



September 30, 2025

Department of Energy and Environmental Protection - Federal Shutdown Impact Assessment

Introduction:

This assessment outlines the potential impacts to the Connecticut Department of Energy and Environmental Protection (DEEP) in the event of a federal shutdown beginning on October 1, 2025.

Background:

In fiscal year 2025, federal funding accounted for \$121M of DEEP expenditures or 33% of DEEP's total expenses, and, as of September 23, 2025, 260 DEEP staff or 27% of DEEP's total headcount were funded by federal sources.

DEEP manages funding by federal grant programs through state receivable accounts, processing periodic federal cash drawdowns to pay down state receivable liability.

Impact Assessment:

Although federal funds account for a significant portion of DEEP's annual budget, the agency does not foresee significant financial disruptions, should a federal shutdown occur starting on October 1, 2025, provided that (1) funding continues to be available through those receivable accounts throughout the shutdown period and (2) federal agencies reimburse DEEP for all costs duly incurred during the shutdown period against existing federal contracts and obligations.

Federal Grants:

- Ongoing Grants:
 - During previous shutdowns, federal agencies have ensured that ongoing grants were not impacted, due to the following mitigating factors:
 - Federal clearinghouses (e.g., ASAP, PARS) remained functional.
 - Federal grant funds awarded prior to a shutdown were available for drawdown during the shutdown.
 - It remains unclear if those clearinghouses will remain functional during this shutdown. ASAP, the clearinghouse through which DEEP processes most of its drawdowns from the federal government, is suspended temporarily for federal fiscal year end processing.
 - Cash advances may not be processed during a shutdown:
 - Minimal impact to DEEP, as most of DEEP's federal grants are funded through receivables.
 - Cash advances for DEEP's Federal DOT grants (One Call and Gas Pipeline Safety) may not be processed, but DEEP has advance funds available through 06/30/2026.
- New Grant Awards, Amendments, and Funding Increments:

Commented [AH1]: Is this all still true, @Stein, Joseph?

Commented [WJ2R1]: Most of our grants are receivables, and we do not have many (if any) advanced funded grants.

Commented [AH3R1]: What about the DOT ones listed in this doc - gas pipeline safety and one call?

Commented [SJ4R1]: Correct; neither have cash issues as indicated below.

Commented [AH5]: @Stein, Joseph, can you estimate this based on cash on hand?

Commented [SJ6R5]: done; typically no cash issues with either

Commented [AH7]: Can we update this section?

- New grant awards, amendments, and funding increments may not be processed during the federal shutdown.
 - DEEP currently has \$4.1M in submitted federal grant applications (details attached), which could be at risk as a result of the shutdown. These grants are recurring federal grants, some of which fund DEEP positions:

Fed Agency	Grant Name	SID	Positions Funded	Start Date	End Date	Fed Amount	Match	Total	Status
DOT	2026 Gas Pipeline	20104	5	1/1/2026	12/31/2026	1,652,950.40	413,237.60	2,066,188.00	Applied/No Award
	2025-HMEP	20947	0	10/1/2025	9/30/2028	454,635.00	113,659.00	568,294.00	Applied/No Award
	2025-OneCall	22514	0	10/1/2025	9/30/2026	60,000.00	-	60,000.00	Applied/No Award
USCG	FY26 RBS	21820	9	10/1/2025	9/30/2026	1,607,350.00	2,985,078.00	4,592,428.00	No NOFO
USDA	FY25 BIL SFAP	23196	1	7/1/2025	6/30/2030	314,149.00		314,149.00	Applied/No Award

- Procedural delays
 - On top of the formula grants that comprise almost 30% of DEEP's typical expenditures in recent fiscal years, DEEP also currently has \$99.3M in awarded and obligated grants from DOE (HEAR and HER home energy efficiency and electrification grant programs) and \$450M (CT share ~\$80M) in awarded and obligated grants from EPA (Climate Pollution Reduction Grants – New England Heat Pump Accelerator Implementation Grant). These grants require submissions for periodic review by the relevant federal agency before funds can be deployed; thus timely deployment of grant funds could be at risk as a result of the shutdown.
 - Permitting example: several of DEEP's permitting programs coordinate closely with federal agencies such as the US Army Corps and the US EPA in order to issue state permits or to approve projects within the state. For example, many projects that require 401 Water Quality Certifications from DEEP also require 404 Water Quality approvals from the Corps-which in turn works with EPA. We coordinate extensively with our federal partners in these instances of overlapping jurisdiction to assist applicants. Loss of these federal partners could seriously impede DEEP's ability to issue permits in a timely or complete manner.

Ongoing Monitoring:

DEEP will closely monitor developments regarding the anticipated federal shutdown and update this assessment accordingly.

If the shutdown occurs and appears to be continuing into June 2026, DEEP will proactively reassess its needs related to the Federal DOT grants (One Call and Gas Pipeline Safety) to mitigate any potential impacts that may arise at the beginning of the 2026 calendar year.

Questions or concerns can be directed to Andrew Hoskins at andrew.hoskins@ct.gov or Julie Wilson at Julie.A.Wilson@ct.gov.

Commented [AH8]: @Dookie, Niles, do you have this number handy?

Commented [ND9R8]: Tagging @Stein, Joseph on this. He helped me get the \$2.5M listed, but will update if anything changes between today and tomorrow. Thanks Joe!

Commented [ND10R8]: Updated to reflect that only \$1.6M currently remains pending.

Commented [AH11R8]: The sheet just shared shows more like \$4.25M, unless I'm reading it wrong.

Commented [AH12R8]: @Dookie, Niles, and @Stein, Joseph

Commented [ND13R8]: @Hoskins, Andrew I'd say that's right based on the sheet. I'm getting \$4.3M

Commented [ND14R8]: @Stein, Joseph can you confirm when you get a chance?

Commented [SJ15R8]: The FY25 Wood Innovations award can be removed, thus reducing the total by \$249, 610

Commented [SJ16R8]: @Dookie, Niles, @Hoskins, Andrew see comment above

Commented [ND17R8]: Dropped the total to \$4.1M (Comes out to \$4.08M)

Commented [AH18]: @Cimino, Emma, can you put here an example of one of the federal permitting programs you were talking about at What's Brewing?

Commented [EC19R18]: @Hoskins, Andrew about as specific as I could get in the time allotted. Let me know if this is okay, otherwise feel free to delete!

Commented [AH20]: @Stein, Joseph, once you update the date above (though which we can fund without getting more cash advances), can you also update this date here?

Commented [SJ21R20]: done, no issues with funding here (pending an unprecedented amount of time in shutdown)