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Energy, Environment, and Resource Agencies Release FY2022 Budget

On May 29, 2021, the Biden administration released its full FY2022 budget request. Several key energy and environmental agencies, including the Department of the Interior (DOI), Department of Energy (DOE) and the Environmental Protection Agency (EPA) quickly followed suit. The overall budget request totals \$6 trillion, with significant plus-ups in discretionary spending across the federal government. The budget also highlights tackling as a priority the challenges presented by climate change. Brownstein has created a summary of President Joe Biden's climate-related priorities and selected programs within DOI, DOE and EPA.

Each year the president's budget proposal is a document that outlines the administration's priorities and guides agencies and appropriators as funding decisions are made. The Biden administration will need the cooperation of Congress to enact these budget amounts—and the full amounts are unlikely to be realized. This document provides details and attempts to guide Congress on spending amounts the president would like to approve when signing funding legislation.

The White House FY2022 budget also takes the opportunity to once again sell the American Jobs Plan—a broad piece of legislation that places climate as a central focus in many provisions. Top-level messaging priorities on climate include:

- \$10 billion more in funding for clean energy tech innovation at non-defense agencies
- \$7 billion (an increase of \$1.5 billion) for the National Oceanic and Atmospheric Administration (NOAA) within the Department of Commerce
- \$6.5 billion in lending for clean energy, energy storage and transmission projects in rural communities
- \$4 billion in climate and sustainability research across agencies tasked with scientific research
- \$3.6 billion in funding for water infrastructure across agencies
- \$2 billion in workforce training for clean energy jobs
- \$1.7 billion for energy-efficient building retrofits through the Department of Housing and Urban Development (HUD) and DOE

- \$1.4 billion in spending geared toward environmental justice programs for marginalized and overburdened communities
- \$1.2 billion in contributions to the Green Climate Fund to advance the objectives of the Paris agreement
- \$1 billion for the creation of the Advanced Research Projects Agency for Climate (ARPA-C) and plus-ups for existing ARPA-E programs geared toward research and development
- \$815 billion (an increase of \$540 billion) for resilience and disaster planning projects
- \$700 million in assistance for developing countries through the U.S. Department of State and U.S. Agency for International Development (USAID)
- \$600 million in funds for EV procurement across federal agencies
- \$580 million to remediate and reclaim abandoned oil and gas wells and mines
- \$485 million to support multilateral climate initiatives
- \$450 million for climate-focused projects in Indian Country
- \$300 million for agriculture and conservation

Department of the Interior

The Department of the Interior's budget proposal is \$17.6 billion; an increase of \$2.5 billion, or 17%, from the 2021 enacted level. The increase in proposed funding aims to address the climate crisis, create jobs and invest in lands, waters and economies across the country.

The budget proposes more than \$1.9 billion in new climate-related investments to enable the Department of the Interior to conserve and manage resources, increase resilience to dangerous climate events, and continue research to better understand the impacts of climate and climate-related events. It includes funds for the America the Beautiful initiative—the administration's effort to conserve 30% of U.S. lands and waters by 2030—and more than \$900 million for the Land and Water Conservation Fund.

The budget proposal also includes:

- \$348.3 million in discretionary funding for onshore and offshore oil and gas programs and \$243.6 million for safe offshore energy operations.
 - This amount includes \$26.6 million to clean up orphaned oil and gas wells onshore and \$30 million to address offshore orphaned infrastructure.
- \$249 million in funding to increase renewable energy production on public lands and in offshore waters.
- An increase of \$300 million to support jobs plugging orphan oil and gas wells, cleaning up abandoned mines and decommissioning offshore oil and gas infrastructure.
- \$169 million for a new Energy Community Revitalization Program that will accelerate remediation and reclamation work on Interior Department-managed lands and support work on non-federal lands through grants to states and tribes.
- \$86 million for the Civilian Climate Corps, an initiative to create jobs that will focus on conserving and restoring public lands and waters.

