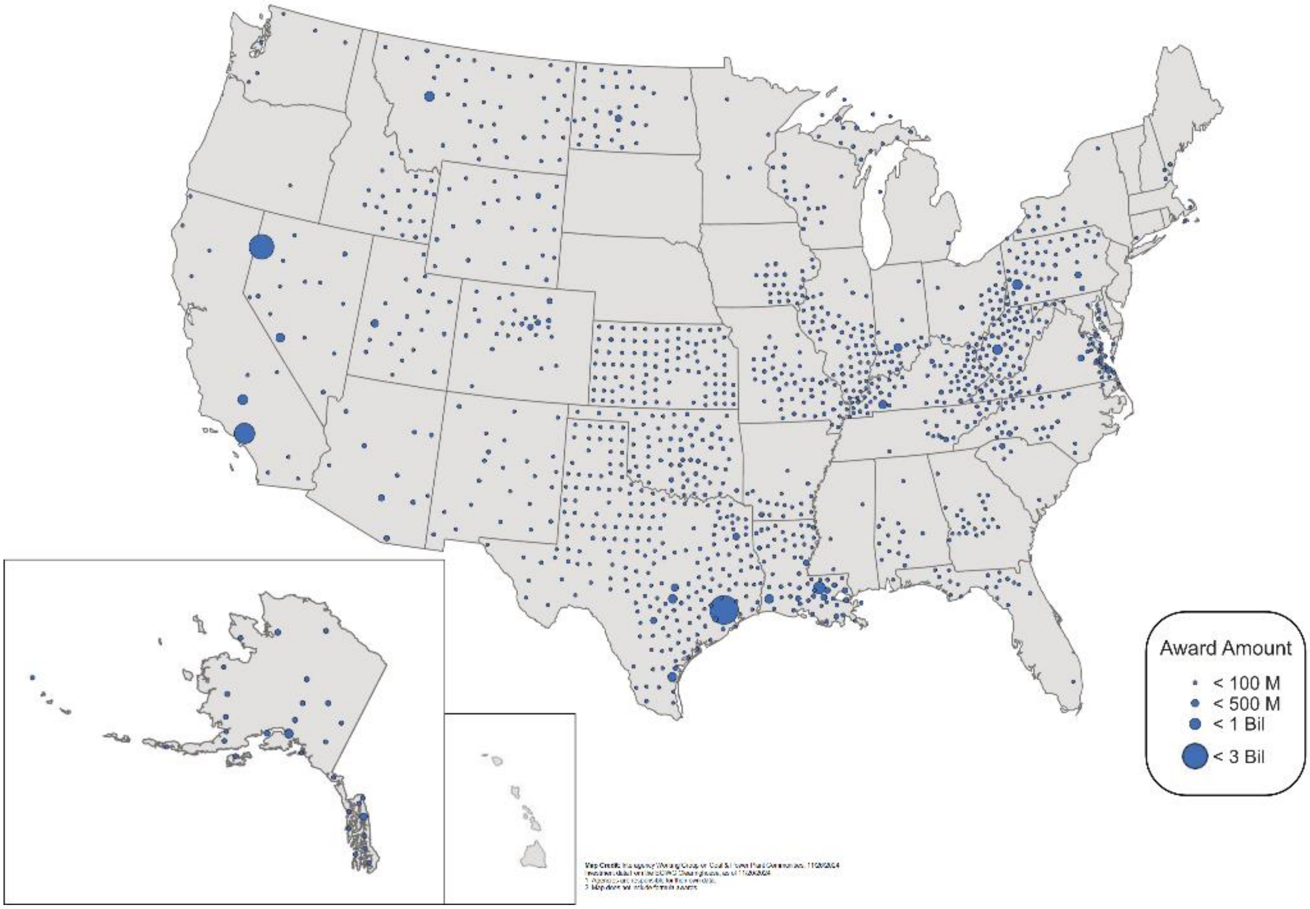
John Podesta, Senior Advisor to the President for Clean Energy Innovation and Implementation



The Energy Communities IWG has focused on directing federal and private sector investments to the communities with the highest concentrations of coal-dependent jobs. In the *Initial Report to the President*, the Energy Communities IWG *prioritized 25 communities* in need of immediate investment and engagement due to dependence on the coal industry for jobs for economic output, as determined by regional employment concentration in the coal industry. Many suffered a significant loss of coal mines and coal power plants over the past 15 years or more. Priority communities span the nation, including areas in Appalachia, the Illinois Coal Basin, the Four Corners region, the Northern Rocky Mountain region, Mid-Continental Gulf Coast and Alaska.

Since 2021, the Energy Communities IWG has worked in partnership with our interagency partners to catalyze community engagement and economic growth through the allocation of more than $54 billion in federal investment to our nation's energy communities. The *Infrastructure Investment and Jobs Act*, commonly referred to as the Bipartisan Infrastructure Law, and the *Inflation Reduction Act* directed billions of dollars in funding to support the economic growth and prosperity of America's energy communities. These once-in-a-generation investments in our nation's future are equipping energy communities with the resources to reinvest in retired energy assets, fund environmental cleanup and extraction of rare earth metals, improve transportation infrastructure, increase access to clean water, expand broadband, and train workers to adapt to changing technologies and retain good-paying jobs. Annual appropriations also play a critical role in supporting energy communities and workers. The efforts of the Energy Communities IWG rely in part on coordinating existing programs across federal agencies that provide resources to support economic development and job creation. These investments serve as the foundation for fostering economic development over the long term. The map below illustrates the distribution of awarded federal investments in energy communities across the country, and the tables reflect the breakdown of federal funding by focus area and federal agency.

Federal Investments



The federal investments were calculated by the Energy Communities IWG from publicly announced award selections from 2021 through 2024 and include grants, loans and other funding.[2,3]

2 Federal Investments were calculated by the Energy Communities IWG and added to the Clearinghouse database from FY2021 to FY2024.

3 Locations marked on the Federal Investments Map are aggregated to the county level and do not represent exact locations of project/award sites.

TOTAL FEDERAL INVESTMENTS SELECTED FOR ENERGY COMMUNITIES*

BY FOCUS AREA

	Award Amount ($M)**			
Focus Area	**Grants**	**Loans**	**Formula**	**Other**
Economic Development	$2,989	$4,882	$1	-
Education and Workforce Development	$356	-	-	-
Efficiency and Weatherization	$90	-	-	$269
Energy Infrastructure	$12,547	$4,067	-	$52
Environmental Cleanup	$4,857	-	$1,186	-
Health and Safety	$424	-	-	-
Housing	-	$1,587	-	-
Low-Income Assistance	$73	-	-	-
Other Infrastructure	$1,423	$15,081	$8	-
Technical Assistance and Strategy and Planning	$53	-	-	$5
Telecommunications / Broadband	$867	-	$476	-
Transportation Infrastructure	$2,694	-	-	-
Other	$15	-	-	-
Total Investments	**$26,387**	**$25,617**	**$1,670**	**$325**
Grand Total Investments	**$54,000**			

* Federal investments were calculated by the Energy Communities IWG from FY2021 to FY2024 from a variety of publicly available sources, as well as from data calls to member agencies and verified by partner agencies. This data is valid as of December 2024.

** Investments are rounded to the nearest million.

TOTAL FEDERAL INVESTMENTS IN ENERGY COMMUNITIES*

BY FEDERAL AGENCY

	Award Amount ($M)**			
Federal Agency	**Grants**	**Loans**	**Formula**	**Other**
Appalachian Regional Commission	$298	-	-	-
Federal Communications Commission	$867	-	$476	-
U.S. Department of Agriculture	$754	$21,550	-	$ 324
U.S. Department of Commerce	$2,202	-	$8	-
U.S. Department of Energy	$16,291	$4,067	-	$1
U.S. Department of Health and Human Services	$115	-	-	-
U.S. Department of Labor	$124	-	$1	-
U.S. Department of the Interior	$1,587	-	$1,186	-
U.S. Department of Transportation	$2,606	-	-	-
U.S. Environmental Protection Agency	$1,543	-	-	-
Total Investments	**$26,387**	**$25,617**	**$1,670**	**$325**
Grand Total Investments	**$54,000**			

* Federal investments were calculated by the Energy Communities IWG from FY2021 to FY2024 from a variety of publicly available sources, as well as from data calls to member agencies and verified by partner agencies. This data is valid as of December 2024.

** Investments are rounded to the nearest million.

Energy Community Spotlight

Expanding Local Businesses in Hayden, Colorado

The town of Hayden, Colorado, received *$5.2 million* from the U.S. Economic Development Administration (EDA) to build a regional industrial park to retain and expand local businesses in anticipation of the announced closure of the Hayden Station coal-fired power plant. The business park includes 120 acres with 23 lots and provides local businesses with the opportunity to expand their footprint across the region. The project is matched by more than $700,000 in local and state funding and is estimated to produce nearly 80 jobs and approximately $12 million in private investment.

Aerial view of Hayden regional industrial park and surrounding area. Image sourced from Haydencolorado.com.

To address the capacity-building challenges many energy communities face, EDA launched the *Economic Recovery Corps*, a connected network of 65 fellows trained to help mitigate the resource gap between planning and implementation. The network is designed to boost the capacity of energy communities to implement locally driven economic development strategies. Through a $30 million cooperative agreement, the fellows work with local community members to develop and execute regional economic development plans to advance projects related to ecotourism, agriculture, affordable housing, business attraction and more. Energy communities in the regions of Appalachia, Alaska, the Four Corners and Northern Rocky Mountains are receiving support from the Economic Recovery Corps.

Business diversification and growth are key to advancing an energy community's economic success and overall livelihood. If a community loses an industry it has long depended on, and other businesses do not exist to offer jobs to displaced workers, people will often leave their communities in search of other work. The U.S. Department of the Treasury's (Treasury) *State Small Business Credit Initiative (SSBCI)* is a nearly $10 billion American Rescue Plan Act of 2021 (ARP) program to support small businesses and entrepreneurship in communities by providing capital and technical assistance to promote small business stability, growth and success. SSBCI provides funds to states, territories and Tribal governments to create tailored programs that offer funding to small businesses and entrepreneurs through equity and venture capital, loan participation, loan guarantee, collateral support and capital access programs.

Energy Community Spotlight

Enhancing Entrepreneurship in Southeast Utah

The counties of Carbon, Emery, Grant and San Juan in Southeast Utah have experienced higher unemployment and poverty rates than the rest of the state. For generations, these communities have relied on coal for economic growth, and the transition away from coal has led to increased unemployment and economic strain. The Southeastern Community Action Partnership (SCAP) is using $149,966 in Community Economic Development (CED) planning funds from the U.S. Department of Health and Human Services (HHS) to build administrative capacity and develop a fundable project in Southeast Utah. SCAP seeks to support economic development and entrepreneurship in rural Southeast Utah by developing reliable and affordable public transportation to eliminate employment barriers for low-income individuals. CED planning funds are being used to build administrative capacity. SCAP planning activities include convening core stakeholders, expanding relationships and coordinating with partners, analyzing transportation conditions and needs, and developing a project plan. This information will support the community's development of a CED project that addresses regional transportation needs and fosters economic development in rural Southeast Utah.

Energy Community Spotlight

Spurring Tech-Enabled Businesses in Western Kentucky

In the West Kentucky region — an area that has faced significant coal closures — federal resources are laying the foundation for new small business growth and innovation. Sprocket Paducah is a digital economic development nonprofit organization that helps grow tech-enabled businesses in Western Kentucky. Through the West Kentucky Innovation Challenge, made possible in part by the Rural Business Development Grants from the U.S. Department of Agriculture (USDA) Rural Development, Sprocket is providing resources and mentorship assistance to startups. The West Kentucky Innovation Challenge is an interactive online program designed to help entrepreneurs create a new tech-enabled business or expand an existing business using technology. Those who complete the program have the opportunity to pitch their business plan to a team of experts to potentially build and prototype their product.

Inside Sprocket building in Paducah. Image sourced from USDA Rural Development.

