COAL PLANT COMMUNITY PLAYBOOK

An Overview of Federal, State, and Local Resources & Best Practice Examples for Coal Communities

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Cover image: The John E. Amos coal-fired power plant in Poca, WV. Photo by Wigwam Jones, Flickr

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The Ohio River Valley Institute is an independent, nonprofit research and communications center founded in 2020. We equip the region’s residents and decision-makers with the policy research and practical tools they need to advance long-term solutions to some of Appalachia’s most significant challenges. Our work includes in-depth research, commentary, and analysis, delivered online, by email, and in-person to policy champions, emerging leaders, and a range of community partners.
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In June 2021, the National Bureau of Economic Research (NBER) released a comprehensive Report on Coal-Fired Power Plant Retirements in the United States. The authors summarized the history of coal-fired plant retirements over the last decade, described planned future retirements, and forecasted the remaining operating life for each coal plant in the U.S.

The authors provided a comprehensive review of technology trends, geographic advantages that some plants may have, located near fuel sources, and the possibility that some states could choose to provide significant subsidies designed to keep coal power plants open. The NBER Report concluded with a grim assessment:

“Our model suggests that no matter the policy landscape, electric grid operators, environmentalists, and policy makers should expect the retirement of coal-powered generators to continue until coal essentially disappears from the grid.”

The NBER Report based this assessment on fundamental economics.

The NBER Report looked at the “levelized cost” of electricity which measures the lifetime costs of a generating source. Levelized cost is a measure of the average net present price of electricity generation for a power source over its lifetime.

The NBER Report found that the levelized cost of producing power from coal-fired plants is “more than double the levelized cost of solar and wind and nearly double the cost of combined-cycle natural gas plants.”

When the NBER Report was released in June 2021, there were six coal-powered plants operating in Pennsylvania. As of July 2022, five of the six coal-powered plants in Pennsylvania have announced plans to either shut down operations or seek permits to convert the plants to natural gas. Only one coal plant, the Homer City 1,884-MW generating plant in Indiana County, has announced plans to keep on its 129 employees and continue operating.

This Playbook seeks to summarize successful planning strategies adopted by coal mining and coal plant communities when local generating plants have closed operations. The Playbook describes the types of investment and planning partnerships forged in those coal communities, different methods taken to assess local assets (including the former coal plant), and new potential resources that are currently available from local, state, and federal agencies.

The case studies of successful re-investment strategies do not describe a simple or easy path forward. No single one-size-fits-all approach emerges from successful coal plant community planning efforts.
However, coal plant communities in Pennsylvania have a unique opportunity right now to channel federal infrastructure investments into local projects that create new construction jobs and small business opportunities in the short term and while building a foundation with a long-term strategy for a more prosperous future that expands far beyond the jobs lost at the coal plant site.
The Ohio River Valley Institute (ORVI) produces data-driven research to improve the economic performance and standards of living for the greater Ohio River Valley, focusing on shared prosperity, clean energy, and equitable democracy. In 2021, ORVI and partners produced a series of reports detailing the economic opportunities of “repairing the damage” from legacy industrial sites like orphan oil and gas wells, abandoned mine lands, and coal ash facilities.

In 2022, as federal and state governments work to implement the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA), ORVI is quantifying how such historic levels of funding could contribute to economic recovery. ORVI’s goals are to maximize job creation with good labor practices and opportunities for union contracts and to catalyze long-term, sustainable economic development through BIL implementation.

ORVI reports and blog posts include:

1. Repairing the Damage: Cleaning Up the Land, Air, and Water Damaged by the Coal Industry Before 1977
2. Repairing the Damage from Hazardous Abandoned Oil and Gas Wells
3. Options and Opportunities for Coal Plant Communities: Pennsylvania and the Regional Greenhouse Gas Initiative (RGGI)
4. The Centralia Model for Economic Transition in Distressed Communities
5. Repairing the Damage: Cleaning Up Hazardous Coal Ash Can Create Jobs and Improve the Environment
6. Federal Orphaned Well Funding, Explained
7. Maximizing Impact of Federal Orphaned Well Program in States
9. Here’s How Appalachian States Can Create “Good-Paying, Union Jobs” Cleaning Up Mines
ORVI and its partners have highlighted a variety of economic development opportunities for Pennsylvania in four key sectors that could boost construction jobs and help coal-dependent communities get back to work: 1) restoring abandoned coal mines; 2) cleaning up abandoned oil and gas wells; 3) retrofitting homes, businesses, and schools to improve energy efficiency; and 4) building out broadband in rural communities. Some local officials are already working on economic development plans that will create local jobs in these four business sectors.