FY 2022 Request for Selected Bureaus (in millions):

Bureau	FY2021	FY2022	Change
Bureau of Land Management	1,326	1,638	+312
Bureau of Ocean Energy Management	128	170	+42
Bureau of Safety and Environmental Enforcement	125	181	+56
Office of Surface Mining Reclamation and Enforcement	223	312	+89
U.S. Geological Survey	1,316	1,642	+327
U.S. Fish and Wildlife Service	1,584	1,915	+331
National Park Service	3,113	3,494	+381
Bureau of Indian Affairs	2,115	2,725	+610
Bureau of Indian Education	1,647	1,348	(299)
Office of Natural Resources Revenue	148	170	+21
Energy Community Revitalization Program	0	169	+169
Wildland Fire Management	993	1,110	+118
Bureau of Reclamation	1,670	1,533	(137)

Bureau of Land Management

The budget provides \$1.6 billion for the Bureau of Land Management (BLM) to sustain the health, diversity and productivity of the public lands. This is an increase of \$311.9 million over the 2021 enacted level. Funding for BLM is focused on improving the health and resiliency of the public lands, the accelerated deployment of clean energy generation and transmission projects, and the remediation and reclamation of abandoned wells and mine sites.

Proposed funding includes:

- \$170 million for the Oil and Gas Program.
- An increase of \$25 million to enable the BLM to aggressively promote and facilitate increased renewable energy development: \$14 million in the Renewable Energy program and \$11 million in the Resource Management Planning program.
- \$93.7 million, an increase of \$50.8 million, for remediating and reclaiming abandoned wells and mines.
 - \$26.6 million for oil and gas well cleanup on BLM lands.
 - \$24.2 million for the reclamation of abandoned hard-rock mine sites on BLM lands.
- An increase of \$3.2 million in Recreation Resources Management to enable BLM to maintain and improve recreation sites.

Bureau of Ocean Energy Management

The budget includes \$227.8 million for the Bureau of Ocean Energy Management (BOEM), including \$169.7 million in current appropriations and \$58.1 million in offsetting collections from offshore rental receipts and other cost recoveries, to carry out ocean energy management activities, including renewable energy, conventional energy, marine minerals and environmental studies and analysis.

Proposed funding includes:

- \$45.8 million for renewable energy activities, including permitting for the siting and construction of offshore wind farms on the Outer Continental Shelf (OCS) and other renewable energy sources, such as wave and current energy.
- \$62.3 million for conventional energy development, including OCS leasing, inventories of oil and gas reserves, review and administration of oil and gas exploration and development plans, geological and geophysical permitting, economic analyses, resource evaluation and financial assurance and risk management.
- \$86.8 million for BOEM's Environmental Programs.

Bureau of Safety and Environmental Enforcement

The 2022 budget request for the Bureau of Safety and Environmental Enforcement (BSEE) is \$253.4 million, including \$181.2 million in current appropriations and \$72.2 million in offsetting collections from rental receipts, cost recoveries and inspection fees. The proposed funding will allow BSEE to continue to promote safety, protect the environment and promote the conservation of offshore natural resources through vigorous regulatory oversight and enforcement.

Also included in the proposal is a total of \$238.3 million for Offshore Safety and Environmental Enforcement programs, consisting of \$166.1 million in appropriated funds, \$28.8 million in offsetting rental receipt and cost recovery collections, and \$43.4 million in inspection fee collections. Funds provided will enable BSEE to continue to strengthen oversight, regulatory and research capabilities on the OCS by building and sustaining staff capabilities.

Proposed funding includes:

- \$4 million to expand BSEE's Renewable Energy Program to enable timely and rigorous reviews, create a robust compliance verification and assurance program for new offshore wind infrastructure, and demonstrate BSEE's commitment and leadership in safety performance and protecting environmental, cultural and biological resources on the OCS.
- \$1.4 million to support the administration's initiative for the federal government to purchase zero-emission vehicles.
- \$30 million to properly plug and abandon orphaned wells and properly decommission the associated orphaned pipelines; however, funding is not provided to decommission structures.
- \$15.1 million for Oil Spill Research

Office of Surface Mining Reclamation and Enforcement

The budget provides \$312 million for the Office of Surface Mining and Reclamation (OSMRE) to address coal mine reclamation and economic development efforts.