American Rescue Plan

The American Rescue Plan Act of 2021 (ARP) was signed into law to deliver relief to the American people and rescue the country's economy during the COVID-19 pandemic. The law also launched a dedicated federal effort to support energy communities and workers by allocating funding to several programs to provide resources and assistance to jumpstart economic and community revitalization.

Through the U.S. Department of Commerce's *Coal Communities Commitment*, $300 million of EDA's $3 billion ARP appropriation was designated to support coal communities with COVID-19 economic recovery, create new jobs and expand opportunities for local businesses ($200 million was designated to the Economic Adjustment Assistance program and $100 million to the Build Back Better Regional Challenge [BBBRC]). As a result of the robust demand for economic support, EDA significantly exceeded its $300 million commitment, allocating $551.8 million in ARP-appropriated funding to coal communities. With the support of ARP funding, EDA also launched the *Building Resilient Economies in Coal Communities (BRECC) Initiative* to help communities in coal-reliant regions enact locally driven development strategies to build diversified, resilient economies. Through peer learning, leadership training and technical assistance, local leaders can identify opportunities for diversification, creating economic growth and stability.

The ARP also provided $32 billion — the largest direct federal investment in American history — to support Tribal nations, many of which qualify as priority energy communities, including those located within the Four Corners region and Wyoming. As part of the ARP, the U.S. Department of the Interior (DOI) committed $900 million from the Bureau of Indian Affairs to provide direct aid payments and funding to Tribal governments to address concerns related to housing and potable water. Through EDA's Indigenous Communities program, ARP funding was allocated to support the needs of Tribal communities.

Energy Community Spotlight

Growing Employment Opportunities in West Virginia

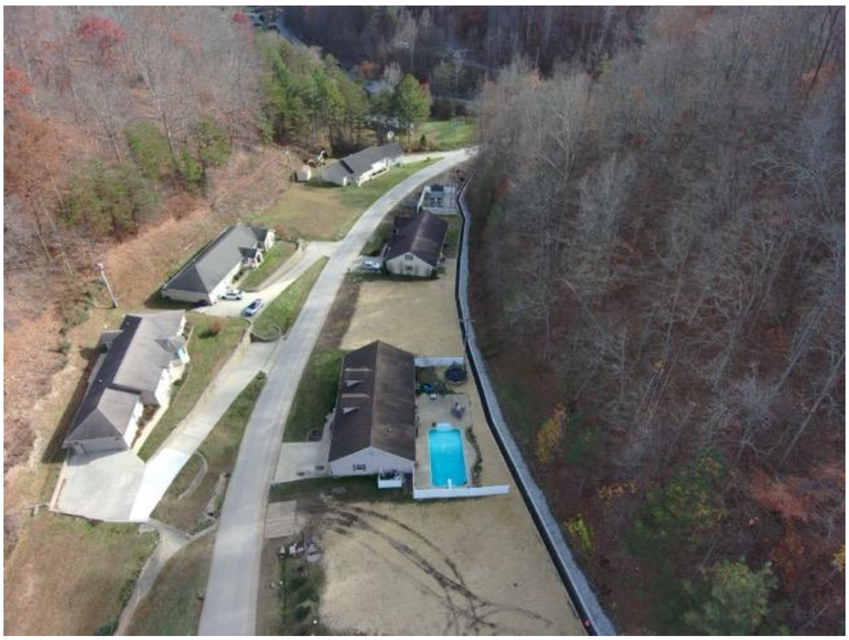
The *ACT Now Coalition*, led by Coalfield Development, is a collaboration among key West Virginia municipalities, economic revitalization organizations, leading academic institutions and private sector innovators dedicated to addressing job loss, economic challenges and disinvestment in the region's coal communities. Funded by a $62.8 million grant from the *EDA BBBRC*, as well as an additional $26 million match from nonfederal sources, ACT Now is focused on building a new economy for Southern West Virginia by supporting the transition from coal to solar energy, implementing redevelopment projects on retired energy facility sites and developing entrepreneurial programs to grow new employment. As a result of the ACT Now coalition, a former coal miner is taking the same skills he learned mining mountaintops and applying them to help install solar panels on those same mountaintops. The coalition will create 5,000 new direct full-time and 15,000 indirect jobs, create 125 new businesses, and leverage $250+ million in private sector investment in these climate technology sectors.

Workers in West Virginia. Image sourced from CBS News.

Bipartisan Infrastructure Law

The *Bipartisan Infrastructure Law* invests more than $100 billion into federal programs that have the potential to directly benefit energy communities and workers. These historic investments present energy communities with a multitude of opportunities to renew infrastructure, diversify supply chains and create millions of good-paying jobs. Funds were provided to the *U.S. Department of Transportation* (DOT), the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Commerce's *National Telecommunications and information Administration (NTIA)* for traditional infrastructure improvements like road, rail, ports, airports, water, sewer and broadband — infrastructure needed in energy communities to support economic development. Energy communities in rural areas are leveraging these funds for a variety of infrastructure improvements, including repairing aging bridges and expanding roadway access. These investments serve as a mechanism for expanding access to rural communities, creating local jobs, and setting the foundation for attracting new investment into energy communities that are faced with the challenge of aging infrastructure.

The Bipartisan Infrastructure Law also provided funds to support environmental remediation of brownfields and mine lands. With a historic investment of $11.3 billion over 15 years to DOI's *Abandoned Mine Lands (AML)* program, communities are able to address legacy pollution caused by coal mining. The program prioritizes projects that employ current and former employees of the coal industry, helping to create a more seamless transition for energy workers. In Eastern Kentucky, Bipartisan Infrastructure Law AML funding is being utilized to address drainage issues and eliminate the threat of flooding in Johnson County. In addition to replacing and enhancing existing drainage structures, three open mine portals will also be closed, addressing public safety concerns. In the community of Bovard, Pennsylvania, Bipartisan Infrastructure Law AML funding is enabling the state to undertake its largest preventative coal reclamation project to date. An entire neighborhood in Bovard — roughly 100 homes — is prone to subsidence due to historic underground mine tunnels. Funding will correct current subsidence and prevent future collapse by using specialized concrete grout to fill and stabilize the ground underneath the neighborhood.



The Bobby Reid Drainage AML Reclamation Project in Johnson County, Kentucky. Image sourced from Kentucky Division of Abandoned Mine Lands.

Energy Community Spotlight

Advancing Animal Conservation on Reclaimed Mine Land in Ohio

The Wilds — a nonprofit animal conservation center in Cumberland, Ohio — sits on 10,000 acres of reclaimed mine land and is home to a new 59-acre recreational vehicle campground. The campground is funded by a *$2.1 million* Abandoned Mine Land Economic Revitalization (AMLER) grant, distributed by DOI's Office of Surface Mining Reclamation and Enforcement (OSMRE) and implemented by the Ohio Department of Natural Resources. The investment is anticipated to create 100 jobs, retain 25 jobs and generate $500,000 in private investments. The Wilds also received a *$2 million ARP* grant from EDA's *Travel, Tourism and Outdoor Recreation Program* to support tourist attraction.

Pere David's Deer, an animal extinct in the wild, at The Wilds.

EPA is implementing an additional $300 million in Bipartisan Infrastructure Law funding to transform polluted, vacant and abandoned properties into viable community assets. The Brownfields Multipurpose, Assessment, Revolving Loan Funds and Cleanup Grant Programs are prime examples of how the federal government assists states, Tribal nations, local governments and nonprofit organizations with the cleanup of polluted brownfield sites nationwide, helping to drive economic growth and revitalize overburdened communities.

Energy Community Spotlight

Hydrogen Hub Creation in Rural New Mexico

Prewitt, New Mexico, is a community in the Four Corners region that is home to a 640-acre vacant property with a long history of coal and uranium mining (the Prewitt Industrial Cluster Site). This project serves as a prime example of how communities are combining state and private funds to maximize their economic success. The New Mexico Environment Department utilized EPA Bipartisan Infrastructure Law Brownfield Program funds from their approximately $3 million 128(a) State and Tribal Grant to perform a Phase II environmental site assessment at the Prewitt property. This investment allowed the Northwest New Mexico Council of Governments to pursue a commercial lease with the State Land Office to create a hydrogen hub on the property, which will align with the New Mexico governor's executive order to implement measures to foster a hydrogen economy in the state.[4]

Illustration of Prewitt Industrial Park building. Image sourced from Prewitt Industrial Park.

[4] The overall hydrogen hub development was not funded by the U.S. Department of Energy (DOE).

The Bipartisan Infrastructure Law included $4.7 billion for orphaned oil and gas well plugging, site remediation, and restoration. Nearly $4.3 billion is available for cleaning up wells on state and private lands, $250 million for public lands and waters, and an additional $150 million dedicated to support cleanup efforts on Tribal lands. DOI awarded more than $700 million in program funding[5]. The *Orphaned Wells Program Office* published a *Story Map* highlighting the locations of the more than 6,000 orphaned wells plugged between October 1, 2022, and September 30, 2023. One story includes the Oil Conservation Division in Carlsbad, New Mexico, which had previously faced significant challenges plugging a well located between a housing development and an inhabited RV park due to its urban location and limited workspace. With the help of Bipartisan Infrastructure Law funding, the state of New Mexico is now partnering with a nonprofit to conduct professional methane testing and quantification services to determine methane levels and plug the well to eliminate the environmental impact on the community.

Billions of dollars for new grant programs at DOE to directly support new manufacturing investments that create jobs, diversify local economies and build resilient supply chains was also included in the Bipartisan Infrastructure Law. For example, the *Advanced Energy Manufacturing and Recycling Grants Program* provides grants to small- and medium-sized manufacturers for projects to build new or retrofit existing manufacturing and industrial facilities in communities where coal mines or coal power plants have closed. These facilities will produce or recycle advanced energy products or contribute to emissions reductions within the manufacturing sector while creating new jobs for the local communities. DOE's *Office of Manufacturing and Energy Supply Chains* (MESC) announced Round 2 of funding for the program in August 2024, resulting in nearly $430 million for 14 projects in coal communities across the country, boosting domestic manufacturing and strengthening clean energy supply chains.

Additionally, DOE's *Office of Clean Energy Demonstrations* is awarding *$500 million* in Bipartisan Infrastructure Law funding for clean energy demonstration projects on current and former mine lands. For example, in Nicholas County, West Virginia, two former coal mines will be repurposed for a *solar project* to power approximately 39,000 homes. The project signed a memorandum of understanding (MOU) with the West Virginia Building and Construction Trades to provide labor for this project. As part of its community benefits commitment, the project will establish a national Coal Transition Workforce Center enabling displaced workers to build skills needed to access good-paying energy jobs.

Revitalizing sites and bringing good jobs alone is not enough. Reliable, high-speed internet is vital to work, learn and compete in the 21st-century economy; however, many rural and remote energy communities still have limited access to the internet. The Bipartisan Infrastructure Law invested $65 billion in the *Internet for All program* to ensure that all Americans can access affordable, reliable, high-speed internet. This historic investment laid the groundwork for widespread access and affordability of broadband in all 50 states, creating new jobs and economic opportunities. The program also provides increased access to health care services, enriches students' educational experiences and improves overall quality of life for Americans, specifically those in rural, remote communities.

Inflation Reduction Act

The *Inflation Reduction Act* represents one of the most significant opportunities to improve the economic prospect of energy communities by creating incentives to encourage private sector investments in clean energy manufacturing and deployment. The Inflation Reduction Act includes numerous tax incentives to drive private investment into energy communities — attracting new industries, creating new local tax revenue, driving job growth and lowering energy costs. Energy communities are attractive options for private sector investment, as many already have a motivated, skilled workforce along with existing infrastructure, including shuttered power plants and mines, that can be reinvested in new industries.

For example, the *Energy Community Tax Credit Bonus* encourages developers and owners to deploy clean energy projects in energy communities. To receive increased tax incentives under the Inflation Reduction Act, awardees must also pay prevailing wages and utilize registered apprenticeships on clean energy projects, therefore incentivizing these private investments to create family-sustaining jobs. These tax incentives are designed to create good-paying jobs, lower energy costs for American families and bring new industries to communities.

