



Energy

Tribal energy resources are vast, largely untapped, and critical to America's efforts to achieve energy security and independence, reduce greenhouse gases, and promote economic development for both Indian Country and the United States as a whole. As part of a nation-wide commitment to a diversified approach to energy development, energy infrastructure is integral to many tribes' efforts to create jobs, infrastructure, and improve lives of their citizens. DOI estimates that undeveloped traditional energy reserves on Indian lands could generate up to \$1 trillion for tribes and surrounding communities, most of which are located in rural areas. In 2014, DOI reported that Indian energy resources provided over \$1 billion in revenue to tribes and individual Indian resource owners.⁹³ This sector of tribal development continues to grow. While tribes are becoming serious contributors to the nation's energy future, there is also a great demand for funding for energy programs that service Indian Country, particularly in areas where the cost of energy is 275 percent or higher than the national average.

Even with substantial potential, there are very few commercial-scale energy projects operating in Indian Country. Tribes boast nearly a quarter of the nation's on-shore oil and gas reserves and developable resources and one-third of the nation's western low-sulfur coal. Indian tribes and communities face many of the same challenges in developing their energy resources and infrastructure that state, local governments, and other non-Indian communities face. They also face additional challenges—including special laws, regulations, and policies that are completely unique to Indian Country and often to a specific tribe. Additionally, many tribes are beginning from square-one in terms of developing adequate physical infrastructure, access to capital, and workforce training and development needs. Given the historic, social, and economic impediments tribal governments, their representatives, and citizens face, and the relatively short time tribes have been involved in energy development, their successes are clear indicators of future potential.

Investing in and empowering tribes provides strong returns and outcomes for tribes and for rural communities. Within the last decade, the Department of Energy (DOE) has deployed 43 energy programs in Indian Country valued at over \$70 million. This investment is already paying significant dividends. For every \$1 invested by DOE, tribes save \$7.22. These savings total over \$500 million, the equivalent of creating 13,700 jobs. Further, these projects reduced the demand on diesel fuel in rural areas, saving each rural household \$240. Additionally, over 2,500 tribal buildings and 29,000 tribal citizens had their electric bills reduced by 58 percent. There is also a great demand for funding for energy programs that service Indian Country, particularly in areas where the cost of energy is 275 percent or higher than the national average.

In addition, the National Renewable Energy Lab (NREL DOE) reports that the technical potential of tribal lands is about six percent of the total national technical generation potential.⁹⁴ Tribes need access to robust capacity-building support and

technical assistance programs. These programs are necessary to advance the 150-plus tribal energy projects that are currently proceeding through the development, financing, and construction stages. There are three key components to future tribal success in this arena. First, removing economic barriers to growth. Specifically, NCAI requests that where possible, Congress reduce or completely eliminate the 50 percent cost-sharing requirements that burden tribes. Second, is a continued commitment to technical and financial assistance programs that not only support infrastructure development but also the capacity of tribal programs and offices to carry out their responsibilities – including addressing staffing issues. Lastly, additional support is needed to bolster the tribal work-force in the energy sector in addition to existing liaison employees within DOE.

This FY 2020 budget request identifies energy programs providing innovative and important tools to support existing initiatives and facilitate new investment in tribal energy development. This budget request seeks to meet critical analytical and planning, capacity-building, and resource-management needs of tribal governments. Continued development of a myriad of tribal energy resources will contribute significantly to national energy security, clean energy development to reduce greenhouse gas emissions; as well as tribal economic development and job creation.

Key Recommendations

DEPARTMENT OF THE INTERIOR

Interior - Environment Appropriations Bill

Minerals and Mining - Office of Indian Energy and Economic Development (OIEED)

- *Provide \$5 million to OIEED for assisting tribes with energy capacity building through development grants.*

The Energy Policy Act of 2005 authorizes the Secretary of the Interior to provide assistance to tribes for use in developing and sustaining the managerial and technical capacity needed to develop energy resources on Indian land, and to properly account for resulting energy production and revenues. In FY 2016, OIEED received 32 grant applications requesting more than \$7 million in funding under this program and awarded \$1.4 million to fund 16 projects.

To achieve the goals of the Energy Policy Act and in light of tribal interest in this program and implementation of the HEARTH Act, OIEED should be provided \$5 million for this assistance to tribes.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Labor, HHS, Education Appropriations Bill

Low Income Home Energy Assistance Program (LIHEAP)

- *Provide \$4.7 billion for LIHEAP, with \$51 million allocated to tribes and tribal organizations.*

LIHEAP is intended to assure that low-income families will not be forced to choose between food and heat. With high unemployment and long-standing barriers to economic development, much of Indian Country cannot afford the rising costs of heat and power. Alaska Native villages are experiencing some of the highest costs for energy with fuel prices, recently reaching over \$7 per gallon. In FY 2018, LIHEAP was appropriated \$3.64 billion total, with \$40.09 million allocated to tribes and tribal organizations. This funding is well below the FY 2011 levels of \$4.7 billion, with \$51 million to tribes. Full funding is crucial to address the extreme need for heating assistance in Indian Country. Accordingly, funding for FY 2020 should be \$51 million for tribes.

DEPARTMENT OF ENERGY

Energy and Water Development Appropriations Bill Office of Indian Energy Policy and Programs (IE)

- *Provide \$30 million for DOE Office of Indian Energy (IE) Policy and Programs.*

The Energy Policy Act of 2005 established the Office of Indian Energy and Policy Programs. Since its inception, the Office of Energy Indian has established new programs and aligned efforts across DOE in close consultation with tribes and in response to priorities identified by tribes and the DOE Indian Energy Working Group. The Office of Indian Energy provides technical assistance, direct and remote education, policy research and analysis, and financial assistance to Indian tribes, Alaska Native Village and Regional corporations, and Tribal Energy Resource Development Organizations.

The resources the Office of Indian Energy provides assists tribes with many aspects of energy development, including planning, project development, transmission interconnection, utility formation, and intertribal coordination. Providing \$30 million in funding to the Office of Indian Energy for FY 2020 will help tribes overcome the unique obstacles that hinder energy development in Indian Country.

DEPARTMENT OF ENERGY

Energy and Water Development Appropriations Bill Office of Indian Energy Policy and Programs (IE)

- *Provide \$2 billion loan authorization together with \$2 million in administrative funding for the Tribal Loan Guarantee Program.*

The Energy Policy Act of 2005 (Section 2602(c)) authorized DOE to establish a Tribal Loan Guarantee Program (TELGP) and to create related loan guarantee regulations. FY 2017 appropriations provided \$9 million dollars to establish the program with \$8.5 million for the credit subsidy cost and \$500,000 for administrative expenses. FY 2018 appropriations provided \$1 million to the program. The funds must be used to support the development or expansion of generation projects that employ commercially proven and available renewable energy technologies. In 2018, DOE issued its first solicitation for TELGP. Tribes continue to urge Congress to fund the program at the full authorization level of \$2 billion. Additionally, appropriations language should not impose stricter limits on the use of program resources than those included in the Energy Policy Act of 2005.