

SAFE / EC POLICY IMPACT

Ahead of the Curve: Getting Results

August 2022



Demand Side Vehicle Incentives



New Policy	SAFE / EC Proposal	Proposal Source	Comments
<p>EV Tax Credit Reform and extend light-duty clean vehicle \$7,500 tax credit through 2032 (Section 13401)</p>	<ul style="list-style-type: none"> • Eliminate volume cap • Make available at point-of-sale to improve access • SAFE advocated to expand to all clean vehicles • SAFE advocated for the inclusion of mineral sourcing/processing requirements and battery pack assembly requirements 	<ul style="list-style-type: none"> • <i>National Strategy for Energy Security (2016)</i> • <i>Commanding Heights (2020)</i> • <i>Get America Moving Again (2020)</i> • <i>EC Federal Policy (2021)</i> 	<p>SAFE and the EC have been leading advocates for lifting the volume cap and reforming the tax credit since 2016.</p>
<p>Used EV Tax Credit Create \$4,000/30 percent tax credit for used EVs subject to limits (Section 13402)</p>	<ul style="list-style-type: none"> • Create new tax credit for used EVs. • Cars must be two years old and are subject to sales price and income caps 	<ul style="list-style-type: none"> • <i>EC Federal Policy (2021)</i> 	
<p>Electric Truck Tax Credit Creates medium- and heavy-duty EV tax credit of 30 percent of incremental cost subject to limits (Section 13403)</p>	<ul style="list-style-type: none"> • Establish a tax credit that covers up to 30 percent of the total cost, or a larger share of the incremental cost, of new medium- and heavy-duty alternative fuel vehicles. 	<ul style="list-style-type: none"> • <i>Fleet Electrification Roadmap (2010)</i> • <i>National Strategy for Energy Security (2013)</i> • <i>National Strategy for Energy Security (2016)</i> • <i>Commanding Heights (2020)</i> • <i>EC Federal Policy (2021)</i> 	<p>SAFE and the EC were among the first advocates of a tax credit for electric trucks in 2010.</p>

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<p>Electric Truck Grants New grant program for electric trucks (Section 60101)</p>	<ul style="list-style-type: none"> Expand funding for the Congestion Mitigation and Air Quality program, so state and local fleet managers can replace existing vehicles with electric, hybrid electric, or other advanced fuel vehicles. Work with states to make bulk vehicle purchases to help lower the cost of AFVs at all levels of government 	<ul style="list-style-type: none"> <i>National Strategy for Energy Security (2016)</i> <i>Commanding Heights (2020)</i> <i>EC Federal Policy (2021)</i> 	
<p>Fund Electric Postal Vehicles Appropriates \$3 billion to electrify postal fleet (Section 70002)</p>	<ul style="list-style-type: none"> Enable the electrification of the USPS delivery fleet with a direct appropriation for vehicles and charging infrastructure 	<ul style="list-style-type: none"> <i>Fleet Electrification Roadmap (2010)</i> <i>National Strategy for Energy Security (2013)</i> <i>National Strategy for Energy Security (2016)</i> <i>Commanding Heights (2020)</i> <i>Get America Moving Again (2020)</i> <i>Electrifying the Federal Fleet (2021)</i> 	<p>The EC and SAFE were among the first, if not the first, advocates of electrifying the postal fleet in 2010.</p>
<p>Clean Buses Appropriates \$5 billion for clean school buses and \$5.6 billion for transit buses (IIJA Section 71101)</p>	<ul style="list-style-type: none"> Generously fund existing grant programs to subsidize the cost of electric transit buses, school buses, and port equipment Appropriate \$5 billion for clean transit buses and \$12.5 billion for clean school buses. 	<ul style="list-style-type: none"> <i>Commanding Heights (2020)</i> <i>Get America Moving Again (2020)</i> 	<p>The school bus fleet is the largest in the country. The EC discussed proposal with congressional offices and network partners to advocate for increased funding for transit and school buses.</p>