The Qualifying Advanced Energy Project Credit (§ 48C) Program is another example of a tax incentive renewed

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[5] Not all of this funding is available to DOI to disperse at this time.

and expanded by the Inflation Reduction Act, and it includes a set aside of $4 billion for investments in energy communities. The first round of awards resulted in *$1.5 billion* for projects in *energy communities*, advancing our nation's commitment to investing in the communities that have powered America's economy. The Energy Communities IWG partnered with DOE's *MESC* and the *Treasury* to raise awareness about the benefits of investing in energy communities.

Left: § 48C event in Charleston, West Virginia. Right: § 48C event in Evansville, Indiana.

The Inflation Reduction Act also expands loan authorities — it expanded the *Title 17 Energy Infrastructure Reinvestment* (EIR) program to include certain state-supported projects and projects that reinvest in our nation's legacy energy infrastructure. These expanded requirements offer financial incentives to support investors involved with reducing GHG emissions and air pollution through clean energy deployment and energy infrastructure reinvestment projects. For example, in West Terre Haute, Indiana, Wabash Valley Resources received a conditional commitment for a loan guarantee of up to $1.559 billion from the EIR program. The loan guarantee is designed to help finance a commercial-scale waste-to-ammonia production facility using carbon capture and storage technology, creating 500 construction jobs and 125 operations jobs and boosting the regional economy. If the loan guarantee is finalized, Wabash Valley Resources will redevelop a former coal-fired power plant site near several closed coal mines, furthering the Energy Communities IWG's mission to spur new economic opportunities in communities that have helped power the nation for generations.

Designating funding to reduce pollution, lower energy costs and create jobs, particularly in low-income energy communities, is helping deliver on our commitment to provide a strong economic future for all Americans. The Inflation Reduction Act authorized EPA to implement the *Greenhouse Gas Reduction Fund* (GGRF), a historic $27 billion investment that mobilizes financing and private capital for GHG and air pollution-reducing projects while promoting energy independence. The GGRF funds are awarded through three competitions: $7 billion for *Solar for All*, $14 billion for the *National Clean Investment Fund* (NCIF), and $6 billion for the *Clean Communities Investment Accelerator* (CCIA). Nearly $20 billion in NCIF and CCIA funds are establishing a national clean financing network to support clean energy projects. Through a $500 million GGRF grant, the Green Bank for Rural America, a project of Appalachian Community Capital, will help energy communities leverage public and private capital to finance an estimated $1.6 billion into 2,000 new energy projects in Appalachia, creating 13,000 new jobs and reducing up to 850,000 tons of harmful pollution annually. The Green Bank for Rural America's comprehensive approach ensures that the benefits of the new economy are accessible to all.

The Inflation Reduction Act has also provided billions in funding for new grant programs, many of which are designed to particularly benefit energy communities. EPA's *Environmental and Climate Justice Community Change Grants Program* is investing $2 billion to help communities implement environmental initiatives. EPA's *Climate Pollution Reduction Grants* (CPRG) program is investing an additional $5 billion to reduce GHG emissions and other harmful air pollution through developing locally led priority climate action plans and funding for climate project implementation. For the Hopi Tribe, more than $20 million in CPRG funding will support the installation of a solar photovoltaic and battery electric storage system microgrid to provide renewable electricity to the Hopi Reservation, offsetting grid electricity use, reducing carbon emissions and enhancing energy sovereignty. Located in an Energy Communities IWG priority energy community, the project provides critical improvements to Arizona's aging electric power distribution network and helps activate the Hopi Utilities Corporation's workforce development plan.

Ensuring economic prosperity for energy communities also requires a commitment to removing barriers communities face when accessing federal funds. The White House Council on Native American Affairs (WHCNAA) established a collaborative of our interagency partners to execute a whole-of-government approach to supporting Tribal nations. Interagency partners are working together to leverage federal resources to expand access to federal funding and resources for Tribal communities. The Inflation Reduction Act provided $700 million to support investments in Tribal communities for climate resilience and adaptation programs, drought mitigation, home electrification and clean energy development.[6] With Inflation Reduction Act funding, DOI committed $150 million to help Tribal communities take a critical step toward electrifying homes with, or transitioning to, clean energy sources with the Bureau of Indian Affairs *Tribal Electrification Program*. This program provides financial and technical assistance to 23 Tribes and Tribal organizations, including energy communities in Alaska, Wyoming and the Four Corners region. Through EPA's CPRG program implementation grants, in addition to the Hopi Tribe grant, 31 other Tribal nations, one Tribal consortia and the Municipality of Saipan in the Commonwealth of the Northern Mariana Islands were selected as funding recipients to implement community-driven solutions to accelerate their economic transition. For example, the Southern Ute Indian Reservation in Southwest Colorado was selected to receive more than $4.9 million to implement a program to reduce emissions of methane and other harmful air pollutants from oil and gas sources.

The majority of energy communities are located in rural, remote regions of the country where access to clean water, broadband and health care may be a challenge. Some of these communities face disproportionate health challenges due to barriers such as lack of employment, local health care facilities or transportation. The HHS Catalytic Program helps safety-net health providers understand the opportunities created by the Inflation Reduction Act. Due to slim operating margins, these essential community assets often struggle to fund projects that can increase their overall resilience, like microgrids and renewable energy. Through informational resources aimed at *rural health care providers* and *Tribal health care providers*, as well as webinars and case studies, HHS is supporting health care facilities in energy communities as they seek to become more resilient and sustainable.

As communities diversify and reinvest in energy assets, USDA is playing an instrumental role in making clean, affordable and reliable energy accessible to rural energy communities across the country through the *Empowering Rural America* program and the *Powering Affordable Clean Energy* program. These Inflation Reduction Act programs represent the largest investment in rural electrification since President Franklin D. Roosevelt signed the *Rural Electrification Act of 1936*, aimed at strengthening the nation's energy independence by creating good-paying jobs, reducing air and water pollution, and enhancing the resilience of our nation's electric grid. Energy communities across Alaska, Appalachia, the Illinois Coal Basin, Upper Midwest, Texas and the Intermountain West are using investments from these programs to deploy renewable energy technologies that support the growth of local economies, and in some cases reduce the impacts of coal facility closures, by providing additional sources of jobs and tax revenue.

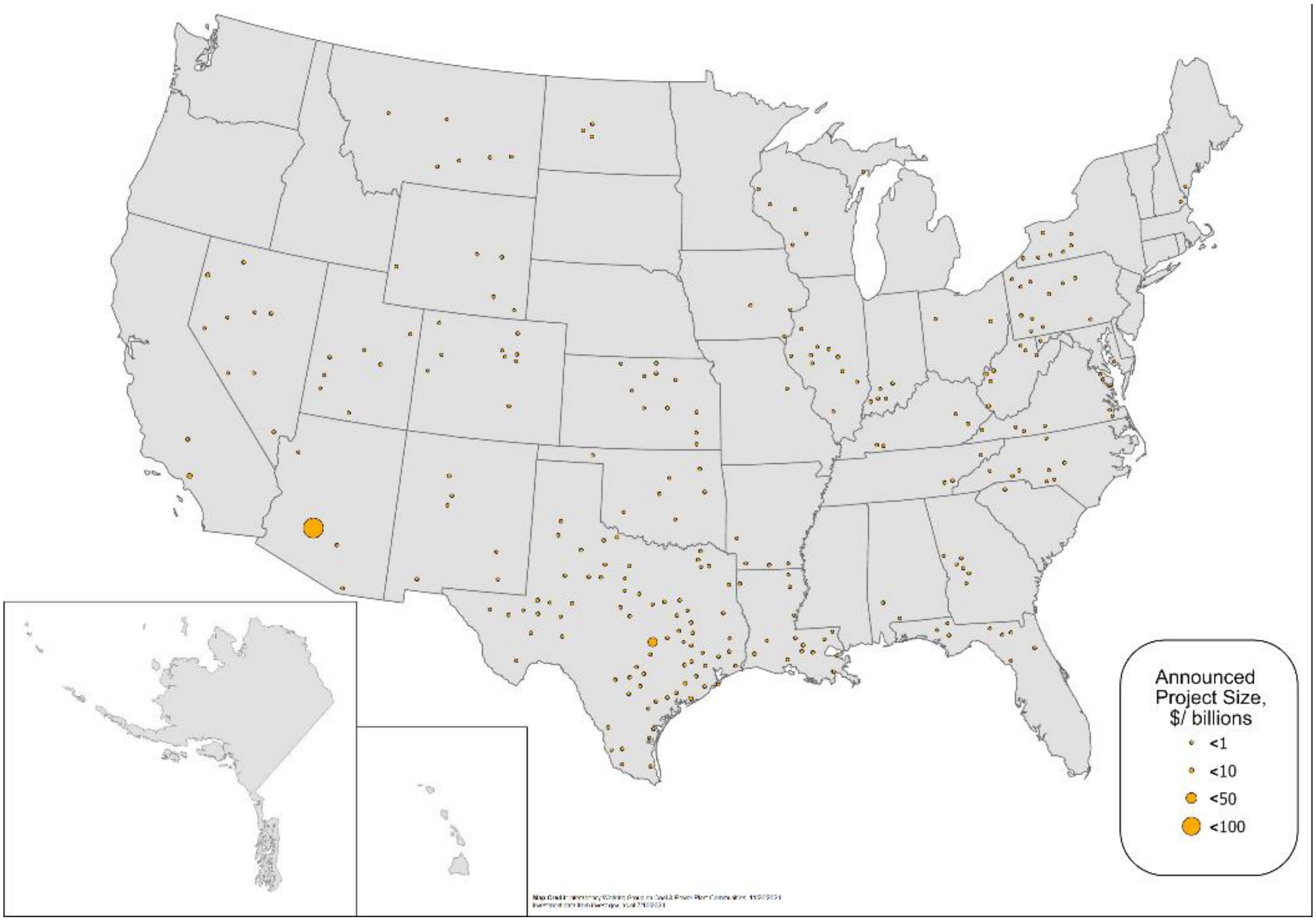
Energy Community Spotlight

Creating More Resilient Economies in Wyoming Through Solar Power

Bonneville Environmental Foundation (BEF) is a national nonprofit dedicated to creating entrepreneurial solutions to help catalyze a renewable energy future. With $56 million in Solar for All funds[1], BEF is serving energy communities across the state of Wyoming. Twenty-one of 23 counties in Wyoming are considered energy communities, and the Eastern and Western Wyoming nonmetropolitan areas rank #8 and #9 among the Energy Communities IWG's 25 priority communities. BEF's proposed plan includes a strategy to address the impact of the economic transition jobs, apprenticeships and business opportunities when making investment decisions. BEF is engaging several partners, such as the International Brotherhood of Electrical Workers, Chamber of Commerce and other community organizations, to help conduct outreach about solar employment and develop a program to deploy solar power, create jobs and build more resilient communities across Wyoming.

[6] *https://www.whitehouse.gov/wp-content/uploads/2023/04/Inflation-Reduction-Act-Tribal-Guidebook.pdf*

PRIVATE SECTOR INVESTMENTS INTO ENERGY COMMUNITIES



Growing the economy means providing incentives that encourage investment in energy communities. As energy assets are retired, it is important that energy communities identify alternative uses of traditional energy assets to offset job loss with new industries and retain workers in their respective communities. As a result of investments from the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act, companies can now access loan guarantees, tax incentives and federal funding programs to support the reinvestment of legacy assets in energy communities across America. Catalyzed by these laws, since January 2021, the private sector has announced $315 billion in investment in energy communities, representing more than 500 projects, including 415 clean power generation projects that are powering more than 8 million American homes, according to an Energy Communities IWG analysis. These investments will create nearly 80,000 jobs in the fields of biomanufacturing, clean energy manufacturing, heavy industry and semiconductors, as well as indirectly contribute to more than 68,000 additional jobs[7].

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[7] Energy Communities IWG analysis of *invest.gov* data.

TOTAL ANNOUNCED PRIVATE SECTOR INVESTMENTS IN ENERGY COMMUNITIES

$315.4B

145,532 TOTAL JOBS CREATED **540** TOTAL PROJECTS

BIOMANUFACTURING

$5.9B

2,775 JOBS CREATED

18 PROJECTS

CLEAN ENERGY MANUFACTURING AND INFRASTRUCTURE

$38.1B

28,119 JOBS CREATED

32 PROJECTS

CLEAN POWER GENERATION

$78.5B

Clean power generation jobs data not available.