1. **Restoring abandoned coal mines:** Pennsylvania is home to 34% of the nation’s total abandoned mine lands and more than 40% of estimated cleanup costs. Our anticipated share of mine cleanup funding from the bipartisan Congressional infrastructure bill is a whopping $322 million in 2022 alone, six times as much money as in 2020. Former coal miners, operating engineers, and construction workers can get to work in 2022 on these reclamation projects as funding is released.

2. **Cleaning up abandoned oil and gas wells:** The infrastructure program includes $4.7 billion to remediate aging oil and gas wells, creating new jobs while simultaneously curbing climate-warming methane emissions. Pennsylvania, the birthplace of the modern oil industry, is home to over 200,000 “orphan” and abandoned oil and gas wells. The Keystone state will receive a minimum of $330 million in federal funding. ORVI calculates that this program has the potential to create 3,960 jobs for pipefitters, operating engineers, and construction workers in Pennsylvania annually.

3. **Retrofitting homes, businesses, and schools:** New federal infrastructure spending will invest up to $5 billion in projects to create energy efficiency jobs. ORVI research has demonstrated how targeted funding for energy efficiency, clean energy and education has fueled local job and economic growth levels to twice the national rate. Additional investments in energy efficiency, generated by the Regional Greenhouse Gas Initiative (RGGI), could supplement federal funding, and yield even stronger growth. Both federal and RGGI funds could be leveraged with private investments to create thousands of new construction jobs, delivering homeowners and businesses energy cost savings that are reinvested locally. Also, in July 2022, the General Assembly appropriated $125 million for a newly developed Pennsylvania Whole Home Repair Program. These funds will be available in 2022 to county governments and may help to expand financing of local energy efficiency retrofits and construction projects.
4. **Building out broadband in rural communities**: Reimagine Appalachia has highlighted the critical role that broadband access plays in rural economic development. States are already investing $10 billion from the American Rescue Plan Act in broadband development and the new federal infrastructure bill is funding $65 billion for broadband deployment and adoption. Broadband investments can create thousands of construction jobs in the short term and grow rural small businesses in the long term. Broadband expansion is a critical driver for economic growth.

These four new areas of opportunity for economic development are just a small portion of the new infrastructure investment opportunities discussed in this Playbook. Any township, county or regional economic development planning group can consider these opportunities as part of a larger strategy to replace lost coal plant jobs at the closed power plant and in the surrounding county. This Playbook describes many additional and newly available investment opportunities for coal plant communities below, as well as a planning process to help access these funds.
PHASE I: CREATING A BROAD PLANNING PARTNERSHIP

Strong Partnerships

Economic development planning partnerships that include a wide variety of organizations can develop more competitive grant application proposals, are more likely to develop comprehensive local and regional strategies and offer up greater potential for attracting matching funds from public and private sector partners. Strong partnerships often include state and local government planning agencies, utilities, community organizations, financial institutions, local and in-state academic institutions, labor unions, local chambers of commerce, small business associations, and private investors.

ORVI’s July 2021 report, “Options and Opportunities for Coal Plant Communities,” highlighted case studies of six coal plant communities that faced stark economic conditions after the closure of a local generating facility, but at the same time, were able to develop long term economic development plans to create jobs, attract new industries to the area, and develop a consensus on the best reuse of the site. The strategies adopted by coal plant communities in the case studies provide a useful roadmap for successful federal/state BIL grant applications.

A growing body of research on best practices in economic development strategies emphasize the need for strong and broad-based partnerships at the local level to guide strategic planning and attract investments that can be leveraged with local, state, and federal funding opportunities. The Appalachian Regional Commission’s 2019 report, “Strengthening Economic Resilience in Appalachia” provides data and summaries of ten diverse and successful case studies. In a similar manner, the Just Transition Fund’s “Blueprint for Transition” provides a comprehensive online resource to help coal communities and local leaders create partnerships and build community-based approaches to economic development in places where a coal asset has closed or is closing. “Blueprint for Transition” includes information on potential local partners and resources in Pennsylvania and additional case studies, like the Huntley Alliance study from a closed coal plant community in Erie County, NY.