Charging Infrastructure



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<p>Alternative Fuel Refueling Property Tax Credit Reforms tax credit and expands through 2032, includes bidirectional charging (Section 13404)</p>	<ul style="list-style-type: none"> • Extend the tax credit • Eliminate the \$30,000 limit per refueling property • Confirmed bidirectional charging equipment's eligibility for credit. 	<ul style="list-style-type: none"> • <i>Commanding Heights (2020)</i> • <i>Get America Moving Again (2020)</i> • <i>EC Federal Policy (2021)</i> • <i>Advancing Vehicle-to-Grid Technology (2022)</i> 	
<p>EV Charging Networks Appropriates \$7.5 billion for a national network of EV chargers (IIJA page 998 of Cmmte. Print)</p>	<ul style="list-style-type: none"> • Establish a grant program to fund the development of a nationwide network of electric vehicle charging infrastructure corridors throughout the United States 	<ul style="list-style-type: none"> • <i>Commanding Heights (2020)</i> • <i>Get America Moving Again (2020)</i> 	<p>The EC was heavily engaged in supporting the passage of IIJA, and created a technology display in partnership with the USDOT to help create support.</p>
<p>Increased Support for Manufacturing Appropriates funds for manufacturing conversion grants and loan guarantees, and increases loan guarantee authority (Sections 50142, 50143)</p>	<ul style="list-style-type: none"> • Generously fund the Advanced Technology Vehicles Manufacturing incentive program and the Domestic Manufacturing Conversion grant program 	<ul style="list-style-type: none"> • <i>Commanding Heights (2020)</i> • <i>Get America Moving Again (2020)</i> 	

Promoting Domestic Supply Chains



New Policy	SAFE / EC Proposal	Proposal Source	Comments
<p>Updates Sec. 48 Tax Credit Expands qualifications for credit and allows additional \$10 billion in credits (Section 13501)</p>	<ul style="list-style-type: none">Revive the 48C Advanced Manufacturing Tax Credit to provide a 30 percent investment tax credit to provide funding to re-equip, expand, or establish domestic manufacturing facilities in the clean energy & transportation technology sectors.	<ul style="list-style-type: none"><i>Commanding Heights (2020)</i><i>Get America Moving Again (2020)</i>	
<p>Fund CHIPS Act Appropriates \$52.7 billion for American semiconductor R&D, manufacturing, and workforce development, including \$39 billion in manufacturing incentives for industry, and creates a 25% investment tax credit for investments in chip manufacturing</p>	<ul style="list-style-type: none">Ensure full funding of the CHIPS ActCreate a new tax credit to provide a stable, predictable, longer-term incentive for the industry that would build upon the momentum from the CHIPS funding.Ensure incentives are available to companies from U.S. friends and allies	<ul style="list-style-type: none"><i>SAFE Webinar (2/22)</i><i>Op-Ed in Market Watch (7/22)</i><i>Letters to Congress (2/22 & 7/22)</i>	<p>SAFE advocated to carve out CHIPS funding from other stalled legislation to ensure passage in the current Congress</p>

Promoting Domestic Supply Chains



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<p>Increase Geologic Mapping and Repurpose Abandoned Mine Lands Codifies the Earth Mapping Resources Initiative and provides \$320 million over five years to map critical mineral deposits in the U.S. (IIJA Sections 40201, 40202, and 40203)</p>	<ul style="list-style-type: none"> • Authorize Earth MRI at \$64 million per year to provide topographic, geologic, and geophysical mapping and critical mineral assessments. • Authorize the National Cooperative Geologic Mapping Program to include mapping of existing mine waste on abandoned mine lands. • Direct the National Geological and Geophysical Data Preservation Program to analyze all samples within its database for the occurrence of critical minerals. 	<ul style="list-style-type: none"> • <i>Memo shared with congressional offices.</i> 	<p>SAFE met with key congressional offices to discuss the importance of proper geologic mapping to securing our critical mineral supply chains.</p>
<p>Battery Materials Processing, Manufacturing, and Recycling Establishes two grant programs for \$6 billion and a recycling prize for domestic processing, manufacturing, and recycling of advanced batteries (IIJA Section 40207)</p>	<ul style="list-style-type: none"> • Create a Department of Energy grant program funded at \$10 billion to support battery materials processing, manufacturing, and recycling. 	<ul style="list-style-type: none"> • <i>Coordinated lobbying effort.</i> 	<p>SAFE worked with the Battery Material & Technology Coalition to advocate on behalf of the new DOE programs.</p>