415 PROJECTS

ELECTRIC VEHICLES AND BATTERIES

$28.5B

38,141 JOBS CREATED

36 PROJECTS

HEAVY INDUSTRY

$14.4B

8,816 JOBS CREATED

20 PROJECTS

SEMICONDUCTORS AND ELECTRONICS

$149.7B

67,681 JOBS CREATED

19 PROJECTS

Energy Community Spotlight

Increasing Manufacturing Jobs in Weirton, West Virginia

The American technology company Form Energy Inc. completed construction on *Form Factory 1*, the company's first high-volume manufacturing facility. Located in Weirton, West Virginia, on a former Weirton Steel Corporation site, Form Factory 1 will produce iron-air batteries, which are used to support the electric grid. The facility received nearly $800 million in venture capital funding and was selected for an award of up to $150 million from DOE, funded by the *Battery Materials Processing grants* and *Battery Manufacturing and Recycling grants*. Form Energy currently employs about 100 workers and more than 500 contractors on site daily. When operating at full capacity, Form Factory 1 will *employ at least 750 people* with an average annual salary of $62,000, $5,000 above the *county median household income* of $57,515. As part of its community benefit plan (CBP), as required by its federal award, Form Energy committed to recruiting locally, including workers recently laid off due to the steel mill closing.

Aerial view of Form Factory 1.
Image courtesy of U.S. Department of Energy.

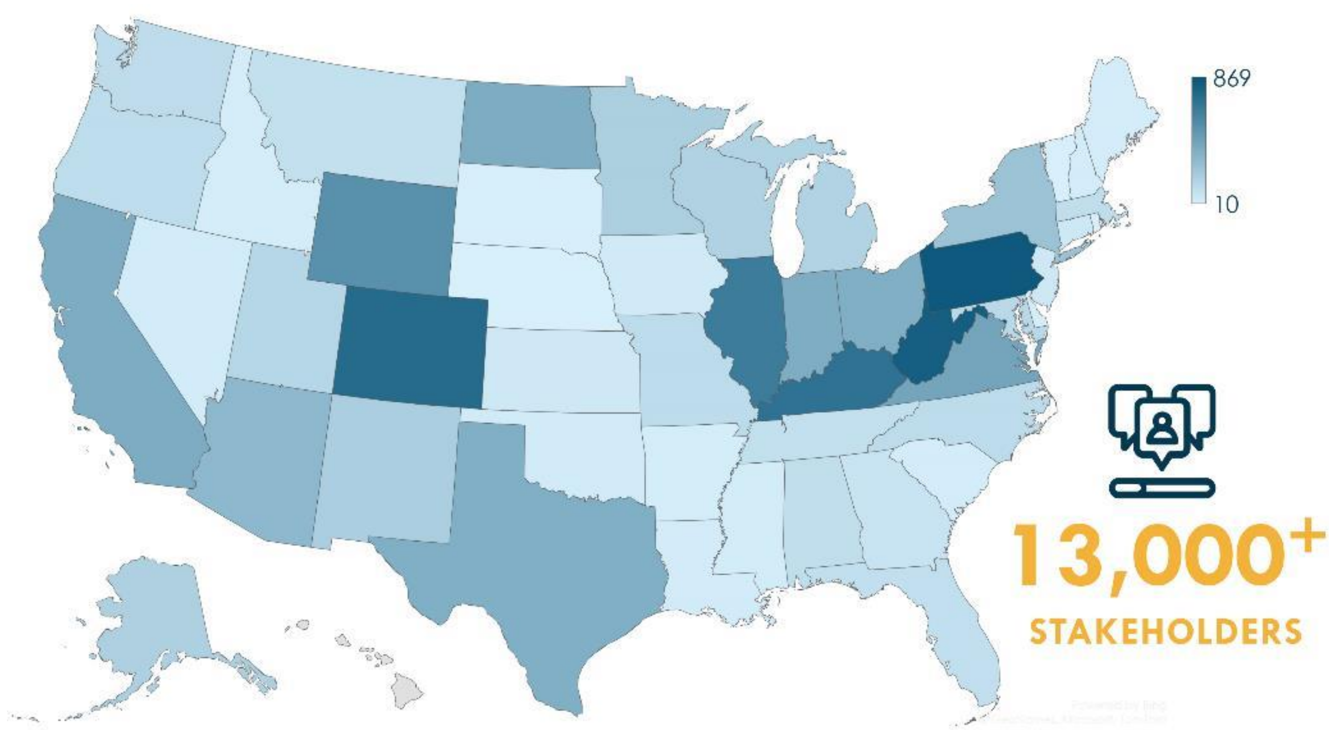
II. SUSTAINING MOMENTUM

This section highlights the considerable progress the Energy Communities IWG has made on its goals from last year's *Two-Year Report to the President* to drive economic development in the communities with the greatest need. The Energy Communities IWG is laser-focused on delivering solutions that forge the path to economic resilience for both communities and workers. Our efforts to support communities through a whole-of-government approach have centered on targeted stakeholder and Tribal engagement, data analysis, asset mapping, investments, technical assistance, on-the-ground assistance and capacity-building. As we look ahead, our mission remains focused on identifying solutions that tackle each community's unique challenges with increased public and private sector investments, along with the necessary resources to foster economic resilience. Through our robust partnerships with states and increasing engagement with the private sector, the Energy Communities IWG can help communities ensure that economic projects reach completion and create good-paying jobs in priority energy communities. The Energy Communities IWG is committed to building on our progress and sustaining this momentum for years to come.

Goal: Reach more energy communities through expanded outreach and engagement.

Community Engagement

The Energy Communities IWG serves as a hub of outreach and engagement for energy community residents, asset owners, state and local officials, Tribal members, community groups, labor, the private sector, investors, academia, philanthropic organizations and more. Since its establishment, the Energy Communities IWG has engaged with Tribal members from across the country through in-person and virtual events, in addition to regular communications with more than 13,000 stakeholders. Through its outreach efforts, stakeholders have had the opportunity to share their insights about the needs and challenges facing their respective communities and learn about currently available grant, loan and technical assistance programs. While every community is unique, many energy communities share common challenges. Some of the most common needs the Energy Communities IWG hears are upgraded infrastructure, economic development, workforce training, capacity-building, affordable housing and environmental restoration.



In the summer of 2024, the Energy Communities IWG hosted a national stakeholder retreat, providing a unique opportunity for community leaders to share their insights on the nation's path forward to building resilient, sustainable infrastructure and fostering economic diversification in energy communities. The *Empowering America's Energy Communities: IWG Stakeholder Retreat* convened energy community representatives from across the country as part of an ongoing dialogue focused on addressing challenges and identifying strategies for revitalizing communities and supporting energy workers. Stakeholders provided feedback that is incorporated into the *Stakeholder Views: Understanding Key Challenges* section of this report.

Empowering America's Energy Communities stakeholder retreat.

Private Sector Engagement

The Energy Communities IWG has conducted outreach to educate the private sector about tax incentives, opportunities for using existing infrastructure for asset reinvestment, the benefits of investing in energy communities, and additional incentives for clean energy manufacturing. Private sector outreach has allowed the Energy Communities IWG to more effectively identify workforce retention and development opportunities for transitioning workers, including apprenticeship, education and training.

Our engagement efforts also identified obstacles related to financing projects and investing at scale, including intermediary capacity and common taxonomy. Smaller communities or local and regional economic development organizations do not have the local expertise or experience to engage with financial institutions or investors. The options for financing are often lacking at the local level, prohibiting communities from using available financial resources. The Energy Communities IWG marked its third anniversary with an event at the Federal Reserve Bank of New York, meeting with major financial institutions and philanthropic organizations to highlight the financial benefits of private sector investment in America's energy communities, as well as learn of impediments to using federal funds in their financing decision. The event served as the start of a new dialogue to address ongoing challenges relating to deploying private capital in energy communities. Despite the challenges, financial sector leaders universally agreed that the Inflation Reduction Act created an unprecedented opportunity for clean energy investing.

Philanthropy Engagement

Ensuring that the full benefits of the historic investments available through the Bipartisan Infrastructure Law and the Inflation Reduction Act reach the communities and workers with the greatest need remains a top priority. Through our Tribal and stakeholder engagement efforts, the Energy Communities IWG has learned that addressing the needs of communities requires a concentrated effort beyond the federal government's offerings. Philanthropy has long played a critical role in advancing economic development by filling community needs related to gaps in capacity-building and technical assistance.

PHILANTHROPY CAN SUPPORT ENERGY COMMUNITIES WITH:

Philanthropy has a critical role to play in supplementing federal investments with direct support to nonprofit organizations and local governments, building local capacity in transitioning communities. Our philanthropic partners have answered the call to support energy communities and workers.

The Just Transition Fund (JTF) is a national philanthropic organization that leverages public and private resources to support economic development projects that promote economic diversification, expand workforce development and improve infrastructure. JTF focuses on mining and power plant communities in major coal-impacted areas of the country, aligning closely with the Energy Communities IWG's priority communities. The *JTF fact sheet* reports investments have resulted in $2 billion in public funding leveraged by community groups, 1,017 businesses created, 17,233 jobs created or retained, 31,601 workers and entrepreneurs trained and supported, and 76,962 households connected to high-speed broadband. In Westmoreland County, Pennsylvania, a *federal Build Back Better grant enabled the United Mine Workers of America* (UMWA) to implement the UMWA Career Centers Inc. to recruit and train more than 500 dislocated miners in Southwest Pennsylvania for jobs in the robotics industry. The grant was combined with $750,000 in matching funds from Heinz Endowments, the Claude Worthington Benedum Foundation, JTF and the Climate Jobs National Resource Center. Cost-sharing support from philanthropy played a significant role in positioning the UMWA to be able to apply for the Build Back Better grant.

The *What Works Plus Collaborative* is an organization that coordinates across philanthropy, nonprofits and government to advance resilience by helping communities leverage federal funds to implement economic development projects in communities that have long struggled with a lack of capacity. This public-private partnership coordinates philanthropy, nonprofits and government by addressing challenges communities face with implementing federal funding to support infrastructure and economic development funding.

Goal: Support investments in retention and creation of good-paying jobs in energy communities.

While energy communities often have the workers, the will and the energy assets needed for investment, many lack the capacity that the Energy Communities IWG can provide through technical assistance to ensure access to the right federal resources. The closing of mines and power plants can have significant economic impacts, such as the loss of tax base, employment, school enrollment and property values. If there is no coordinated effort to support communities and prepare workers for the economic transition, the decline in traditional coal mining jobs has significant localized effects. There is a need to foster new industry and support job retention by developing career pathways that target workforce development and training to support adaptation to new technologies. Since the impact on local economies is long term, the Energy Communities IWG's whole-of-government approach ensures that communities are equipped with the resources to attract private sector investment and support workers in their economic transition.

Labor Engagement and Workforce Development

To support energy workers, it is important to understand the unique challenges and needs of employers, particularly those in industrial and manufacturing sectors. The Energy Communities IWG has engaged with labor organizations representing mine, power plant, industrial, manufacturing, trades and construction workers, as well as workforce boards and community colleges in communities across the country. The Energy Communities IWG has ensured that labor organizations have a seat at the table in roundtables, convenings, webinars and other events. Labor organizations, workforce boards, and educational and training institutions have outlined the needs of communities experiencing job losses, including increased support for dislocated workers through training, wage replacement and the improvement of social infrastructure. This engagement has allowed us to better understand how we can best direct federal resources that support and connect workers to manufacturers and other asset developers. It also helps communities build partnerships with employers and educational institutions to train workers to adapt to new opportunities.