Building a Consensus for Action

Solid, long term economic development planning and federal grant acquisition takes time and requires input from a broad coalition of local stakeholders. The case studies cite examples of planning efforts that tapped into the expertise of local businesses, investors, workers, and local government leaders, to maximize state and federal grant opportunities. Developing long-term economic development plans takes time to build consensus and identify specific projects. Consensus building in the six case studies did not occur quickly and often followed a series of stakeholder meetings and a review of options facilitated by an outside group or academic institution.
Project Development and Seed Funding

BIL investments offer a historic amount of funding available for local construction projects. As will be discussed below, there are numerous new or expanded sources of funding for planning grants. Because the planning process takes time and resources, identifying initial seed funding and/or a planning grant is critical. In addition, “matching funds” whether they are from private sector partners, non-profit foundations, or local government partners, can help leverage larger state or federal planning grant applications.

Industrial or Power Plant Site Retrofits, Demolitions and Cleanups

Coal plant communities also face an immediate question of whether and how a closed coal plant site might be reused. Many coal plant sites have an intrinsic value and a market advantage of an already developed infrastructure of rail, highway, sewer, electrical and other connections. One model for site evaluation are the studies prepared by the Pennsylvania Department of Community and Economic Development (DCED) on decommissioned coal-fired power plant redevelopment. DCED’s Redevelopment Playbooks are a collaboration between state and local government, community and business stakeholders, environmental analysts, and market experts, and include an assessment of the regional economy, overview of the site’s potential liabilities, and an analysis of local demographics and available workforce development resources.21

Local communities can look to the DCED Playbook model as a starting point for examining site attributes and the nearby market analysis. As suggested in the DCED Playbooks, coal plant planning partnerships are best served by considering a full array of possible reuse scenarios. Options connected to fossil fuel energy production and other renewable energy options should be considered and evaluated. In addition, the DCED Playbooks and best practices in economic development planning suggest that coal plant communities should examine the economic development of the entire county footprint in the planning process. Finally, since the DCED Playbooks were developed, additional funding sources for site cleanup and site preparation have become available in the federal infrastructure legislation, which may offer new or expanded alternatives for the coal plant site and adjacent industrialized sites.
PHASE II: IDENTIFYING FEDERAL AND STATE PARTNERS FOR PLANNING GRANT FUNDING

Variety of Local Approaches

The examples from the ORVI case studies in “Options and Opportunities for Coal Plant Communities” demonstrate that there are a wide variety of approaches that could be adopted in at a coal plant community to identify funding sources for the reuse and development of a closed plant site, including state-wide planning funding (Colorado), special legislation to dedicate economic development funding to a particular site (Massachusetts), state legislation that provides funding for all closed power plants to temporarily replace lost tax revenues (New York’s Mitigation Fund) or site-specific deals between the coal plant owner and the local government (Centralia, WA).

All sources of potential funding at the state and federal level should be considered.

In addition, in 2022, coal plant communities have resources available that were not present at the ORVI case study sites. In March 2021, Congress passed the American Rescue Plan Act of 2021. Some recent reports estimate that final decisions on how to spend up to $11 billion in previously allocated funds to local and state governments have not yet been made. As will be discussed below, in November 2021, Congress approved the Bipartisan Infrastructure Law (BIL) that provides a $973 billion investment in infrastructure over five years. Finally, the Inflation Reduction Act, which became effective on August 19, 2022, will add funding, tax credits, loan guarantees, and consumer rebates to consider in economic development planning.

Because these resources are now available, local coal community planning groups should consider potential economic development projects throughout their counties as well as at the closed coal plant site. Newly available BIL funding provides a unique opportunity to identify a wide variety of federal resources for construction projects and infrastructure expansion.

Planning Grants: Potential Sources

A necessary first step is to seek a planning grant. There are several potential sources. Because federal and state agencies are working closely on the implementation of BIL programs, ORVI suggests talking to all levels of state and federal government with at least two specific goals. First, learn more about each federal or state office’s funding opportunities and how they might be applied to the coal plant site. Second, determine whether the federal or state agency offers planning grants and how those grants might be used in the coal plant communities’ planning process. These should be considered introductory conversations and local communities may choose to engage with and/or potentially partner with more than one federal or state agency. The following six Departments, Agencies or Working Groups are excellent sources of information:
1. **U.S. Economic Development Administration (EDA)**

   EDA administers a variety of economic development programs including the Coal Communities Commitment which allocated $300 million of its $3 billion American Rescue Plan appropriation to support coal communities. Through this and other programs EDA seeks to create new jobs and opportunities, including through the creation or expansion of a new industry sector.

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   Robert N.C. Nix Federal Building  
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   Philadelphia, PA 19107  
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2. **Appalachian Regional Commission (ARC)**
   [https://www.arc.gov/arcs-power-initiative/](https://www.arc.gov/arcs-power-initiative/)

   The Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative targets federal resources to help communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industries due to the changing economics of America’s energy production.