Proposed funding includes:

- \$165.0 million for Abandoned Mine Land Economic Revitalization (AMLER) grants, an increase of \$50.0 million above the 2021 enacted level, to support abandoned coal mine reclamation projects.
- \$87.9 million for Environmental Protection programs.

Bureau of Reclamation

The proposed budget provides \$1.5 billion for the Bureau of Reclamation, a decrease of \$137.1 million from the 2021 enacted level. The request is offset by current receipts of \$56.5 million in the Central Valley Project Restoration Fund (CVPRF). Permanent appropriations in 2022 include \$104.1 million for the Colorado River Dam Fund, \$13.6 million for

the San Joaquin River Restoration Fund, and \$124.0 million for the Reclamation Water Settlements Fund mandatory appropriations, which includes \$120.0 million in new budget authority and \$4.0 million in anticipated interest.

The Bureau of Reclamation's budget request focuses on climate resiliency (specifically related to drought and water availability), conservation of land and water, clean energy, science to make resource management decisions, and tribal water rights settlements.

Proposed funding includes:

- \$54.1 million for WaterSMART.
- \$13.5 million for the Basin Studies program.
- \$27.5 million for Reclamation's Research and Development.
- \$3.4 million to advance administration goals to expand renewable energy including hydropower capabilities and value.
- \$3.5 million to support the administration's initiative for the federal government to purchase zero-emission vehicles.
- \$1.4 billion for Water and Related Resources, the Bureau of Reclamation's principal operating account.
 - \$676.3 million for Resources Management and Development, supporting construction, planning and management of water and energy projects and programs.
 - \$702.8 million for water and power facility operations, maintenance and rehabilitation activities.
 - \$207.1 million for the Dam Safety program, an increase of \$95.2 million over the 2021 enacted level.
 - \$120 million annually, from FY 2020 through FY 2029, in the Reclamation Water Settlements Fund.

U.S. Geological Survey

The budget provides \$1.6 billion for the U.S. Geological Survey (USGS), an increase of \$326.9 million above the 2021 enacted level. The funds focus on scientific activities related to climate change and invests in research and development to support economic growth and balanced decisions.

Proposed funding includes:

- \$140 million for Energy and Mineral Resources programs, \$49.9 million above the 2021 enacted level.
- \$53.7 million for Energy Resources that supports multi-resource assessments that include wind, solar and geologic energy sources, including geothermal.
- \$86.2 million for the Mineral Resources program to support supply chain research related to the critical minerals needed for green technologies, mine waste research and assessment in support of reclamation and potential mineral recovery, and research and assessments of potential new sources of critical minerals.
- \$207.7 million for Natural Hazards to provide information and tools to understand and respond to hazards such as volcanoes, earthquakes, solar flares and landslides.
- \$288.4 million for Water Resources to collect and deliver hydrologic data, model and analyze hydrologic systems, and conduct research and development leading to new understanding of and methods for gathering water data.

- \$42.5 million for Climate Adaptation Science Centers and tribal climate science.
- It also supports the administration's 30x30 goal for conservation with an increase of \$15 million to target conservation investments accurately and cost-effectively.
- An increase of \$15 million to address inequities in the sciences, support scientific integrity and strengthen the information systems and other enterprises that support research and development.

U.S. Fish and Wildlife Service

The budget provides \$3.6 billion for the U.S. Fish and Wildlife Service (FWS), including current appropriations of \$1.9 billion, an increase of \$331.3 million above the 2021 enacted level. The funds will allow FWS to conserve, protect and enhance fish, wildlife, plants and their habitats.

Proposed funding includes:

- \$27.6 million for activities associated with energy development, including a program increase of \$8 million in the Ecological Services Planning and Consultation program to support reviews and permitting of clean energy projects.
- \$66.1 million for the Migratory Bird Management Program; funds will focus on investments to support the development of clean energy sources while conserving migratory birds.
- \$55.4 million for Conservation and Restoration.
- \$20.2 million to support the administration's initiative for the federal government to purchase zero-emission vehicles.
- \$332.1 million to conserve, protect and enhance listed and at-risk fish, wildlife, plants and their habitats.
- \$254.9 million for Fisheries and Aquatic Resource Conservation.