The Energy Communities IWG has played a significant role in protecting the interests of energy workers by connecting workers and manufactures to information about funding opportunities that incentivize labor standards and prioritize equitable wages and benefits for American workers and families. Most projects funded through the Bipartisan Infrastructure Law and the CHIPS and Science Act that involve construction, alteration or repair require companies to follow the *Davis-Bacon Act*. Under the Davis-Bacon Act, contractors and subcontractors must pay laborers and mechanics no less than the locally prevailing wage, along with fringe benefits, for corresponding work on similar projects in the area. The act prioritizes fair wages for the workers who build our communities. The Inflation Reduction Act further incentivizes prevailing wage and registered apprenticeship usage through enhanced tax incentives that can pair with the energy communities bonus tax credit.

The U.S. Department of Labor (DOL) implemented two rounds of the *Building Pathways to Infrastructure Jobs Grant Program*, which invests more than $131.5 million to develop 47 public-private partnerships nationwide to focus on training workers. These partnerships serve as a pathway to develop worker-focused programs that train workers to meet specific employer demands. The program targets rural communities and trains workers in careers such as advanced manufacturing, renewable energy, transportation and broadband infrastructure. In Norfolk, Virginia, the Hampton Roads Workforce Council is implementing an infrastructure workforce training system focused on developing sustainable pipelines for employment. The program will connect job seekers to training, employment and wraparound services. This project also received an *$11 million EDA Good Jobs Challenge grant*.

DOL also funds the *Workforce Opportunity for Rural Communities (WORC) Initiative*, which has awarded more than $214 million to 162 WORC grantees across six funding rounds. WORC is designed to address the employment and training needs of the local and regional workforce. The initiative focuses on creating collaborations with community partners and aligning existing economic and workforce development plans and strategies to help communities achieve their workforce goals. The WORC Initiative funds grants that support quality employment outcomes for workers who live or work in the Appalachian, Delta and Northern Border regions, enabling them to remain and thrive in these communities. The most recent WORC Round 6 grants invested $49.2 million to connect workers to training programs such as registered apprenticeships that pay at least $15 per hour as part of an effort to promote fair wages that help workers retain good-paying jobs.

Ensuring that the nation's manufacturing workforce is equipped to take advantage of opportunities resulting from the transition from traditional energy assets has created an immediate need for industry-focused training programs. In collaboration with DOL, DOE launched the *Battery Workforce Initiative* (BWI), tasked with developing national standards and training materials for battery manufacturing occupations. The BWI finalized the *National Guideline Standards for Battery Machine Operators*, which outlines essential skills and competencies for advanced battery manufacturing workers. Employers, educators and labor organizations can use this framework, and the accompanying curriculum, to provide effective training programs for both new and existing employees. The BWI is conducting train-the-trainer and training pilots and will incorporate valuable feedback from manufacturers and other training providers into the final guidelines and training materials. BWI will continue co-developing standardized training curriculum and materials in other parts of the battery manufacturing supply chain, such as battery recycling and materials processing, to expand pathways to more career opportunities in advanced manufacturing industries. DOE also requires that applicants for all competitive funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act include CBPs as part of their applications. CBPs have been instrumental in ensuring labor and community participation in preparing for an energy transition.

Authorized by the CHIPS and Science Act, EDA has also launched the *Distressed Area Recompete Pilot Program* to invest in economically distressed communities to create and connect job seekers to good-paying jobs. The program aims to create renewed economic opportunity in communities where the prime age (25–54 years) employment rate significantly trails the national average, with the goal of closing the gap through economic investment. The Eastern Kentucky Runway Recompete Plan, led by Shaping Our Appalachian Region (SOAR), is one of six awardees of the program. The $40 million grant connects residents to resources and jobs training, with an emphasis on individuals in recovery from substance abuse. Led by a network of life and career coaches, residents in the region receive step-by-step support and referrals to successfully complete career pathways in clean energy manufacturing and health care.

Energy Community Spotlight

Expanding Utility Training Programs in Western Kentucky

Madisonville Community College (MCC) and Webster County Fiscal Court in Kentucky received more than $537,500 in *Delta Regional Authority* funding to create and expand a *lineman training program* to serve the current and future employment and training needs of utility companies and contractors in the Delta Region. The new *workforce center* was built on a property formerly owned by a coal mining company. The center's goal is to serve as a pipeline for utility companies to recruit from the regional workforce, particularly in communities with displaced coal miners and high school graduates who do not intend to pursue a post-secondary credential. The eight-week program has a *99% completion rate*, 90% employment rate and an average starting wage for graduates around $55,000.

MCC lineman training program students. Image sourced from Madisonville Community College.

Energy Community Spotlight

Supporting the Electric Vehicle Supply Chain in Indiana

ENTEK, a U.S.-based manufacturer, is building a giga-scale factory in Terre Haute, Indiana, to produce lithium battery separators for electric vehicles. The project received a conditional commitment of up to $1.2 billion for a direct loan from DOE's Loan Programs Office. This significant investment will boost the domestic lithium-ion battery supply chain and grow the local economy in a community with a long history of coal production. ENTEK has prioritized investing in the community and is engaging with a large cross-section of stakeholders as they ensure the long-term success of this project, resulting in strong support from the Terre Haute community. *The project* is expected to create 763 construction jobs and 635 operational jobs. ENTEK's hiring strategy includes a focus on local labor, including workers who have been displaced from manufacturing industries and the coal industry.

Illustration of ENTEK giga-scale factory in Terre Haute. Image sourced from ENTEK.

Energy Community Spotlight

Retraining Displaced Coal Plant Workers through Labor Union Partnership

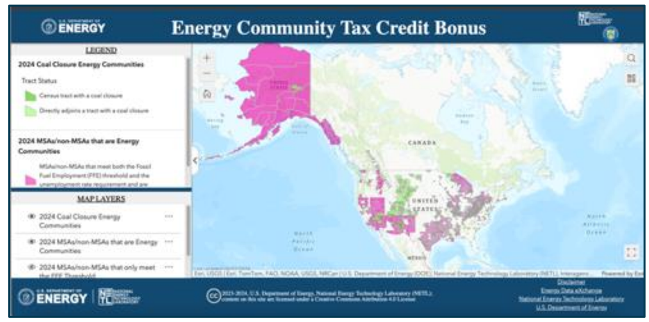
The *Tri-County Workforce Investment Board* (TCWIB) is bolstering domestic manufacturing in 15 coal-impacted counties throughout Pennsylvania. Funded by a $1.4 million *Appalachian Regional Commission (ARC) Partnership for Opportunity and Workforce and Economic Revitalization (POWER) grant*, TCWIB is partnering with the *Steamfitters Local Union 449* to create a pipeline of skilled Appalachian workers to support the semiconductor manufacturing, HVAC-R services, building information modeling and welding industries. The free training program expects to recruit up to 550 workers, including displaced coal plant workers, with industry-recognized skills that will help them secure good-paying jobs in the region.

Trainees at Steamfitters Local Union 449 facility. Image sourced from Steamfitters Local Union 449.

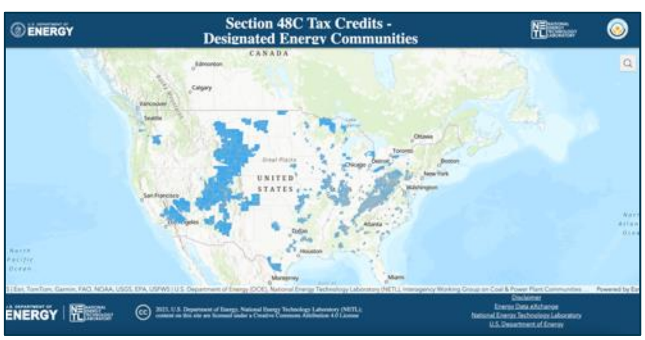
Goal: Expand resources available in the one-stop shop.

Navigating the multitude of federal resources and websites to identify and apply for funding is one of the most common challenges we hear from stakeholders and Tribes. The Energy Communities IWG developed a *one-stop shop* to reduce the barriers communities often face when accessing federal funding and resources. The dedicated website features billions in federal funding opportunities for which energy communities may be eligible. The *online clearinghouse* streamlines funding opportunities for energy communities into one easy-to-navigate location, and the website also includes several community-based resources. In addition to the funding clearinghouse, the Energy Communities IWG has developed other resources housed on its website designed to serve as mechanisms for fostering economic growth and investment by supporting energy communities through economic transitions.

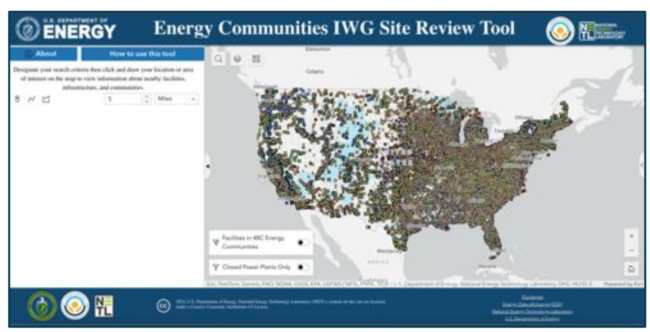
The ***Getting Started Guide*** is a step-by-step interactive guide intended to help communities and workers start the process of planning or responding to economic and social changes resulting from an economic shift. The guide serves as a planning tool and can support community stakeholders and Tribes at any stage of economic transition. Since its launch in fall 2023, the guide has received 3,800 visits from more than 2,200 users and has been downloaded more than 400 times.



The ***Energy Community Tax Credit Bonus*** mapping tool provides an interactive platform to help users research eligibility by clicking on different areas of the map or directly searching a town or county to learn more. In 2024, the Energy Community Tax Credit Bonus mapping tool was stakeholders' most viewed resource in the one-stop shop.



The ***§ 48C Tax Credit Map*** displays census tracts that are identified as energy communities for the purposes of the § 48C tax credit. While any location in the United States is eligible for § 48C, to be considered for the $4 billion dedicated portion of credits set aside for energy communities, a project must be located in a census tract that satisfies the relevant requirements of an energy community as noted in § 48C and has not received funding in a prior round of § 48C.



The ***Site Review Tool*** is a resource for manufacturers and investors interested in developing or expanding projects related to clean energy manufacturing, deployment and retired energy asset reinvestment in energy communities and nationwide. The interactive map provides access to publicly available information on facilities, nearby infrastructure and community attributes, including energy community census tracts.

Goal: Integrate technical assistance to support capacity-building in energy communities.

Navigator

The *Navigator* connects a team of experts dedicated to providing assistance to energy community stakeholders. This service was developed in direct response to requests from energy community stakeholders looking for more tailored assistance in understanding the landscape of federal opportunities in relation to their needs and priority projects. The Navigator builds relationships by providing one-on-one assistance to stakeholders and Tribes with a simple request form that leads to a direct email conversation. Stakeholders include congressional staff, state and local officials, economic development organizations, asset owners, manufacturers, grant writers, nonprofits, academia, workforce boards, Tribal leaders, and community members. The Navigator team serves as a connector to federal resources, agency partners, Rapid Response Team (RRT) members, philanthropy and other community stakeholders. The Navigator team has fielded more than 1,000 inquiries since launching the service in 2023, ranging from questions on the Energy Community Tax Credit Bonus to funding opportunities for specific projects. Most inquiries receive a response within 24 hours.

Federal Technical Assistance Programs and Partnerships Available to Energy Communities

Over the past several years, there has been a surge in federal technical assistance programs available to energy communities, including programs specifically designed for Tribal communities. Some programs are run by one federal agency and others represent partnerships among multiple agencies, further advancing the Energy Communities IWG's whole-of-government approach. In rural communities, the *Rural Partners Network* (RPN) is an alliance between federal agencies and community partners to enhance rural prosperity. RPN works directly with communities and the Energy Communities IWG's RRTs to expand economic prosperity by addressing community and infrastructure challenges resulting in job creation and community development. In the heart of Appalachia, members of the West Virginia RPN community have experienced population loss, battled declining coal and timber economies, and navigated the opioid epidemic. Despite the challenges, USDA Rural Development is working directly with stakeholders to identify resources to support economic development projects by capitalizing on a growing recreation economy. In Eastern Kentucky, RPN is working in coordination with the RRT to execute a whole-of-government approach to providing technical assistance to energy communities. RPN's efforts in Appalachian Kentucky are focused on fostering job creation, infrastructure development and community improvement in Bell, Clay, Harlan, Knox, Leslie, Letcher, Perry, Whitley and adjacent counties.