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   Harrisburg, PA 17120-0225  
   nfowler@pa.gov  
   717-214-5395
3. US Department of Agriculture—Rural Development State Office
https://www.rd.usda.gov/pa

Many USDA Rural Development grants and technical assistance programs have the potential to support rural communities’ economic development efforts.

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https://dced.pa.gov/

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5. Pennsylvania Local Development Districts (LDDs)
https://www.paldd.org/

LDDs provide Business Development Services, Federal and State Grant Assistance, Government Contracting Assistance, International Business Development Services, Community Development Services and Transportation Planning in fifty-two (52) counties of Pennsylvania. PA’s 7 LDDs work with Federal and State agencies to enhance community and economic development.

Pennsylvania Local Development Districts:
Pennsylvania Local Development District Contact Information:

1. Northwest Pennsylvania Regional Planning & Development Commission
   Executive Director - Jill Foys
   395 Seneca Street
   Oil City, PA 16301
   Tel. (814) 677-4800
   Fax (814) 677-7663
   Email: info@northwestpa.org
   Website: www.northwestpa.org

2. Southwestern Pennsylvania Commission
   Executive Director - Vincent Valdes
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3. North Central Pennsylvania Regional Planning & Development Commission
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4. Southern Alleghenies Planning & Development Commission
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5. Northern Tier Regional Planning & Development Commission
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6. SEDA Council of Governments
   Executive Director - Kim Wheeler
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   Lewisburg, PA 17837
   Tel. (570) 524-4491
   Fax (570) 524-9190
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   Website: www.sedacog.org

7. Northeastern Pennsylvania Alliance
   President & CEO - Jeffrey K. Box
   1151 Oak Street
   Pittston, PA 18640
   Tel. 866-758-1929
   Fax (570) 654-5137
   Email: info@nepa-alliance.org
   Website: www.nepa-alliance.org
6. **Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization**
[https://energycommunities.gov/](https://energycommunities.gov/)

During his first week in office, President Biden signed Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad,” creating an Interagency Working Group (IWG) on Coal and Power Plant Communities and Economic Revitalization ([https://energycommunities.gov/](https://energycommunities.gov/)). The IWG maintains a Clearinghouse of BIL provisions relevant to energy communities ([https://energycommunities.gov/funding-opportunities/](https://energycommunities.gov/funding-opportunities/)). The IWG holds webinars on topical funding opportunities, like rural broadband and BIL opportunities designed for Appalachian communities ([https://energycommunities.gov/events/past-events/](https://energycommunities.gov/events/past-events/)).

The geographic footprint of the IWG includes large portions of Pennsylvania, Southern Ohio and all of West Virginia:
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PHASE III:
IDENTIFYING POTENTIAL BIL PROGRAM FUNDING RESOURCES

A comprehensive review of the many funding resources available from the Bipartisan Infrastructure Law (BIL) can be overwhelming. This section of the Playbook provides a brief overview of BIL and highlights a comprehensive summary of BIL published by a non-profit organization and a federal interagency partnership. ORVI suggests local planning groups review BIL funding sources with an eye towards the strongest possible approach for the acquisition of project funding. In addition, this Playbook assumes that identifying potential local economic development projects can be made easier by approaching BIL funding sources in four steps.

First, a short summary of BIL appears in Attachment A. Most BIL funds are devoted to transportation, water, and broadband infrastructure project funding. $73 billion is devoted to energy and power infrastructure. $21 billion targeted to environmental remediation. Attachment A highlights infrastructure funding for transportation, water, energy, broadband, and resiliency. Almost all BIL funding categories set aside some level of funding for local planning grants (as described in the previous section). Understanding where a local potential project may fit into larger categories of BIL funding can help provide context.

Second, the vast majority of BIL funding opportunities require local projects to apply for funds and propose a “match,” or seed funding to obtain a grant for a specific project. However, there are a limited number of BIL funding sources that do not require a “match.” Just as local communities should identify potential planning grant funding as an initial priority, so too “no match” grants should be a high priority for consideration. Attachment B lists BIL’s “no match” programs. Local government planning groups might consider these funds for stand-alone projects or as a separate component of a larger project series.

Third, many BIL funding sources require local governments to develop a state or federal application for project support. Understanding how a local project will be “graded” or evaluated in advance can help local agencies build a “winning” project from the earliest stages. While each BIL funding program is different, Attachment C lists the “Grant Criteria” used by the ARC’s POWER Initiative. Please note that these “Grant Criteria” pre-date BIL and may no longer be fully applicable to POWER grants, but the evaluation scorecard shows how federal and state agencies will typically evaluate project grant applications.

