



Information Alert

State-Federal Relations Division

President Biden Unveils Numerous New Energy Policy Initiatives

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The administration [announced a number of new initiatives](#) focused on electricity production and electric transmission covering multiple federal agencies. The initiatives focus primarily on the first federal auction for offshore wind power leases, as well as speeding up the construction of new long-distance electricity transmission lines. President Joe Biden previously pledged to significantly increase electricity production from carbon free sources with a goal of a carbon-free power system by 2035, part of the administration's effort to reduce overall U.S. carbon emissions by at least half of 2005 levels by 2030.

The [planned offshore wind lease sale](#), currently scheduled for February 2022, will include 480,000 acres over six tracts off the coasts of New York and New Jersey, which the administration has estimated have the potential to generate as much as seven gigawatts of electricity—enough to power 2 million homes. Additionally, the Bureau of Ocean Energy Management is expected to impose bidding limitations to prohibit a single company from bidding on more than one lease, a strategy aimed at increasing the number of companies participating in offshore wind power production. Further, winning bidders will be required to identify how they plan to handle engagement with any tribes, ocean users, or underserved communities impacted by the sale, as well as to enter into project labor agreements which create union jobs, and make use of financial incentives for the manufacturing of wind turbine blades, towers and cables in the United States.

Previously, the Biden administration approved two commercial-scale offshore wind projects—Vineyard Wind 1 in Massachusetts and South Fork Wind off the Rhode Island coast. The administration has also developed a road map for holding seven offshore wind lease sales and completing reviews of 16 multi-billion-dollar offshore wind projects—aiming to produce 22 GW of clean energy—by 2025. Later this year, the administration announced plans to conduct reviews of wind energy areas offshore northern California (Humboldt) and central California (Morro Bay); explore new potential Wind Energy Areas in the Gulf of Mexico and off the coasts of Oregon and the central Atlantic; and advance lease sales in the Carolina Long Bay and offshore California.

A second major announcement from the Department of Energy was the beginning of a new multi-billion dollar “Building a Better Grid” initiative aimed at accelerating the development of transmission lines based on provisions included in [Infrastructure Investment and Jobs Act](#). The initiative seeks to modernize transmission planning and improve permitting processes to provide information early to permitting agencies and by using public-private partnerships to advance new transmission lines and system upgrades.

The initiative will include:

- \$2.5 billion for a new Transmission Facilitation Program, a revolving loan fund for new, replacement, or upgraded transmission lines.
- \$3 billion for the expansion of the Smart Grid Investment Grant Program, focused on advanced technologies that increase capacity and enhance flexibility of the existing grid.
- \$10 billion in grants for states, tribes, and utilities to enhance grid resilience and prevent power outages.

In addition to these new funds, the agency announced plans to strengthen coordination between itself and state and local governments, tribal nations, and other stakeholders, and to expand technical assistance to states and regions with policy implementation. For collaboration with transmission line developers, the agency stated such work could entail the design, development, construction, operation, maintenance, or ownership of a project. Further, to ensure a project’s financial viability, DOE has the option to become an “anchor customer” on new or upgraded transmission lines, buying up to 50% of a line’s power deliveries for up to 40 years, to ensure upfront financing of top priority projects.

Most importantly for states, DOE noted it plans to work with transmission line developers, the Interior Department, and the U.S. Forest Service to create rights of way for major power line projects including using existing rail and highway rights of way. Should a transmission line be within these corridors, it could preempt a state’s decision on siting based on provisions in the infrastructure law.

Finally, in an effort to reduce permitting and environmental review times, the administration is also taking additional steps to improve federal agency coordination on renewable energy projects located on public lands. A memorandum of understanding (MOU) was signed by the departments of the Interior, Agriculture, Defense, Energy and the Environmental Protection Agency. The MOU is part of a plan to authorize 25 gigawatts of solar, wind and geothermal energy by 2025