Another example of building capacity in rural areas includes ARC's *READY Appalachia* initiative, which focuses on building individual, organizational and community capacity across Appalachia. Offerings include no-cost, cohort-based training and funding access (no match required) for nonprofit organizations, local development districts (LDDs), local governments and community foundations serving the Appalachian region. Additionally, ARC's capacity-building initiative, *READY Grants to Grow*, offers capacity-building grants of up to $500,000, available to entities that are currently eligible to apply for ARC grants. Across all READY Appalachia offerings, special emphasis is placed on helping under-resourced and economically distressed communities increase their ability to solve pressing issues and create lasting change. In Youngstown, Ohio, *the Economic Action Group (EAG)* received $25,000 to fund its three-year strategic plan and financial audit, enabling the organization to solicit funding from additional donors. This project will support the long-term sustainability of EAG and strengthen its work on economic development, capacity-building and community engagement in a region that was once a hub for coal mining.

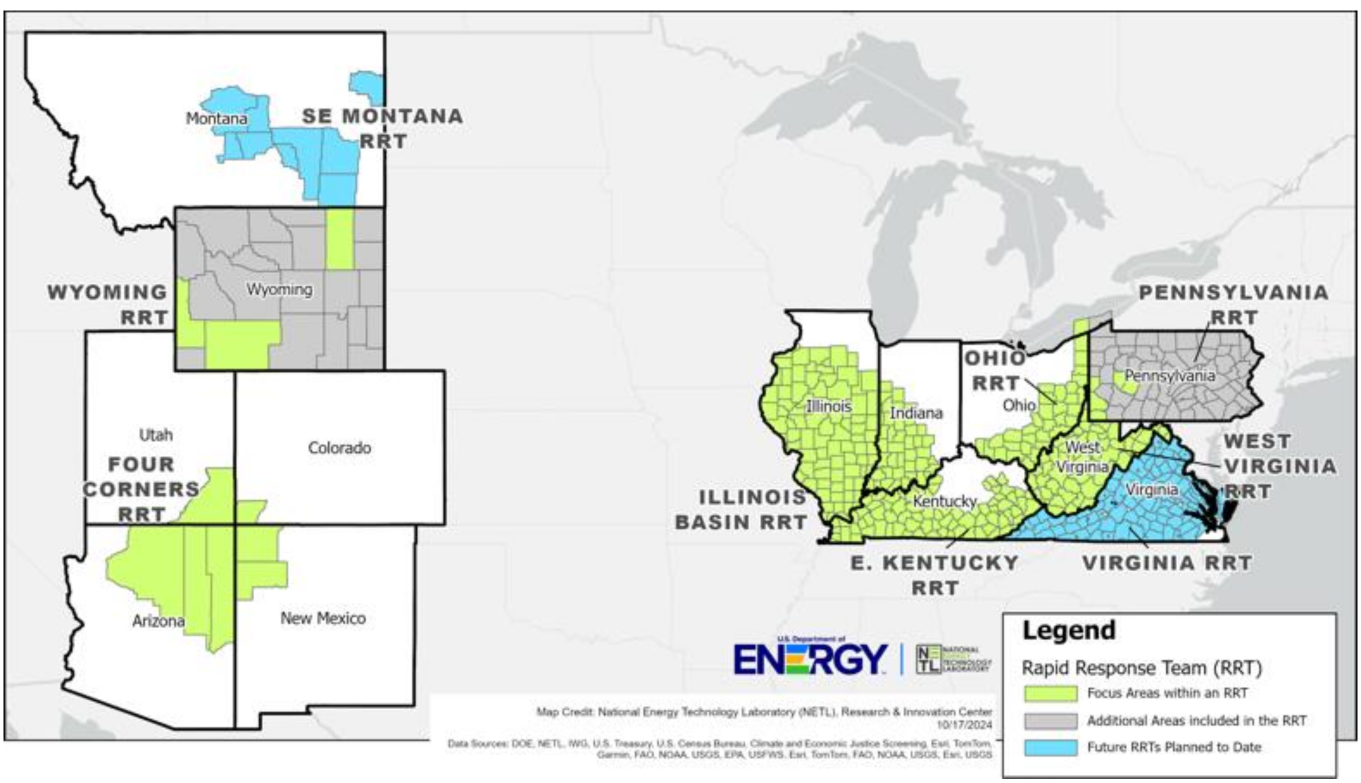
As part of our nation's effort to prioritize the needs of America's rural energy communities, DOT's *Rural Opportunities to Use Transportation for Economic Success (ROUTES) Initiative* is designed to promote equitable access to rural and Tribal communities facing challenges relating to transportation safety, mobility and economic development. Through the initiative, disparities in rural transportation infrastructure are addressed by the development of user-friendly tools and direct technical assistance to better connect rural communities with federal funding, financing and outreach resources.

Energy communities across the country are home to many of the nation's *450,000 brownfields*, which are properties that contain a hazardous substance, pollutant or contaminant, complicating community efforts to expand or redevelop assets for future investment. Developing existing brownfields protects the environment and increases local tax bases by facilitating job growth. EPA's *Technical Assistance to Brownfields Communities* program provides no-cost technical assistance to communities, states, Tribal nations and other public entities to help address their brownfield sites by increasing their understanding and involvement in brownfields cleanup, revitalization and reuse. As part of the program, EPA funds regionally based expert organizations to help communities prepare brownfields grant applications, perform site inventories, review historical information, design site investigations, and clean up and redevelop sites.

EPA's *Energy Communities Technical Assistance Pilot program* also focuses specifically on helping energy communities develop action plans that promote environmental and economic revitalization. The program provides dedicated technical assistance to enhance a community's capacity to respond to urgent needs, including leveraging private sector and philanthropic funding, cleaning up and redeveloping abandoned power plant and mining areas, expanding community economic growth opportunities, and supporting transitioning workers. Webster County, Kentucky, and the Hopi Tribe — two communities on the Energy Communities IWG priority list — received support from this program. Programs like this provide critical support to communities that often need low-cost or no-cost support to plan for and execute their revitalization projects.

The DOE Office of Nuclear Energy (NE) *Gateway for Accelerated Innovation in Nuclear* (GAIN) program is actively engaging with communities to conduct nuclear feasibility studies at existing coal plant sites in different regions across the country. A typical GAIN feasibility study involves close coordination with multiple stakeholders within a community to perform a siting evaluation, a nuclear technology assessment and an economic impact assessment for a coal-to-nuclear transition. To date, GAIN has *published* the results of the feasibility studies they have conducted alongside the communities surrounding the Coronado Generating Station in St. Johns, Arizona, and the Ghent Generating Station in Ghent, Kentucky, with additional studies currently in progress. GAIN collaborated with NE to develop an accompanying *information guide* to enhance the accessibility of the key findings from their 2022 study, which *investigated the benefits and challenges of converting retiring coal plants into nuclear plants*. DOE's *Office of Fossil Energy and Carbon Management* (FECM) is also conducting targeted experimental studies for capacity-building by advancing high-impact energy technologies, including clean energy storage through the Energy Asset Transformation Program. FECM is working closely with the Energy Communities IWG to develop case studies of legacy energy assets across the country that are being transformed.

Rapid Response Teams



RRTs are interagency federal teams that work directly with energy communities at the time of a recent or approaching fossil fuel facility closure to address community needs using existing federal resources. This integrated approach provides an opportunity for federal agencies to work directly with states and communities to maximize local economic diversification by identifying relevant federal funding and technical assistance opportunities. As part of our ongoing commitment to energy communities, all 11 member agencies signed an RRT MOU, signaling an interagency commitment to establishing federal, state and local partnerships that will ensure a strategic allocation of tailored resources and assistance for energy communities. The interagency commitment also serves as the framework for establishing the organizational capacity needed to assist communities with responding to emergent closures through workforce development initiatives.

To date, the Energy Communities IWG has launched seven RRTs to address challenges related to supporting workers, economic diversification, capacity-building and infrastructure. Each RRT is unique and, together, they serve as a network of resources supported by federal, state, Tribal and local stakeholders. RRTs can be found across the country supporting the economic transition in Wyoming, the Four Corners region, the Illinois Coal Basin, Eastern Kentucky, Appalachian Ohio, Pennsylvania and West Virginia. The Energy Communities IWG plans to deploy additional RRTs in Southeast Montana and Virginia in 2025.

Meeting communities where they are is at the core of our efforts to support communities and workers in their economic transition. Through our stakeholder engagement, the Energy Communities IWG has seen firsthand the various stages of economic transition. For some communities, the transition from traditional energy assets occurred long ago, resulting in communities now battling challenges related to lack of tax revenue, decline in employment and aging infrastructure. For communities at the beginning of their economic transition, RRTs help build a roadmap for how the community can ultimately offset the potentially devastating impact of plant closures by supporting community efforts focused on training and preparing workers for new industries and diversifying their economies. RRTs are addressing the unique challenges of energy communities by providing guidance and connections to federal agencies that position regions to plan for available assistance.

Location	Agency Lead	Launch Date	Energy Community Characteristics	Top 25 List
Wyoming	EPA	2021	Planned coal plant and mine closures; Highest coal production in the country; fossil tax revenue dependent; rural, low capacity.	#8 Eastern WY and #9 Western WY
Illinois Coal Basin Region (IL, IN, W.KY)	USDA (Illinois State Director)	2022	High volume of transitioning coal assets; rural, capacity limitations.	#6 Western KY, #12 Southern IL, and #14 Southern IN
Four Corners Region (NE AZ, NW NM, Southern CO, Southern UT)	DOE (Los Alamos National Lab)	2022	Transitioning coal assets with major impact; very pronounced capacity limitations; complex four-state and multi-Tribal nation region; significant fossil tax dependence in NM.	#10 AZ and #16 Farmington, NM
Eastern KY	ARC	2023	Distant and recent past coal closures; low capacity; persistent poverty; flood damage.	#2 Eastern KY
Appalachian Ohio	USDA	2023	Legacy and currently transitioning coal assets — 27 coal mines closed in last five years, numerous coal plants closed throughout the state in last 10 years; capacity limitations.	#3 Wheeling, WV-OH
Pennsylvania	EPA	2023	High volume of legacy and currently transitioning coal assets; rural/isolated; medium fossil tax dependence; capacity-limitations.	#25 Western PA
West Virginia	USDA	2024	High volume of legacy coal closures; rural; capacity limitations.	#1 Southern WV, #3 Wheeling, WV-OH, #11 Northern WV, #23 Beckley, WV, and #24 Charleston, WV

Appalachian Ohio

Led by USDA, the Ohio RRT was launched to provide dedicated support to energy community stakeholders in the Appalachian Ohio region. This RRT is focused on connecting stakeholders with federal resources to support the transition of energy assets and address the rate of poverty through an economic transition that creates good-paying jobs across the region. Since 2021, Ohio energy communities have received more than $182 million in public investments.

Eastern Kentucky

The Eastern Kentucky RRT is led by ARC and is focusing initial efforts on identifying federal assistance for infrastructure projects, broadband expansion and affordable housing. The RRT formalized a partnership with Kentucky Area Development Districts to provide technical assistance related to project development and application preparation. Since 2021, Kentucky energy communities have received more than $1.3 billion in public investments.

Four Corners

Led by DOE through the Los Alamos National Laboratory, the Four Corners RRT's efforts have centered on supporting displaced mine, power plant and related industry workers and Tribal communities surrounding Farmington, New Mexico, and Northeast Arizona. The WHCNAA and DOE's Office of Indian Energy Policy and Programs also signed MOUs with the Hopi and Navajo Nations to bring interagency support and resources to the region. Since 2021, public investments in energy communities in the Four Corners region have exceeded $4.2 billion, which includes $860 million in Arizona, $2 billion in Colorado, $585 million in New Mexico and $826 million in Utah.