Fourth, new funding, tax incentives, loan guarantees and other resources made available through the IRA may make many projects attractive to private sector investors. As noted above, private sector investments and development planning with private sector partners is critical to creating broad planning partnerships. Attachment D provides a summary of resources and funding opportunities available through the IRA.
Fifth, BIL provides at least four areas of funding that offer unique benefits for Pennsylvania. These investment programs have a high potential for creating construction jobs and in many instances can create opportunities in isolated and/or rural areas.

These funds include: 1) Restoring abandoned coal mines; 2) Cleaning up abandoned oil and gas wells; 3) Retrofitting homes, businesses & schools; and 4) Building out broadband in rural communities. These four areas of economic activity might serve as a focus area in some county level planning efforts or as a supplemental economic development strategy for counties considering specific BIL-funded economic development projects. ORVI can work directly with local planning groups to identify and pursue specific funding categories and sources in these four areas.

Reviewing BIL Funding Summaries & References

There are many summaries and guides to BIL funding. Two are indispensable:

1. **Infrastructure Investment & Jobs Act: A Federal Investment Guide for Local Leaders** by Accelerator for America, in collaboration with Drexel University, Nowak Metro Finance Lab, the US Conference of Mayors, and Oxford Urbanists.

   From the Executive Summary: 
   *This guide was produced to support local action ambitious enough to meet the scale of BIL. It is intended to advance the conversation on actionable insights for local leaders.*

   The Federal Investment Guide focuses on the following features:

   - **Is the program new or does it already exist?** Existing formula programs that received supplemental funds will move the most quickly. New programs, both formula and competitive, will become available more gradually.
   - **How is funding distributed?** The guide focuses on formula and competitive funds so that local leaders know who will receive funds automatically and what funds will require application.
   - **How big is the program and who distributes it?** The guide focuses on agency and program size so local leaders know who to reach out to with questions.
   - **Who receives or applies for it?** The guide identifies the local parties responsible for receiving funds or applying for them. It does this to empower mayors to convene and organize the many actors involved in ensuring a range of new infrastructure programs achieve big things for their communities.

   The guide lays out six strategies local leaders can adopt and modify to drive transformative in their communities:

   1. Approach BIL Funds in Terms of Recipients and Applicants
   2. Engage Private Financing Using Infrastructure as a Platform
   3. Build Economic Opportunity Through Deployment
   4. Geographically Align Spending to Support Place-Making
   5. Use the BIL to Address the Climate Crisis and Build Resiliency
   6. Position Your City as a Clean Energy & Tech Innovation Hub
2. The Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization

Hosted by the US Department of Energy’s National Energy Technology Lab

As mentioned above, the Interagency Working Group on Coal & Power Plant Communities & Economic Revitalization (IWG) was created in January 2022, and since then has ramped up a series of webinars and information sessions about federal funding opportunities for coal-impacted communities. Twelve federal agencies and offices participate in the IWG and the degree of cooperation and participation is unprecedented at the federal level.

Although parsing through the various sources of BIL funding can be overwhelming, the IWG provides a running list of upcoming federal funding opportunities for coal communities on a wide range of economic development and workforce development subjects at: https://energycommunities.gov/. The searchable database of funding opportunities appears at: https://energycommunities.gov/funding-opportunities/.

The IWG has also hosted a series of training sessions on how to apply for BIL grants at: https://energycommunities.gov/past-event/how-to-apply-for-and-manage-federal-grants/.

A calendar of upcoming events appears at: https://energycommunities.gov/events/.

Recorded sessions of all training and information events hosted by the IWG are also available at: https://energycommunities.gov/events/month/.
PHASE IV: ENGAGING WITH STATE PARTNERS

As coal communities proceed through the first three Phases of economic development planning described above: 1) building local planning partnerships; 2) securing federal BIL planning grant funding; and 3) identifying potential sources of federal/BIL economic development and infrastructure project funding; parallel efforts should be made with members of the Pennsylvania General Assembly and state agencies. Coal communities should seek state funding relief for the loss of funding from closed coal plants and coal mining activities. As described in ORVI’s Options and Opportunities for Coal Plant Communities, best practices in Colorado, Massachusetts and New York demonstrate that states can and should play a role of providing relief to local communities as new economic strategies are developed and implemented to replace coal mining, coal processing and coal power plant activities.

Loss of “PILOT” Payments in Lieu of Taxes or Local Tax Revenues

Coal communities suffer the double impact of lost jobs and coal-related business activities and lost tax revenues when a coal plant shuts down. At the same time, demand for local services such as schools, police services and fire safety remain the same in coal communities. Lost tax revenues can force significant layoffs of teachers, police, and fire fighters. Often, tax payments from coal plants are baked into the local government budgets for decades, and the economic downturn caused by the loss of local coal jobs occurs at exactly the wrong time to raise property taxes or other fees.