National Park Service

The budget includes \$3.5 billion in discretionary funding for the National Park Service (NPS), an increase of \$380.6 million from the 2021 enacted levels, to manage resources to increase climate resiliency, expand access to underserved communities and preserve and improve national parks.

Proposed funding includes:

- \$3 billion for operations of the national park system.
- \$269.6 million to support the administration's initiative for the federal government to purchase zero-emission vehicles.
- \$475.8 million for the Land Water Conservation Fund.
- \$25 million for natural resource infrastructure projects.
- \$10 million for abandoned mine remediation on NPS lands.
- \$4 million for environmental impact planning and compliance.

Bureau of Indian Affairs

The budget includes \$2.7 billion in current appropriations, \$609.9 million above the 2021 enacted level, to invest in tribal communities, strengthen climate resilience, improve quality of life, create economic opportunities, increase focus on environmental quality and justice, and preserve and foster cultural heritage.

Proposed funding includes:

- \$75.8 million, an increase of \$30.2 million, to meet Indian Settlement commitments.
- \$85.4 million for Resource Management Construction, which funds the repair and rehabilitation of dams, irrigation projects and irrigation systems.
- \$67 million for Minerals and Mining activities to support tribal energy and economic development.
- \$507.1 million for Public Safety and Justice activities.
 - \$47.8 million for Public Safety and Justice Construction.
- \$29.9 million specifically to address water safety and sanitation requirements.
- \$356.4 million for programs that support tribal government activities

Bureau of Indian Education

\$1.3 billion in current appropriations is provided for the Bureau of Indian Education (BIE). The current appropriations are in addition to funds provided by the Department of Education 2022 budget, \$186.2 million, and the \$850 million made available through the American Rescue Plan. The budget includes key investments to strengthen BIE and improve services for schools.

Proposed funding includes:

- \$1.1 billion for Operation of Indian Education Programs.
- \$264.3 million in annual funding for Education Construction.
- \$67.5 million for Tribal Priority Allocation funding.

Environmental Protection Agency

The Environmental Protection Agency (EPA) budget request is \$11.2 billion for FY 2022. This \$2 billion increase reflects promised investments in environmental justice programs, climate research, increased staffing to support the agency's mission and enforcement priorities. The administration is touting environmental cleanup and water infrastructure investments as a path to job creation.

The Superfund remediation program will see a \$293.4 million increase, while the WIFIA program will see a \$15.1 million increase. Administrator Regan has repeatedly emphasized his commitment to accelerating studies of per- and polyfluoroalkyl substances (PFAS), and the proposed budget would include \$75 million to accelerate PFAS studies to inform future regulation.

Climate research is given a \$60 million boost, to reflect a \$30 million increase in proposed ARPA-C research in partnership with the Department of Energy. The wetlands line item receives a \$5.6 million increase, as the agency eyes a rewrite of the Navigable Waters Protection Rule, the Trump administration's Clean Water Act rule defining what constitutes "waters of the United States."

\$150 million in new environmental justice programs are proposed with \$900 million flagged for environmental justice-related work through the EPA’s Accelerating Environmental and Economic Justice Initiative. This will include capacity building across the agency as well as new community monitoring initiatives in the Air Office.

\$5.1 billion in various grant programs are increased to assist tribal, state and local air and water programs. \$1.2 billion of the funds are allocated for categorical grants, including categorical grants for air quality for both state and local governments and tribal governments. \$3.2 billion is allocated for state revolving funds for clean and safe water.