Illinois Coal Basin

The Illinois Coal Basin region encompasses three of the top 25 priority energy communities: Western Kentucky, Southern Illinois and Southern Indiana. Led by USDA Rural Development, the Illinois Coal Basin RRT provides on-the-ground technical assistance and coordination of federal funding opportunities to energy communities dealing with recent or facing imminent fossil energy transitions, such as coal mine and plant closures. The RRT launched "pitch fests" where potential applicants receive direct feedback from our interagency partners about their community projects. Since 2021, public investments in the Illinois Coal Basin total more than $2.5 billion, which includes $301 million in Illinois, $903 million in Indiana and $1.3 billion in Kentucky.

Pennsylvania

The Energy Communities IWG launched the Pennsylvania RRT to focus on implementing a whole-of-government approach to assist state and local community stakeholders in navigating the economic transition in the southwest region of the state. Led by EPA Region 3, the Pennsylvania RRT established a strategic partnership with the local development district focused on addressing challenges facing communities in Southwest Pennsylvania and helping to fulfill capacity needs with state and federal resources. The RRT launched "office hours" with federal agencies to explore opportunities to strengthen community access to technical assistance and funding. Pennsylvania energy communities have received more than $1.4 billion in public investments since 2021.

West Virginia

Given its decades-long history with the coal industry, West Virginia communities represent five of the Energy Communities IWG's top 25 priority communities. West Virginia's energy communities have received more than $1.7 billion in federal investments since 2021. The West Virginia RRT, the most recently established, is led by USDA Rural Development and was launched to support communities and workers throughout the state facing workforce and economic transitions.

Wyoming

Wyoming represents the #8 and #9 top 25 priority communities identified in the Initial Report to the President. The Wyoming RRT served as the initial pilot, led by the EPA Region 8 in partnership with the Wyoming Governor's Office. The RRT has partnered with the Office of the Governor and Sen. Lummis's Office to host statewide funding summits to educate community stakeholders about relevant funding opportunities to support local economic revitalization efforts. In partnership with the Wyoming State Budget Department, the RRT created the Grants Connect Hub and the Wyoming Grants Assistance Program to provide targeted technical assistance to Wyoming energy communities. Public investments in Wyoming energy communities have surpassed $954 million since 2021.

III. DEEPENING OUR APPROACH

The Energy Communities IWG has applied a whole-of-government approach to identify gaps to support low-capacity communities in leveraging existing workforce and energy assets to attract private sector investment to energy communities. The Energy Communities IWG's efforts support economic resilience by complementing community-led efforts, beginning with tackling the most basic needs (e.g., water, sewer, housing, food, electricity); followed by meeting supplementary needs (e.g., health care, education, jobs, broadband); and, finally, cultural needs (e.g., recreation, entertainment, enrichment). Building community resilience is often based on creating and retaining quality jobs, but it also aims to build a place where people want to live and where economic opportunities are available to enable them to stay.

Waterways Freight Diversification and Economic Development Initiative

As noted by explanatory statement accompanying P.L. 118-42, the Consolidated Appropriations Act, 2024, the Energy Communities IWG convened relevant stakeholders in communities along the Ohio, Allegheny and Monongahela Rivers Corridor (*Three Rivers Corridor*) to revitalize the region by promoting economic development and freight diversification. Leveraging the waterways as an economic asset in these communities provides a valuable resource for transporting agricultural, energy and other commodities, supporting the broader American economy. This multistate initiative aims to increase use of America's waterways through freight transportation to provide a mechanism for transporting goods and creating jobs for workers. By addressing barriers and leveraging federal incentives, the initiative seeks to bolster the economic prospects of communities in Pennsylvania, West Virginia, Indiana, Illinois, Kentucky and Ohio.

The Energy Communities IWG engaged with local leaders through listening sessions designed to understand community challenges, identify opportunities and share best practices, with a focus on using freight transportation and investing in economic development to create local and regional benefits. Community stakeholders identified the following as the main challenges impacting economic development along the waterways: infrastructure, broadband access, economic diversification, workforce development and funding accessibility. Stakeholders continue to emphasize the need for improved infrastructure, especially in broadband and water and sewage systems, to support economic growth. There is also a growing desire to diversify local economies beyond reliance on a single industry, with a focus on sectors like energy, agriculture, manufacturing, tourism and health care.

Securing grants and other forms of assistance remains a common struggle for many communities. The Energy Communities IWG continues to hear from stakeholders about their challenges with securing matching funds and navigating complex application processes, as well as their limited resources for grant writing. Addressing the need for more targeted distribution and increased access to grant opportunities and funding remains an ongoing goal of the Energy Communities IWG.

The geographical focus of this initiative is yet to be finalized; maps are for illustrative purposes only.

Energy Community Spotlight

Reconnecting the Allegheny Riverfront to Economic Opportunities

DOT awarded nearly $25 million from *the Fiscal Year 2024 Rebuilding American Infrastructure with Sustainability and Equity* grant program for the Pennsylvania Borough of Sharpsburg's "*Reconnecting the Allegheny Riverfront to Economic Opportunity*" project. The *project* will plan, design and construct an approximately 300-foot bridge over the Conemaugh rail line, construct additional roadway that connects to the riverfront district, construct multiuse trail on the shoreline of the Allegheny River, and make improvements to bus stops.

> *"We have a real opportunity to build the future in our energy communities, and this new partnership with AmeriCorps is going to bring a boost of enthusiasm and excitement to help these communities chart their path."*
>
> **Lael Brainard, Director of the National Economic Council and Energy Communities IWG Co-Chair**

Aerial view of Allegheny River. Image sourced from Margaret Luzier/U.S. Army Corps of Engineers.

Energy Communities AmeriCorps

From left: Michael Smith (CEO, AmeriCorps), Lael Brainard (National Economic Advisor and Energy Communities IWG Co-Chair), Brian Anderson (Executive Director, Energy Communities IWG).

The Energy Communities IWG and AmeriCorps launched an *$8 million public-private partnership* to deploy 150 AmeriCorps VISTA members in energy communities across the country. The partnership is supported by funding from OSMRE, EDA and ARC. In coordination with the Energy Communities IWG RRTs, the Energy Communities AmeriCorps program supports the development and implementation of locally designed economic development, workforce readiness and environmental remediation plans.

The Energy Communities AmeriCorps is part of the *American Climate Corps*, a skills-based workforce training and service initiative that will mobilize a new, diverse generation of more than 20,000 Americans. Consistent with the Energy Communities IWG's goal of creating good-paying jobs, members will receive a living wage and a comprehensive set of benefits, including health care, childcare, education, relocation expenses, training and professional development, and noncompetitive eligibility for federal service. This *initiative* will be activated in nine federally designated energy communities. In coordination with the Energy Communities IWG, VISTA members will work to address worker and community needs with existing federal resources. The project sponsor, Conservation Legacy, will work with local host sites in each energy community to recruit and select VISTA members. The effort will prioritize the recruitment of displaced energy workers and their families. The initiative serves as an avenue for helping energy communities attract, train and retain workers within their communities.

IV. STAKEHOLDER VIEWS: UNDERSTANDING KEY CHALLENGES

The Energy Communities IWG has gained valuable insight through engaging with communities and stakeholders representing priority regions across the country. These ongoing dialogues have allowed us to learn about the unique needs and challenges of these regions, so that we can recommend steps to help communities plan and respond over the long term to the economic transition underway across the country. Implicit in these discussions is how needs are driven by the nature of the community. The characteristics of energy communities vary, but they are largely rural and remote. Many energy communities qualify as distressed by one or more federal standards and often lack the capacity to access federal funds. These communities often rely on a single employer or industry responsible for a significant portion of the community's jobs and local tax revenue. Many coal-impacted communities lost their fossil employment population long ago and are now facing elevated levels of poverty, population loss, poor health, unemployment and inadequate infrastructure. Other communities have seen industrial losses in recent years or are preparing for future losses. Effective assistance to energy communities addresses all these challenges. Through locally led efforts enabled by federal, state, and public-private partnerships and private sector investments, communities can work toward a brighter future.

The Energy Communities IWG strives to respond to communities by focusing our efforts on addressing stakeholder feedback gained through our ongoing engagement, and our formal request for information (RFI). The insights gained from stakeholders and Tribes guide our approach as we work to address the funding and technical assistance needs of energy communities. Communities across many geographies and demographics identify similar operational and structural needs as impediments to accessing and implementing federal funds. Stakeholders have identified opportunities for additional federal action, as well as challenges related to continuing efforts to build thriving energy communities. These challenges and opportunities can be grouped into the following areas:

By identifying these challenges, the Energy Communities IWG will develop a path forward that is responsive to the needs of our stakeholders and sustains momentum in our interagency efforts to position energy communities for a future of economic success.

Proactive Engagement

> *"Too many programs require that the disruption[s] (business closures, job losses) have to occur prior to assistance being available. Earlier financial and other interventions can help prevent the extreme disruptions."*
>
> **RFI respondent**

> *"We need sweeping, proactive strategies rather than small scale band-aids. We need the tools to create new jobs, especially for displaced and re-entering workers."*
>
> **RFI respondent**

The Energy Communities IWG and our partner agencies are engaging communities and workers where mines and plants are expected to, or are planned to, close. While impending plant closures are often publicly announced, mine closures are more difficult to predict, given the fluid demand for coal, global distribution and lag in federal reporting requirements. The Energy Communities IWG is conducting additional research to better understand the dynamics surrounding mine closures as part of an ongoing effort to prioritize the communities with the greatest need. Engagement with asset owners, workers, communities, states and philanthropic organizations will also help enhance federal awareness of pending asset closures. Early engagement also creates the opportunity to identify pathways into new employment and implement worker support services and safety nets throughout various stages of the closure process to ensure a smoother transition for energy workers, which Tribal organizations and stakeholders have identified as a priority.

Capacity Building

Lack of local capacity is, by far, the most cited challenge among leaders and advocates. Since 2021, the Energy Communities IWG has partnered with our 11 member agencies to strengthen community capacity through RRTs and other federal programs. Most energy communities are rural, remote, Tribal or facing environmental challenges, creating insufficient capacity that spans multiple aspects of community needs. Many communities say they lack the time, knowledge, partnerships, matching funds and upfront capital to access the complicated, expensive and lengthy process of applying for and managing federal, private sector and philanthropic support, and similar obstacles in accessing tax incentives. The inability to access and use federal funds prohibits many communities from taking advantage of critical opportunities to improve economic and social resilience. The rural, remote or understaffed nature of energy communities often means the volunteer leader is also, by day, the local car mechanic, teacher, plumber, etc. Communities can more easily apply for federal funding if they have a clear understanding of the funds that would be beneficial, but they often lack the time and expertise necessary to navigate the federal process.

Technical Assistance and Planning

"Empower (not direct) local communities with robust technical assistance and grant writing support for rural communities to be competitive in the grants process."

RFI respondent

Stakeholders have consistently advocated for technical assistance and planning resources to assist them as they respond to energy facility closures. They have articulated the challenge of bringing together community members to develop a unified vision and then translate that into component projects that can be funded and executed. Stakeholders have also seen the value of planning, especially well before closures, to increase economic development opportunities with resultant jobs for workers and maintenance of the local tax base.

Regional and state-led efforts to support local planning are boosting local capacity and augmenting federal support. Many federal agencies have *existing technical assistance programs*, such as *DOE's Communities Local Energy Action Program (LEAP)* and *EPA's Technical Assistance to Brownfields (TAB)*. However, many are prohibited from providing the most needed services (e.g., grant writing) in communities with the least capacity. Additionally, many federal technical assistance programs are siloed and constrained around a specific technology or eligibility. These programs lack the flexibility and cohesiveness needed to address the full scope of energy community and worker challenges.

Simplifying Access to Federal Funding

Stakeholders also expressed that modification of agency administrative funding opportunity requirements could be a mechanism for reducing barriers to applying for federal funds, making funding more accessible for low-capacity energy communities. This is a challenge we hear often, as evidenced by the Office of Management and Budget's release of the Guidance for Federal Financial Assistance[8], and progress has already been made. This guidance sets the basic requirements for federal agencies in developing grants and other forms of federal financial assistance, such as cooperative agreements and loans. These updates help streamline and clarify requirements for federal funding. Additional examples — identified by stakeholders at numerous events and partner gatherings — of how federal agencies can streamline the application process to further reduce barriers for energy and low-capacity communities include:

"Coal community advocates have emphasized the need to consolidate grant applications and reporting requirements across government agencies to facilitate applications from communities and organizations with limited capacity."