ORVI’s case studies in New York and Massachusetts coal plant communities suggest that the state legislature can play a critical role in partially filling the revenue gap of in coal communities, even if just temporarily, to allow local economies to get back on track.

For example, in July 2015, New York launched an Electric Generation Facility Cessation Mitigation Program (Mitigation Program) administered by the Empire State Development Authority, the New York State Energy Research and Development Authority, and the Department of Public Service. The NY Mitigation Program was created to provide funding assistance to support counties, towns and cities that experience a reduction in the amount owed in real property taxes by an electric generating facility. Under the NY Mitigation Program, local governments have received annual funding for up to seven years. A total of $140 million has been provided to distressed coal plant communities in New York state.

In Massachusetts, the legislature provided direct grants to coal communities largely to buy time for two coal plant communities to develop alternative business development opportunities or for the redevelopment and reuse of coal plant sites. Both New York and Massachusetts made clear that the funding was a necessary, but
temporary component of the eventual reuse of the coal plant sites by locally driven public and private investment groups. In Colorado, in May 2019, Gov. Jared Polis signed House Bill 1314, The Just Transition from Coal Based Electrical Energy Economy Act, which recommended a similar approach for local coal communities. Pennsylvania coal communities should also be able to obtain temporary funding from the General Assembly to replace coal plant tax revenues in the same manner that Colorado, Massachusetts, and New York have provided to their local coal communities.

**Potential State Funding Sources in Pennsylvania**

The primary purpose of this Playbook is to assist local coal plant communities explore the economic development opportunities presented by federal BIL infrastructure investments. The strongest local partnerships will likely include state and local government planning agencies, utilities, community organizations, financial institutions, local and in-state academic institutions, labor unions, local chambers of commerce, small business associations and private investors. Attracting private sectors partners and investors to leverage BIL funding will likely play the largest role in successful project implementation. However, coal communities should also explore opportunities for potential state investments. In the near term, Pennsylvania is in an unusual budget and funding situation. Passage of the federal American Rescue Plan in March 2021 created an unanticipated pool of available state resources. As of May 2022, as much as $11 billion in remaining state and local American Rescue Plan funding allocations have not yet been made by the General Assembly in Pennsylvania. Coal plant communities have a unique, short-term opportunity to approach the General Assembly with proposals to use available American Rescue Plan funds for site remediation at former coal plants and to use available state funding as leverage for federal BIL grant applications.

In the longer term, new funding may become available through Pennsylvania's entry into the Regional Greenhouse Gas Initiative (RGGI). Although the final RGGI regulation was published in the Pennsylvania Bulletin on April 23, 2022, implementation of RGGI has been held up with court challenges. Implementation of RGGI has not yet occurred. However, when implementation of RGGI does proceed, Pennsylvania will have a potential funding stream for clean energy projects and economic development in coal communities. RGGI auction proceeds could provide a longer-term source of dedicated funding for coal communities once the RGGI program is implemented should the Pennsylvania General Assembly direct a portion of RGGI funds towards economic development in coal communities.
**PHASE V: MATCHING UP PROJECTS WITH BIL PROGRAM GRANT CRITERIA**

Successful approaches for attracting new businesses to retired coal plant sites, re-investing in new economic development projects to help replenish the local tax bases and attracting new businesses to replace lost jobs are neither simple nor easy. No single one-size-fits-all approach will likely be successful at all former coal plant sites or in all coal communities.

Case studies from other coal plant communities suggest that: 1) building a broad local planning partnership, 2) securing federal BIL planning grant funding, and 3) identifying potential sources of federal/BIL economic development and infrastructure project funding form essential components of a successful strategy. Pennsylvania coal communities should also consider direct approaches for assistance from the General Assembly either through general legislation supporting closed coal plant communities or direct financial support for a specific economic development plan or project.

One common theme of successful approaches in other states is the ability to access flexible state and local funding (such as those offered now through state surpluses or in the future through RGGI) to help support the local tax base and a coal community planning process. As local communities will discover when reviewing BIL funding opportunities, local matching funds from the state or from private sector sources greatly enhance applications for infrastructure project grants.

ORVI can assist local coal communities with each phase of the BIL grant process. Developing a dialogue with the relevant state and federal agencies should occur at the same time as a consensus plan is developed at the local level for the next best steps forward on economic development. While the task can seem daunting at times, there are unique funding opportunities available to coal communities in 2022. Now is the time to begin pursuing BIL and other funding sources for long term economic development strategies.
ATTACHMENT A:
BIPARTISAN INFRASTRUCTURE LAW SUMMARY

The Bipartisan Infrastructure Law (BIL) provides a $973 billion investment over five years, including $550 billion in new investments that include:

- **Transportation:** $284 billion (US Dept. of Transportation)
- **Water:** $55 billion (US Environmental Protection Agency)
- **Broadband:** $65 billion (US Dept. of Commerce)
- **Energy & Power:** $73 billion (US Dept. of Energy)
- **Environmental Remediation:** $21 billion (US Environmental Protection Agency)
- **Resiliency:** $46 billion (US Dept. of Homeland Security)

Figure 1: Bipartisan Infrastructure Law Funding by Category:
Roads and bridges: $110 billion. The largest portion of BIL funding is dedicated to building and repairing roads and bridges across the country.

Railroads: $66 billion. The U.S. passenger rail system receives a large chunk of funding for upgrades and maintenance. A large portion of BIL funding is directed to Amtrak’s Northeast Corridor, the heavily traveled route from Boston to Washington, D.C.

Power grid: $65 billion. BIL has substantial funding for “grid reliability and resiliency.” As one of the few areas of BIL directed towards climate change, BIL’s power grid funding is designed to support the development and adaptation of clean-energy technology.

Broadband: $65 billion. There is a major focus in BIL on expanding broadband in rural areas and low-income communities. These broadband funds supplement federal appropriations in 2020 and 2021.

Water (particularly lead pipes): $55 billion. BIL funding seeks to address the lead contamination crisis and provides funding for water infrastructure upgrades. BIL includes $15 billion specifically for lead pipe replacement.

Resilience: $47 billion. The resiliency funding falls mainly into two categories: cybersecurity and climate change mitigation. BIL provides funding to help protect infrastructure from attacks, along with funding to address droughts, flooding, wildfire mitigation, coastal erosion, and other impacts from more extreme weather patterns.

Public transit: $39 billion. BIL funds upgrades of buses, rail cars, and trolley systems. Specific BIL funds target new bus routes and public transit for seniors and Americans with disabilities.

Remediation: $21 billion. BIL provides an extraordinary amount of funding for cleaning up brownfield and Superfund sites, abandoned mines, and old, abandoned oil and gas wells that need to be plugged.

Ports: $17 billion. BIL provides significant investments in port infrastructure with about half the money going to the US Army Corps of Engineers. There is also money for the Coast Guard and for ferry terminals and efforts to reduce truck emissions at ports.

Safety: $11 billion. Most of BIL funding is for highway safety, but there is also funding for pedestrian safety, pipeline safety and wildlife crossings.

Electric vehicle charging stations: $7.5 billion. The United States has about 43,000 charging stations. Because the Biden administration seeks to have half of new cars sales be electric vehicles by 2030, BIL funds significant expansion of EV charging stations across the nation. Some BIL funding requires states to submit spending plans.

Electric school buses: $5 billion. BIL makes a major push to replace existing school buses with zero-emissions buses. BIL sets aside help for lower-income, rural and tribal communities to replace their bus fleets.
## ATTACHMENT B: BIPARTISAN INFRASTRUCTURE LAW–LIST OF GRANT PROGRAMS THAT DO NOT REQUIRE MATCHING FUNDS

