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U.S. Departments of Treasury and Energy Meet with Local Communities to Discuss Leveraging Federal Funding for Clean Energy Investments

Conversations Empower Michigan to Earn More Clean Energy Funding to Strengthen Communities, Create Jobs, and Take Climate Action

LANSING, Mich.— To help more communities leverage federal dollars, the Michigan Infrastructure Office, Michigan Department of Environment, Great Lakes, and Energy's (EGLE) Office of Climate and Energy, David Eichenthal, Senior Advisor for Policy Implementation and Delivery at the U.S. Department of Treasury, and Taresa Lawrence, director of State, Local and Tribal Policy at US Department of Energy, and Alex Kate Halvey from the U.S. Department of Energy's Office of Policy completed six impactful visits across Michigan from Monday, June 24 to Wednesday, June 26. The team engaged with local community leaders, officials, non-profits, houses of worship, and other "[eligible entities](#)" to discuss the IRA's Elective Pay, or '[Direct Pay](#),' provisions and the opportunities available to bring home funding for clean energy investments. The visit included stops in Battle Creek, Dearborn, Detroit, Flint, Kalamazoo, Saginaw and Taylor.

The team was incredibly encouraged by the clean energy projects already underway in these communities and the creative ideas and excitement members of these communities expressed about the opportunity that direct pay presents for them. They heard from school superintendents, heads of community centers, pastors, economic development officials, community college facilities managers, and so many more about how Direct Pay can lower their energy costs and help deploy clean energy projects at their sites sooner than anticipated.

"Thanks to our hardworking congressional delegation's efforts to pass the IRA, the state and our partners have unprecedented resources to move the needle on climate change and implement the MI Healthy Climate Plan, said **Phil Roos, EGLE Director**. "But these aren't *just* climate investments—they are investments that have a real impact in people's lives—they lower energy costs, make homes more comfortable, promote cleaner air and healthier communities and create new economic opportunities in communities. EGLE was proud to partner with the MIO and the U.S. Department of Treasury on this series of visits to educate and encourage communities to take advantage of federal resources and continue their journeys towards a more sustainable future."

Under the IRA, the 'Direct Pay' provision allows states, tribal, and local governments and most nonprofit organizations to access federal funding through tax credits, even though these entities do not typically pay federal taxes. This innovative approach can cover a significant portion of clean energy project costs. In addition to future projects, eligible activities placed in service in 2023 also qualify for these tax credits. Direct pay will help local governments and tax-exempt entities lower their energy, fueling, and infrastructure costs through the installation of clean energy infrastructure such as a solar array or integration of electric vehicles into their fleets, leaving them more money to invest back into critical services for their communities and residents.

"Michigan is seizing a historic opportunity to transform our infrastructure and energy landscape thanks to the federal funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act," **said Zach Kolodin, Michigan's chief infrastructure officer and director of the Michigan Infrastructure Office.** "In response to the IRA and other federal programs launched under President Biden, Michigan is embracing a collaborative ecosystem that empowers us to secure crucial federal projects while also strategically planning for their lasting impact. The Direct Pay provisions of the IRA are particularly impactful, allowing our communities to undertake substantial clean energy initiatives."

Michigan has received billions of dollars in federal funding from President Biden's Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA) to invest in our roads and bridges, high-speed internet, water infrastructure, clean energy, and more. The IRA provides communities the opportunity to receive direct payments from the IRS for eligible investments in clean energy infrastructure. With smart fiscal planning, communities can make transformative investments that help save people money, improve quality of life, and help Michigan achieve the climate goals laid out in the [MI Healthy Climate Plan](#).

Passed in 2022, the IRA is the largest investment in climate and energy in American history. The legislation aims to tackle the climate crisis, advance environmental justice, create clean energy jobs, and position the United States as a world leader in clean energy manufacturing. To date, billions of dollars in clean energy investments have been made in Michigan, enhancing public health, safeguarding our natural resources, and accelerating efforts to reach the goals of the MI Healthy Climate Plan. Notable projects funded through the IRA include:

- \$1.5 billion (conditional commitment) from the U.S. Department of Energy (DOE) to restart the Palisades Nuclear Plant in Southwest Michigan, a facility that when operational provides enough clean energy to power 800,000 homes.
- \$156 million from the U.S. Environmental Protection Agency for the MI Solar for All Program to lower energy costs and increase access to rooftop and community-serving solar for low-income families.
- \$50 million from the U.S. DOE to support Nel Hydrogen's development of a clean energy facility in Metro Detroit.

"The opportunities provided to our communities from the IRA are not just an investment in our infrastructure, but an investment in the future of Michigan," **said Kris Brady, director of the Michigan Infrastructure Office's Technical Assistance Center.** "By educating our local communities on how to leverage federal funding, we are empowering them to take charge of building up infrastructure and creating resilient communities while crafting a legacy that will resonate across generations, fostering a stronger, more resilient Michigan for years to come."

Because of the IRA, more good-paying, in-demand clean-energy jobs are coming to Michigan. Michigan leads the Midwest when it comes to the number of clean energy workers. The 2023 Clean Jobs America Report stated that the clean energy sector is growing twice as fast as the overall economy and employs 123,983 Michiganders. According to the World Resource Institute, by the year 2040, the state could

create 41,000 new jobs as it advances electric vehicle manufacturing and builds out renewable energy, like solar and wind.

To learn more about the Michigan Infrastructure Office, please visit www.michigan.gov/whitmer/issues/michigan-infrastructure-office.

ABOUT THE MICHIGAN INFRASTRUCTURE OFFICE

The Michigan Infrastructure Office is responsible for organizing and executing Governor Whitmer's vision for infrastructure, coordinating across state government, marshaling resources, and partnering with local officials, federal partners, and outside stakeholders to ensure resources sent to Michigan through BIL, also known as the Infrastructure Investment and Jobs Act (IIJA), are used efficiently and effectively.

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