The Bipartisan Infrastructure Law Provides Opportunities for Water Power Across Several Programs

President Biden signed the Infrastructure Investment and Jobs Act into law on November 15, 2021. The $1.2 trillion deal, commonly called the Bipartisan Infrastructure Law (BIL), is a long-term investment in the nation’s infrastructure, workers, families, and competitiveness. The investment is historic for the U.S. Department of Energy (DOE), which will receive more than $62 billion from the BIL to stand up 60 new programs, including 16 demonstration and 32 deployment programs, and expand funding for 12 existing research, development, demonstration, and deployment programs.

The BIL-funded programs outlined in this fact sheet are most relevant for hydropower and marine energy. Visit energy.gov/BIL for more information about BIL-funded DOE activities.

Water-Power-Specific Provisions

DIVISION D—ENERGY, SUBTITLE D—HYDROPOWER, AND TITLE X—AUTHORIZATION OF APPROPRIATIONS FOR ENERGY ACT OF 2020

A total of $910 million is directed to DOE for the following water power-specific provisions.

Section 40331: Hydroelectric Production Incentives (Revising Section 242 of EPAct05)

This section authorizes $125 million for Fiscal Year (FY) 2022 until expended for DOE’s current Hydroelectric Production Incentives program.

Section 40332: Hydroelectric Efficiency Improvement Incentives (Revising Section 243 of EPAct05)

For the first time since the 243 program’s inception in 2005, this section authorizes $75 million for FY 2022 until expended for hydroelectric efficiency improvements of 3% or greater.

Section 40333: Maintaining and Enhancing Hydroelectricity Incentives (Adding a new incentive Section 247)

This section authorizes $553.6 million and directs the Secretary of Energy to make incentive payments to the owners and operators of hydroelectric facilities for capital improvements related to maintaining and enhancing hydroelectricity generation by improving grid resiliency, improving dam safety, and environmental improvements. Half of the funding will be provided in FY 2022 and the other half in FY 2023. Funds will remain available until expended.

Section 40334: Pumped Storage Hydropower, Wind, and Solar Integration and System Reliability Initiative

This section authorizes $10 million for FY 2022–2026, or $2 million each year, and directs the Secretary of Energy to provide financial assistance to an eligible entity to carry out project design, transmission studies, power market assessments, and permitting for a pumped storage hydropower project to facilitate the long-duration storage of intermittent renewable electricity.

This section also establishes specific eligibility criteria; i.e., the recipient must be an electric utility who can provide matching funds equal to or greater than the amount of financial assistance provided by DOE and the project must be designed to provide not less than 1,000 megawatts of storage capacity, be able to provide energy and capacity for use in more than one organized electricity market, be able to store electricity generated by intermittent renewable electricity projects located on Tribal land, and have received a preliminary permit from the Federal Energy Regulatory Commission.

Section 41006: Water Power Projects

This section authorizes $146.4 million for FY 2022–2025 for additional hydropower and marine energy research efforts, including support to the National Marine Energy Centers. The breakout of this funding is $36 million for hydropower, $70.4 million for marine energy, and $40 million for the National Marine Energy Centers.
Clean Energy Demonstrations
TITLE XII—MISCELLANEOUS
Section 41201: Office of Clean Energy Demonstrations
$21.456 billion for clean energy demonstration projects under the new Office of Clean Energy Demonstrations (OCED). Within this amount, Congress authorized funds to several new OCED programs, including:

Section 41001 (a)
$355 million for an Energy Storage Demonstration Pilot Grant Program.

Section 41001 (b)
$150 million for the Long-Duration Demonstration Initiative and Joint Program.

Section 40103 (b)
$5 billion for grants under the Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency.

Section 40103 (c)
$1 billion to carry out activities for energy improvement in rural and remote areas.

Section 40342
$500 million for a Clean Energy Demonstration Program on Current and Former Mine Land.

Grid Infrastructure and Resiliency
TITLE I—GRID INFRASTRUCTURE AND RESILIENCY
Congress authorized several new DOE programs related to grid infrastructure, resiliency, and cybersecurity.

Section 40101
$5 billion for a grant program focused on preventing outages and enhancing the resilience of the electric grid.

Section 40106
$50 million for the Transmission Facilitation Program.

Section 40107
$3 billion for the Smart Grid Investment Matching Grant Program.

Loan Programs Office
TITLE IV—ENABLING ENERGY INFRASTRUCTURE INVESTMENT AND DATA COLLECTION
Section 40401: Department of Energy Loan Programs
Under the Title XVII Innovative Energy Loan Guarantee Program, the DOE Loan Programs Office has up to $4.5 billion in loan guarantee authority for renewable energy and efficient energy projects, including water power projects.

The BIL does not provide new funding for the Loans Program Office but clarifies the reasonable prospect of repayment criteria for the Title XVII program. It also expands the eligibility of the Title XVII program to include projects that increase the domestic supply of critical minerals and makes certain state energy financing entities eligible to apply for Title XVII loans.

Stay Updated
Visit the DOE Water Power Technologies Office’s website at energy.gov/water and subscribe to one (or all three!) of WPTO’s newsletters for the latest information about DOE water power programs.

HYDRO HEADLINES
WPTO’s hydropower newsletter features monthly news on DOE R&D to advance hydropower and pumped storage hydropower technologies. Sign up at bit.ly/HydroHeadlinesSignUp.

WATER COLUMN

WATER WIRE
The Water Wire brings funding opportunities, events, publications, and activities related to hydropower and marine energy directly to your inbox on a bimonthly basis. Sign up at bit.ly/WaterWireSignUp.

For more information, visit energy.gov/water.
To contact DOE’s Water Power Technologies Office, email WaterPowerTechnologiesOffice@ee.doe.gov.

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