<table>
<thead>
<tr>
<th>Name of Program</th>
<th>New or existing program?</th>
<th>Federal department or agency</th>
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<tr>
<td>Transmission Facilitation Program</td>
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<td>Energy</td>
</tr>
<tr>
<td>Smart Grid Investment Matching Grant Program</td>
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</tr>
<tr>
<td>State Energy Programs</td>
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<td>Energy</td>
</tr>
<tr>
<td>Power Marketing Administration Borrowing Authority</td>
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<td>Energy</td>
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<tr>
<td>Columbia Basin Power Management</td>
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<td>Energy</td>
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<tr>
<td>Battery Processing &amp; Battery Manufacturing and Recycling</td>
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<tr>
<td>Advanced Energy Manufacturing and Recycling Grant Program</td>
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<td>Transportation Resilience and Adaptation Centers of Excellence</td>
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<tr>
<td>CIFIA Program</td>
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<tr>
<td>Carbon Removal</td>
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</tr>
<tr>
<td>Regional Clean Hydrogen Hubs</td>
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<td>Clean Hydrogen Electrolysis Program</td>
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<tr>
<td>Weatherization Program</td>
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<td>Energy Efficiency and Conservation Block Grant Program</td>
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<td>Clean School Bus Program</td>
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<td>Ferry Transportation Rural Communities</td>
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<td>Transportation Infrastructure Finance and Innovation Program</td>
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<td>Federal Lands and Tribal Transportation Program</td>
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<td>Capital investment grants program</td>
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<td>Cost-effective codes implementation for efficiency and resilience</td>
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<td>Future of Industry Program - Industrial Research &amp; Assess. Centers</td>
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<td>Enhances mobility for seniors and disabilities program</td>
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<td>Clean Energy Demonstration Program - current &amp; former mine land</td>
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<td>Low-Income Home Energy Assistance Program (LIHEAP)</td>
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<td>National Flood Insurance Fund</td>
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<td>Brownfields Revitalization Funding</td>
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<td>Hazardous Substance Superfund</td>
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<td>Army Corps of Engineers Construct. Projects: Coasts &amp; Waterways</td>
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<td>Connection to publicly owned treatment works</td>
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<tr>
<td>Assistance to small and disadvantaged communities</td>
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<td>Lead contamination in school drinking water</td>
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ATTACHMENT C:
SAMPLE GRANT CRITERIA

Figure 2: 2020 Scorecard for the Appalachian Regional Commission’s Partnerships for Opportunity & Workforce and Economic Revitalization (POWER) Initiative

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<td>State and regional priorities</td>
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<td>Direct impact to coal-related job losses</td>
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<td>Planning and supporting assessments</td>
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<td>Market analysis</td>
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<td>Addresses needs of the project area</td>
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<td>Evidence of local demand</td>
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<td>Sustainability</td>
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<th>Projected Outputs and Outcomes</th>
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<td>Relevant, realistic outputs and outcomes; return on investment</td>
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<td>Methodology</td>
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| TOTAL                         | Up to 100 |

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<th>BONUS – Opportunity Zones</th>
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<th>FINAL TOTAL</th>
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ATTACHMENT D:
INFLATION REDUCTION ACT SUMMARY

The Inflation Reduction Act of 2022 invests $369 billion in clean energy economic development programs that include:

- **Clean Energy Investments:** $30 billion for solar panels, wind turbines, batteries, geothermal plants, and advanced nuclear reactors, including tax credits over 10 years. These credits replace short-term wind/solar credits.

- **Carbon capture and storage tax credits of $85 per metric ton.**

- **Clean Energy Bank:** $27 billion for “green bank” funding to support clean energy projects particularly in disadvantaged communities.

- **Farm Aid:** $20 billion to cut emissions in the agriculture sector

- **Energy Efficiency:** $9 billion in rebates for retrofitting with energy-efficient and electric appliances

- **Aid For Low-Income Communities:** $60 billion to support low-income communities and communities of color, including grants for zero-emissions technology and vehicles, highway pollution mitigation, bus depots and other infrastructure located near disadvantaged communities.

- **Clean Energy Manufacturing:** $10 billion in investment tax credits to build manufacturing facilities that make electric vehicles and renewable energy technologies.

- **Electric Vehicle Tax Credits:** Tax credit of up to $7,500 for the purchase of new clean vehicles, and credits of $4,000 for used electric vehicles for households with a maximum income of $150,000 a year.

**White House State Fact Sheets**

The following summaries outline how the Inflation Reduction Act will support consumer savings on utility bills, tax credits for electric vehicles and rebates for the purchase of energy-saving appliances. The summaries also describe economic development tax credits and investments for businesses to create jobs and manufacturing in each state:

- Pennsylvania
- Ohio
- West Virginia
Expansion of Federal Loan Guarantee Programs

The Inflation Reduction Act includes a major expansion of federal loan programs that could increase private investments in clean energy development and leverage additional money for projects that convert existing plants that run on fossil fuels to nuclear or renewable energy. The U.S. Department of Energy (DOE) administers the loan program which has recently announced a similar project to lend $2.5 billion to General Motors and LG Energy Solution to build electric-car battery factories in Michigan, Ohio and Tennessee. Dan Reicher, former DOE assistant energy secretary in the Clinton administration describes the Inflation Reduction Act’s expanded loan program as “a sleeping giant in the law and a real gold mine in deploying these resources.”

Implementation of the Inflation Reduction Act is just getting underway, but the availability of tax credits and loan guarantees may allow local planning groups to explore additional partnerships with private sector developers and investors. The Inflation Reduction Act is an additional resource to explore for local projects that seek to convert shuttered coal plant and coal mining facilities into new clean energy production and manufacturing facilities.
ENDNOTES