Promoting Domestic Supply Chains



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<p>Invest In U.S. Rare Earths Supply Chain Provides \$140 million to establish a full-scale integrated rare earth element concentrator and refinery (IIJA Sections 40204 and 40205)</p>	<ul style="list-style-type: none"> Charter a rare earth element processing cooperative to build and operate an integrated refining, processing, and metallurgical facility to counterbalance Chinese dominance in this market. 	<ul style="list-style-type: none"> <i>Memo shared with congressional offices.</i> 	<p>SAFE met with key congressional offices and industry representatives to discuss the need for mechanisms to build up processing capacity while defending from anti-competitive market practices.</p>
<p>Production Tax Credits to Support a Critical Mineral Supply Chain Provides production tax credits for battery cell, module, and pack production, as well as credits for producing electrode active material and critical minerals mining and processing (Sec. 45x)</p>	<ul style="list-style-type: none"> Provide production tax credits for critical minerals processing, battery component production, and permanent magnet production. 	<ul style="list-style-type: none"> <i>Coordinated lobbying effort.</i> 	<p>SAFE convened expert roundtables and met with key congressional offices to learn about the need for and promote the value of production tax credits to create an effective critical minerals ecosystem.</p>
<p>Streamline Permitting Permanently authorizes the Federal Permitting Improvement Steering Council (IIJA Section 70801)</p>	<ul style="list-style-type: none"> Permanently authorize the Federal Permitting Improvement Steering Council to streamline the permitting process for large infrastructure projects. 	<ul style="list-style-type: none"> <i>Commanding Heights (2020)</i> 	

Electric Power Grid



New Policy	SAFE / EC Proposal	Proposal Source	Comments
<p>Extension and Modification of Energy Credit Extends the energy investment tax credit and expands eligible technologies to include energy storage technology and microgrid controllers. (Sec. 13102).</p>	<ul style="list-style-type: none">• Support the creation of a new stand-alone credit for energy storage	<ul style="list-style-type: none">• <i>Get America Moving Again (2020)</i>	
<p>Deployment of Technologies to Enhance Grid Flexibility Authorizes appropriations of \$3 billion for deployment of technologies to enhance grid flexibility. (IIJA Sec. 40107)</p>			<p>SAFE worked with Senate staff to add bidirectional charging to this provision.</p>

Electric Power Grid



New Policy	SAFE / EC Proposal	Proposal Source	Comments
<p>Grants to Facilitate the Siting of Interstate Transmission Lines Appropriates \$760 Million for grants to expedite the siting of high-voltage transmission lines (Section 50152)</p>	<ul style="list-style-type: none">• Congress should establish an Electric Transmission Investment Tax Credit to help overcome barriers for transmission projects and make the up-front investments for “shovel-ready” transmission projects more affordable	<ul style="list-style-type: none">• <i>Get America Moving Again (2020)</i>	
<p>Electric Grid Reliability and Resilience Research, Development, and Deployment Authorizes \$5 billion in financial assistance for electric grid reliability and resilience research, development, and demonstration and appropriates \$1 billion to assist rural and remote areas (IIJA, Section 40103)</p>	<ul style="list-style-type: none">• Congress should fund \$3.4 billion for research and development to modernize the grid and to strengthen the capacity of the energy sector to prepare for and withstand cyber and physical attacks.	<ul style="list-style-type: none">• <i>Get America Moving Again (2020)</i>	

Regulating Foreign Company Activities



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<p>Audit Foreign Companies Congress reaffirmed the requirement that U.S. listed companies be subject to audit. Regulators are currently negotiating with China.</p>	<ul style="list-style-type: none">Delist foreign companies that do not meet our accounting standards.	<ul style="list-style-type: none"><i>Commanding Heights (2020)</i>	
<p>Fund Program to Secure U.S. Cell Network House Energy and Commerce Committee support bill to appropriate additional \$3.4 billion to the Reimbursement Program</p>	<ul style="list-style-type: none">Monitor the Secure and Trusted Communications Networks Reimbursement Program and appropriate additional funding if needed to complete the replacement of suspect 5G equipment.	<ul style="list-style-type: none"><i>Commanding Heights (2020)</i>	

SAFE Priorities: Domestic Oil & Gas Production



SAFE has advocated for increased domestic oil and gas exploration and production, subject to strict environmental standards, for over 18 years. The following provisions in the Inflation Reduction Act are consistent with SAFE's long history of advocacy regarding this issue.