FY 2022 Request for Selected Program Offices (in millions):

Program	FY2021	FY2022	Change
Environmental Justice	12.7	299.7	+287
Superfund: Remedial	589	882.4	+293.4
Research: Air, Climate and Energy	95.3	156.2	+61
Federal Support for Air Quality Management	145.2	268	+122.9
Categorical Grant: State and Local Air Quality Management	229.5	321.5	+92
Federal Stationary Source Regulations	20.7	26.6	+5.9
Diesel Emissions Reduction Grant Program	90	150	+60
Categorical Grant: Tribal Air Quality Management	13.4	21.4	+8
Compliance Monitoring	103.6	135.5	+31.9
Water Infrastructure Finance and Innovation Act (WIFIA)	65	80.1	+15.1
Safe Water for Small and Disadvantaged Communities	26.4	41.4	+15
Drinking Water Infrastructure Resilience	4	9	+5
Clean Water State Revolving Fund (CWSRF)	1,638.8	1,871	+231.9
Drinking Water State Revolving Fund	1,129.1	1,357.9	+231.8
Wetlands	19.3	24.9	+5.6

Department of Energy

The Department of Energy received a budget increase to the tune of a 10.4% increase in FY 2022, totaling \$46.2 billion. Non-defense program spending was increased significantly with budget priorities reflecting increased funding in research and development for clean energy technologies and climate research across several offices—including the Office of Energy Efficiency and Renewable Energy (EERE), ARPA-E, or the proposed creation of an ARPA-Climate. EERE received \$4.7 billion in funding, an increase of 65% and more than \$1 billion in newly requested funding.

The administration also requested \$890 million for the Office of Fossil Energy and Carbon Management Research, Development, Demonstration, and Deployment (FECM RDD&D), which will shift the focus of the office to carbon capture and removal, hydrogen, methane emissions reduction, and critical mineral production. The DOE proposed budget also highlights funding increases for nuclear energy and advanced nuclear technologies—an acknowledgement of the critical role that nuclear energy will play in reaching carbon emission reductions.

The DOE Loan Programs Office (LPO) is also slated to receive significant boosts as the administration prioritizes funding clean energy projects ready for commercialization. This includes the Title 17 Innovative Technology Loan Guarantee Program and Tribal Energy Loan Guarantee Program, which will focus on funding new utility-scale projects and improving clean energy transmission. Additionally, electric vehicles remain a key component of the administration’s decarbonization strategy and will be aided by the Advanced Technology Vehicles Manufacturing (ATVM) Loan Program.

In response to real and emerging national security threats to the energy sector—like the recent attack on the Colonial Pipeline—the Office of Electricity received a significant increase in funding and emergency response authority with the shift of the strategic petroleum reserve to Cybersecurity, Energy Security, and Emergency Response (CESER), which is nestled in the Office of Electricity. CESER received a nearly \$54.5 million increase for these programs, for a total budget of \$419 million. The CESER budget includes funding for both cybersecurity responses and the U.S. government’s emergency petroleum reserves.

FY 2022 Request for Selected Program Offices (in millions):

Program	FY2021	FY2022	Dollar Change
Energy Efficiency and Renewable Energy	2,861.7	4,732.0	+1,870.24
Advanced Research Projects Agency - Energy	427.0	500.0	+73.00
Advanced Research Projects Agency - Climate	-	200.0	+200.00
Electricity	211.7	327.0	+115.28
CESER	364.5	419.0	+54.49
Science	7,026.0	7,440.0	+414.00
Office of Technology Transitions (OTT)	-	19.5	+19.47
Office of Clean Energy Demonstration (OCED)	-	400.0	+400.00
Indian Energy Policy and Programs	22.0	122.0	+100.00
Title 17 Innovative Technology Loan Guarantee Program	(363.0)	179.0	+542.00
Advanced Technology Vehicles Manufacturing Loan Program	(190.3)	5.0	+1,908.00
Tribal Energy Loan Guarantee Program	2.0	2.0	0.00
Nuclear Energy	1,357.8	1,700.7	+342.90
Nuclear Waste Disposal	27.5	7.5	(20.00)
Fossil Energy and Carbon Management	750.0	890.0	+140.00
Uranium Enrichment Decontamination and Decommissioning (D&D) Fund	841.0	831.3	(9.66)
Non-Defense Environmental Cleanup	319.2	338.9	+19.66
Defense Environmental Cleanup	6,426.0	6,841.7	+415.67

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