RFI respondent

- Notifying communities of funding availability prior to funding announcements allows ample time for communities to build partnerships, both public and private, and identify resources for application assistance.
  - Example: Through its monthly newsletter, the Energy Communities IWG shares notices of intent for federal programs to keep Tribal organizations and stakeholders apprised of upcoming funding availability.
- Reducing paperwork requirements for application and reporting creates an opportunity for low-capacity communities to access more funding and assistance programs.
  - Example: EPA now offers applicants templates to simplify the application process and minimize the effort required to create narrative text. Additionally, the Brownfields Program has upgraded its recipient reporting database to streamline the submission of quarterly performance reports
- Creating a common application and initial common review process that responds to the funding opportunities will increase the flexibility of funds by providing a uniform process for submitting successful applications, including CBPs. In addition, preapplication requirements, such as engineering studies, could be standardized across agencies.
  - Example: The Energy Communities AmeriCorps program is funded by DOE, DOI, USDA and Bloomberg Philanthropies; however, it has one common application process that is administered by Conservation Legacy.

Regional Partnerships and Coalitions

Many stakeholders expressed the need to formalize partnerships with regional entities and/or coalitions to facilitate a more collaborative approach among coal-impacted communities within a specific region. The EDA BBBRC assists in spurring innovation, accelerating equitable growth and providing new avenues through which geographically distant regions can learn from one another. The Energy Communities IWG has been partnering with ARC and the Delta Regional Authority and intends to strengthen its partnership with the Denali Commission to help address this need. In addition to regional commissions, regional partnerships outside of the federal government can play a significant role in advancing local priorities by bringing together stakeholders and resources that complement and strengthen approaches.

Preapplication Costs and Grants

Stakeholders indicated that preapplication costs can be onerous. In addition to physical and social capacity limitations, stakeholders stated that required preapplication costs often exceed local budgets and remove communities from eligibility. These costs can require professional architectural, engineering, archeological, environmental, demographic and historical research and documentation prior to applying. In some cases, these costs

[8] See also *Guidance for Federal Financial Assistance Corrections*.

are not reimbursed by the grant and, if no grant is received, are sunk costs. Several agencies have begun to offer preapplication grants, with simple application requirements and grants without a cost-sharing requirement to cover the cost of application preparation for projects that meet agency eligibility requirements.

Cost-Share Requirements

Energy community stakeholders have shared that identifying nonfederal funds to meet cost-sharing requirements continues to be a challenge. While some Bipartisan Infrastructure Law and Inflation Reduction Act programs modified cost-sharing requirements, most federal programs require cost-sharing. This often discourages energy communities from submitting applications because many lack financial sources that can serve as a match to meet those requirements. For communities that are able to identify cost-sharing sources, an additional challenge arises as the funds are tied up on a speculative project for an indefinite amount of time.

> *"Federal funding often requires a minimum 20% match and federal funds cannot be used as a match. Truly impactful projects generally cost millions of dollars. In a decimated community, that 20% is nearly impossible to find."*
>
> **RFI respondent**

A few states have created cost-sharing funding opportunities and state-led technical assistance to address this challenge by providing additional capacity support to communities. The Kentucky legislature established an innovative grant-matching fund to enhance communities' access to federal resources for nonprofit projects in 41 federally identified counties that have experienced significant coal job loss. *The legislation* provided $2 million in FY 2023-2024 funding to support communities in accessing these critical resources. *Wyoming's Energy Matching Funds Program* provides $100 million in matching funds to help communities meet cost-sharing requirements for research, demonstration, pilot or commercial deployment projects. Both programs create a framework for positioning communities to overcome cost-sharing requirements by enhancing access to federal funds. Other states have made similar investments in funds that can serve as cost-sharing on federal grants. These programs also serve as prime examples of how nonfederal resources can help energy and Tribal communities secure federal funding needed to revitalize their economies.

Energy Community Competitiveness

> *"We are a small municipality with a huge landscape and high energy production. There are several funding opportunities out there, but we do not have the staff hours to be competitive and effective to apply for several of these robust programs."*
>
> **RFI respondent**

> *"It is highly important to provide grants and funding opportunities on a non-competitive basis for Tribal communities. For years, the Hopi and Tribal communities have utilized their resources on Tribal lands to provide low-cost electric and water resources to the metropolitan areas of Arizona and Nevada. We recommend funding provided specifically to rural underserved communities in the specific region that have experienced ongoing environmental and social impacts."*
>
> **RFI respondent**

Through our stakeholder engagement, stakeholders have expressed support for programs that explicitly target resources to energy communities and asked to be prioritized based on their energy community status. A few examples of existing programs that restrict eligibility or prioritize energy communities include *EDA's Coal Community Commitment*, *ARC's POWER Initiative*, a number of USDA Rural Development programs and the § 48C tax credit. In the case of ARC's POWER Initiative, it targets federal resources to help communities and regions that have been affected by job losses in coal-related supply chain industries due to the changing economics of America's energy production. Since 2015, POWER has invested more than $487 million in 564 projects impacting 365 coal-impacted counties across Appalachia.

Bankruptcy

Stakeholders have identified coal mine and power plant bankruptcy as an issue impacting coal communities across the nation. Under current law, companies are required to adequately reclaim land during and after mining and provide a bond to cover potential liabilities. In some cases, the liable companies have gone bankrupt, setting off a process requiring the remediation to be covered by the bonding. Stakeholders shared that some communities have been left to bear the costs of mine and coal ash cleanup to prepare a site for redevelopment or, at a minimum, to eliminate an eyesore. They also expressed concern that bankruptcy may allow companies to avoid pension and medical benefits obligations, placing dislocated workers at a further disadvantage.

Worker Support

"Communities are unable to thrive when there is a lack of financial opportunities. This drives social determinants of health. There needs to be more access to jobs."

RFI respondent

"We also need the federal government to recognize the need for job opportunities that match the quality of the jobs predicted to be lost in the energy sector. These are typically high-wage jobs, complete with favorable benefits that include low-cost, high-quality health and dental insurance and desirable vacation and sick leave."

RFI respondent

When a fossil energy facility is closing, there is a need for workforce engagement to ensure a successful transition for energy workers. Delayed, or lack of, workforce engagement often drives workers to choose careers or stop-gap options that do not leverage existing skills, do not create careers that provide a living wage, and do not provide family and community stability. Often, workers end up leaving their communities in search of new job opportunities to provide a livable wage for their families. Energy community stakeholders have expressed a need for federal programs to support workers in accessing good-paying, family-sustaining jobs.

Wage Replacement

Stakeholders and Tribal organizations have identified wages as a significant challenge for energy communities during their economic transition; often, laid-off workers transition into lower-paying jobs. Stakeholders advocated for strategies, including providing wage replacement, health care, early retirement options and retraining. Some communities are able to transition dislocated workers into jobs in local infrastructure, providing temporary employment opportunities to bridge the gap during the period between closure and redevelopment. The Bipartisan Infrastructure Law may present additional opportunities to leverage this strategy.

Adequate social protection is a key pillar of the *International Labor Organization*'s Guidelines. Social protection also ensures dislocated energy workers remain financially stable until they can find commensurable quality employment. This is a model that the United States has used previously in periods of economic transition, such as the *Redwood Employee Protection Program*, which provided public employment opportunities for dislocated workers. The *Trade Adjustment Assistance Act* and *Base Closure and Realignment Act* are other examples of assistance. Similar assistance opportunities include expanded support services (e.g., transportation to training locations and childcare) that address immediate challenges for dislocated workers. Additional services include the following and align with recommendations from the 2024 *21st Century Energy Workforce Advisory Board* report to the Secretary of Energy:

- Permitting training with federal funds to occur prior to layoffs.
- Protecting pensions and medical care.
- Creating a strategic early warning network/layoff-aversion program.
- Increasing training assistance to give displaced workers more options and autonomy in retraining decisions.

Loss of Tax Base

Stakeholders frequently cite the loss of tax base as a fundamental challenge. Communities often lose half or more of their tax base when a plant or mine closes. This limits energy communities' ability to provide basic services to meet the needs of workers and families. Stakeholders have continually shared how the loss of population that comes with a fossil asset closure impacts the financial capacity of the local school systems. Rarely can a community plan financially for a closure to the level necessary to address a massive loss in tax revenue. Stakeholders recommend exploring options for grant programs similar to those in *New Mexico*, *Minnesota* and *New York*. Stakeholders said that state programs would enhance proactive engagement with communities to develop best practices for engaging with utilities on tax structures that provide a win-win outcome for both utilities and communities, particularly school districts. The Energy Communities IWG has proposed an implementation support initiative that encourages learning and sharing of best practices with energy communities that have successfully completed their economic transition and those facing future closures.

"Due to low population numbers, the tax base is not sufficient to support the needs of the region. This is especially true when compared to the expense of providing infrastructure (roads, water, sewer, energy, telecommunications, etc.) and services (search and rescue, firefighting, law enforcement, etc.) across such vast land areas."

RFI respondent

Lack of and/or Aging Infrastructure

"Aging infrastructure is a primary issue in rural communities. It's hard to attract new businesses to an area when their wastewater treatment facility is failing and sewer lines are backing up. But finding 'up front' funding (i.e., not reimbursement funding) is virtually impossible."

RFI respondent

When surveyed through a formal RFI, infrastructure challenges were the most frequently cited need for energy communities. Lack of broadband availability, water and sewer, and rural transportation were most common. Through the passage of the Bipartisan Infrastructure Law and other appropriated resources, there are federal funds available to support the buildout of traditional infrastructure. These infrastructure components, paired with suitable land, lay the foundation for housing and economic development. They link the need for housing with the ability to have a workforce attractive to new industry or for continued vibrancy of the local business ecosystem.

V. THE PATH FORWARD

The Energy Communities IWG remains committed to directing federal assistance, resources and funding to the hardest-hit communities to ensure a successful transition to a strong economic future. Our whole-of-government approach centers upon our interagency partners' commitment to supporting America's energy communities by fostering economic revitalization, strengthening our nation's supply chains and ensuring that workers benefit from the emerging economy. The impact of our whole-of-government approach is helping drive federal and private sector investments into energy communities and empowering communities to seek out the Energy Communities IWG as a partner in building economic resilience.

Looking ahead, the Energy Communities IWG plans to deepen engagement in the 25 priority energy communities as part of our efforts to grow local capacity through a tailored network of community-driven assistance. The Energy Communities IWG expects to deploy two additional RRTs in priority energy communities within the next two years, helping our stakeholders and Tribal nations address infrastructure, enhance workforce development, and diversify their local economies through increased capacity and federal engagement. Our philanthropic partners also play an important role in building local capacity by helping energy communities address technical assistance and funding needs. The Energy Communities IWG will seek to deepen coordination with philanthropic partners to further fill capacity gaps impacting communities' ability to access and implement funding to support local economic diversification efforts.

Through increased engagement with private sector, finance and asset owners, the Energy Communities IWG continues to raise awareness about the opportunity and benefits of investment in energy communities. Strategic stakeholder engagements help drive private investment into communities with existing energy infrastructure and provide the opportunity to educate companies about the unprecedented amount of federal funding available to revitalize and reinvest in legacy energy assets. Private sector investment, coupled with federal incentives, provides the path forward for job growth, revenue replacement and renewed opportunity. The Energy Communities IWG will implement additional performance-tracking measures to ensure our engagement is targeting the communities with the greatest economic and employment needs, in addition to those with the assets ready for economic investment.

For the past three years, the Energy Communities IWG worked to meet communities where they are in their economic transition. Our interagency partnerships have allowed us to address capacity needs and facilitate tailored federal investments to energy communities across the country. Over the next year, the Energy Communities IWG will continue to work with state, Tribal, local, private sector and philanthropic partners to foster economic prosperity and deliver long-term results for American workers and families.