Leasing on the Outer Continental Shelf. Allows the Department of the Interior to grant leases, easements, and rights-of-way pursuant to the Outer Continental Shelf Lands Act in areas previously withdrawn from leasing. Allows the Secretary of the Interior to undertake wind lease sales for areas of the Outer Continental Shelf and areas within the exclusive economic zone of the United States and its territories. (Sec. 50251)

Offshore Oil and Gas Royalty Rate. Increases the royalty rate for offshore oil and gas bidding from 12.5 percent to between 16.67 and 18.75 percent for ten years, and then no lower than 16.67 percent. (Sec. 50261)

Mineral Leasing Act Modernization. Increases the royalty rate for oil and gas production from 12.5 percent to 16.67 percent. Increases the oil and gas minimum acceptable bid from \$2 to \$10 per acre and increases fossil fuel rental rates. The section amends the conditions for lease reinstatement to require a royalty rate for future rentals of 20 percent instead of 16.67 percent. Allows the Secretary of Interior to offer competitive bidding for land that has not had an accepted bid or that has an expired lease. (Sec. 50262)

Royalties on All Extracted Methane. Requires that royalties paid for gas produced include all gas that is consumed or lost by venting, flaring, or negligent releases. (Sec. 50263)

Lease Sales Under the 2017-2022 Outer Continental Shelf Leasing Program. Requires the Secretary of Interior to accept bids for oil and gas Outer Continental Shelf Lease 257 bids no later than 30 days after the enactment of this bill. Further, this section requires the Department of the Interior to conduct Lease Sale 261 no later than September 30, 2023. (Sec. 50264)

Ensuring Energy Security: Conditions issuance of rights-of-way for wind and solar energy development on federal land over the next ten years on the recent conduct of oil and gas lease sales. (Sec. 50265)

Additional EV Policies and Programs



Policies and Programs from IIJA

- Creation of EV Working Group (Sec. 25006)
- Creation of a project to demonstrate EV battery second-life applications for grid services (DOE) (Sec. 40112)
- Data collection on electric vehicle integration with the electricity grids (Sec. 40414)
- Language added to Section 111d of PURPA for EV Charging Programs, "Consideration of measures to promote greater electrification of the transportation sector" (Sec. 40431)
- Study on impact of EVs (Sec. 40435)
- Creation of program to study Electric Drive Vehicle Battery Recycling and Second-life Application Program (Sec. 40208)
- Study on impact of forced labor in China on the electric vehicle supply chain (Sec. 40436)
- Surface Transportation Block Grant Program - clarifies that EVSE is now eligible (Sec. 11109)
- Updates EVSE Standards within the MUTCD (Sec. 11129)
- Creation of a National Motor Vehicle Per-mile user fee pilot (Sec. 13002)
- Creation of grant program for Critical Minerals, Battery Processing, Manufacturing and Recycling facilities/projects (Sec. 40210 and 40207)
- Creation of Carbon Reduction Program to reduce transportation emissions; EVSE eligible (Sec. 11403)
- Study on port electrification (Sec. 11402)

Policies and Programs from IRA

- Additional funding for DOE Loan Program Office (Sec. 50141) (\$3.6 billion)
- Additional funding to reduce air pollution at ports (Sec. 60102)
- Creation of Greenhouse Gas Reduction Fund, EVs and EVSE likely eligible (\$27 billion) (Sec. 60103)
- Creation of Environmental and Climate Justice Block Grants, EVs and EVSE likely eligible (\$2.8 billion) (Sec. 60201)
- Additional funding for Neighborhood Access and Equity Grant Program, EVSE likely eligible (\$3 billion) (Sec. 60501)

Moving People & Goods Sustainably

SAFE's initiative, the Coalition for Reimagined Mobility (ReMo), advocates for policies that prioritizes people and the planet in the movement of people and goods, and the Inflation Reduction Act does just that.

Specifically, port authorities can use grant funding from the IRA to develop freight data exchange standards, as highlighted in our recent report, [Solving the Global Supply Chain Crisis with Data Sharing](#), to reduce emissions at facilities and communities around them.

Grants to Reduce Air Pollution at Ports. Provide \$3 billion to award grants or rebates for the purchase or installation of zero-emission port equipment or technology for use at, or to directly serve, one or more ports. (Sec. 60102)

Greenhouse Gas Reduction Fund. Provides \$27 billion for the EPA to establish a Greenhouse Gas Reduction Fund to provide funding to green banks who would then invest in projects or approaches that reduce GHG emissions in communities. Of the \$27 billion total, \$7 billion is available for competitive grants to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies. (Sec. 60103)

Neighborhood Access and Equity Grant Program. Provides \$1.8 billion for FHWA grants to improve walkability and safety, and affordability of transportation choices; mitigate or remediate negative impacts on the environment from transportation facilities; and planning and capacity building activities including monitoring local air quality, emissions of transportation greenhouse gases, and hotspots of elevated heat or air pollution and to assess transportation equity or pollution impacts. (Sec. 60501)

Bibliography



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[Don't Let the CHIPS Fall](#) (7/2022)