BUY CLEAN PROCUREMENT

KEY FEDERAL ACTIONS IN THE 117TH CONGRESS DRIVING THE MARKET FOR LOW CARBON CONSTRUCTION MATERIALS!

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KEY FEDERAL ACTIONS

• Infrastructure Investment & Jobs Act (IIJA) Enacted November 15, 2021
  • $1.2 trillion to upgrade and modernize infrastructure
  • Federal Government single largest purchaser of common construction materials

• Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability Issued December 8, 2021
  • Section 303 Establishes “Buy Clean Task Force”
  • Mission: to expand consideration of embodied emissions and pollutants of construction materials in federal procurement and federally funded projects.
ALL GOVERNMENT APPROACH

• Buy Clean Task Force
  • Under White House Council on Environmental Quality
  • Consists of multiple Federal agency heads
  • Mission: procure low-carbon construction materials
    • Identify low-carbon materials
    • Provide incentives and pilot programs
    • Address data gaps
    • Assist manufacturers
GENERAL SERVICES ADMINISTRATION (GSA)

• Large Commercial Real Estate Holdings
  • Post Offices, Courts, Federal Buildings, Landports
  • $75b Portfolio

• Surveyed asphalt and concrete industry on availability of materials with superior environmental attributes
  • Buy clean material standard issued
  • Requires Environmental Product Declaration (EPD) for paving projects, among other things
CARBON REDUCTION PROGRAM

• IIJA Provides $6.4 billion for Low Carbon Projects
  • Wicker-Stabenow amendment made “paving activities” eligible
  • FHWA issued guidance making paving activities eligible
    • “Sustainable pavement technologies that reduce embodied carbon during the manufacture and/or construction of highway projects could be eligible if a lifecycle assessment (LCA) demonstrates substantial reductions in CO2 compared to typical pavement-related practices.”
  • Big win for construction material markets!
HIGHWAY & ROAD GRANTS

• FHWA Climate Challenge Grants
  • Up to $500,000 to assist state DOT’s to quantify CO2 emissions and develop sustainable pavement practices

• Accelerated Implementation and Deployment of Pavement Technologies (AIDPT)
  • $60m over 5-years to focus on
    • impacts on vehicle efficiency;
    • the energy efficiency of the production of paving materials and the ability of paving materials to enhance the environment and promote sustainability
    • integration of renewable energy in pavement designs
NOTICES OF ADDITIONAL IIJA FUNDING OPPORTUNITIES FOR STATES

• The US DOT will be looking to fund projects that “incorporate lower-carbon pavement and construction materials” and projects that “proposes recycling of materials, use of materials known to reduce or reverse carbon emissions, or both”.
  
  • National Infrastructure Project Assistance (MEGA) Program $1 billion for major projects
  • Infrastructure for Rebuilding America (INFRA) Program $1.55 billion for highway projects
  • Rural Surface Transportation Grant Program $300 million for road projects in rural areas
  • Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program $2.275 billion for road projects.

• FAA announced $1 billion in available grants for airport projects including “incorporate sustainable pavement and construction materials as allowable.”
OTHER PENDING REGULATORY ACTIVITIES

- USDOT Regulatory Program
  - FHWA issued GHG Performance Management Rule

- The US Securities and Exchange Commission (SEC) Rule
  - Would require public companies to provide detailed reporting of their climate-related risks, emissions, and net-zero transition plans.

- Federal Acquisition Regulations (FAR)
  - FAR case opened to revise government-wide direct procurement contracts to implement Buy Clean requirements
INFLATION REDUCTION ACT: PUBLIC LAW 117-169

• **$369 Billion** to Drive Significant Reduction in GHG Emissions
  • 40% reduction below 2005 levels

• Combined effects of the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA) will drive technology innovation in the construction materials industry

• IRA Spans a Range of Governmental Agencies and Programs
  • Associations will play a key role in assisting industry in implementation
NEW FEDERAL “GRANT” PROGRAMS UNDER IRA

• Advanced Industrial Facilities Deployment Program - $5.8 billion
  • Department of Energy
  • Grants of up to 50% for the cost to design, install advanced technologies on plants

• Environmental Product Declaration Assistance - $250 million
  • Environmental Protection Agency (EPA)
  • Grants to develop and standardize EPD’s for construction materials’ industry

• Use of Low-Carbon Construction Materials - $2.15 billion
  • General Services Administration
  • Grants to procure low-embodied construction materials, as determined by EPA
NEW FEDERAL “BUY CLEAN” PROCUREMENT

• Low-Embodied Carbon Labelling for Construction Materials
  • EPA to identify and label low-embodied carbon construction materials based on EPD’s.

• Low-Carbon Transportation Materials Grants - $2 billion
  • Federal Highway Administration
  • Grants to states/local governments to reimburse or provide incentives for the use of construction materials, as determined by EPA (above)

• FEMA Build Materials Program
  • Federal Emergency Management Administration
  • Allows existing funds to be used for use of low-carbon construction materials
Jurisdictions with Buy Clean policies that include material mixtures

- California
- Colorado
- Oregon
- Port Authority of New York and New Jersey
- Illinois, Minnesota, other states are considering policies
MORE INFORMATION

• Final Text of the Inflation Reduction Act (IRA):
  • https://www.congress.gov/117/bills/hr5376/BILLS-117hr5376eas.pdf

• Senate Democrats Summary of IRA:

• Senate Environment and Public Works summary of IRA provisions:

• Senate Energy and Natural Resources summary of (IRA) provisions:

• NAPA Summary of IRA Provisions: