

Frequently Asked Questions: Hemp in BPA's Energy Efficiency program

BPA's Energy Efficiency Incentive, or EEI, dollars can now be used for energy-efficiency projects at facilities involved in the cultivation, processing, and sales of hemp and hemp-derived products in states with U.S. Department of Agriculture, or USDA, approved hemp plans. This information was provided in the [Hemp in the Energy-Efficiency Program](#) guidance announcement in January 2021.

Here is a list of frequently asked questions regarding the hemp related activities in BPA's Energy Efficiency program that may be beneficial in determining project eligibility:

- **What is the effective date for BPA acceptance of hemp-related energy-efficiency projects?** Projects with completion dates on or after the date of U.S. Department of Agriculture, or USDA, approval of the state hemp plan will be accepted.
- **Which Northwest states have USDA-approved hemp plans?** All states within the BPA service territory have USDA-approved hemp plans; California, Idaho, Montana, Nevada, Oregon, Utah, Washington, and Wyoming. Find a list of USDA-approved state plans [here](#).
- **Do utilities need to verify federal, state and/or local hemp-related requirements are met before implementing energy-efficiency projects?** No. Unless BPA staff, its third-party contractors or utility customers become aware that potential program participants have marijuana-related activities, BPA will operate its energy-efficiency program as normal for hemp and hemp-related organizations. BPA will assume that program participants are in compliance with USDA, U.S. Food and Drug Administration, or FDA, state and local regulations.
- **Can energy-efficiency projects be implemented at a facility that cultivates, processes or sells hemp and marijuana?** No. Projects can only be implemented at stand-alone hemp facilities to avoid potential mixing of hemp and marijuana production.
- **Can energy-efficiency projects be implemented at a hemp facility that previously cultivated, processed or sold marijuana?** Yes. Projects can be implemented there as long as the facility has a state hemp license. The state license insures that hemp, and not marijuana, is being managed at the facility.
- **How does hemp differ from marijuana?** Hemp and marijuana are varieties of *Cannabis sativa* that are bred for different purposes. Hemp includes non-intoxicating varieties that are harvested to make a number of products, including fiber (e.g., for clothing), protein (from seeds) and oils (e.g., cannabidiol, or CBD). Hemp is defined as containing 0.3% or less tetrahydrocannabinol, or THC, content by dry weight. Marijuana includes varieties that can produce intoxicating effects and contain more than 0.3% THC by dry weight.



- **When did hemp production become legal at the federal level?** Hemp was previously regulated as a controlled substance under the Controlled Substance Act of 1970. The Agricultural Improvement Act of 2018 legalized hemp and hemp-derived products containing no more than 0.3% THC. States were required to prepare state hemp plans and obtain USDA approval before licensing hemp-related activities. In addition, the 2018 Act reserved FDA's authority to regulate cannabis-derived compounds in interstate commerce.

Can EEI dollars be used for energy-efficiency projects at marijuana-related facilities? No. However, projects at these facilities that meet BPA's Implementation Manual requirements can be utility self-funded, as explained in the [Clarification on BPA's EE Programs and Marijuana](#) document.