



December 5, 2022

David Crane
Director, Office of Clean Energy Demonstrations
U.S. Department of Energy
1000 Independence Avenue SW
Washington, DC 20585

RE: Request for Information - Energy Improvements in Rural or Remote Areas Program (DE-FOA-0002841)

Dear Director Crane,

The National Association of State Energy Officials (NASEO) appreciates the opportunity to submit comments in response to the U.S. Department of Energy’s (DOE) Request for Information (RFI) on the *Energy Improvements in Rural or Remote Areas Program*, in accordance with the Infrastructure Investment and Jobs Act (IIJA). NASEO represents the governor-designated State Energy Directors and their offices from each of the 56 states, territories, and the District of Columbia. NASEO supports State Energy Offices in engagement with rural and remote communities to expand energy access, develop just transition programs and policies, and facilitate the research, development, demonstration, and deployment (RDD&D) of innovative technologies such as microgrids. In response to the RFI, NASEO encourages DOE to consider the following issues:

Category 2: Potential Project Details- Project Priorities: Question 2.7 What would equitable and meaningful community involvement look like for this type of energy project(s)? How can you incorporate perspectives from groups within the community who experience disproportionate socio-economic, environmental, political, or energy burdens? What support is needed to build equitable community engagement?

State Energy Offices play an important role in facilitating equitable and meaningful community involvement for many of the energy projects outlined in the RFI including reducing greenhouse gas emissions from energy generation by rural or remote areas, developing microgrids, and increasing energy efficiency. Examples of potential projects include supporting energy efficiency and resiliency upgrades in community centers that can also serve as shelters during a natural disaster, supporting community solar projects that are designed to produce cost savings for subscribers, and siting microgrids in rural or remote areas to ease dependence on diesel and other expense imported fuels. For example, the Alaska Energy Authority has invested in siting microgrids in rural and remote parts of the state to increase resiliency and reduce energy burden. The Hawaii State Energy Office leads a program, Clean Energy Wayfinders, that recruits community members to receive training on energy and community engagement to bring resources back to their communities and establish trust between the state and local residents as the Wayfinders will share information

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on available programs and resources, potential clean energy projects, and workforce opportunities.

State Energy Offices are uniquely positioned to engage in community outreach in partnership with local governments, community-based organizations, academic institutions, and more. Equity-focused stakeholder engagement strategies State Energy Offices can engage in to inform their policies and programs include providing opportunities for community-driven planning and workshops in multiple languages and with compensation provided. They are also able to formulate accountability structures to ensure that feedback from community members translates into meaningful changes to program and project designs. The Minnesota State Energy Office utilizes the Spectrum of Community Engagement to Ownership to strengthen their meaningful engagement with Tribal nations as well as other Black, Indigenous, and People of Color communities. This comprehensive community engagement strategy was utilized successfully for their *Equitable Solar Access* Project that included calls with Tribes and disadvantaged communities. This model could be replicated by other states to facilitate stronger and more meaningful community involvement in rural and remote areas as well. Additional examples of State Energy Office engagement with rural or remote communities include the Wisconsin Office of Energy Innovation's *Critical Infrastructure Microgrid and Community Resilience Centers Pilot Grant Program* which awarded a grant for a resiliency hub pilot that would support rural communities in accessing emergency services during a long-term power outage. The *Resilient Maryland Program* operated by the Maryland Energy Administration provides grants to analyze, plan, and design microgrids for underserved and unserved communities in the state. NASEO's Equity Committee focuses on improving the understanding and utilization of community engagement strategies and incorporating equity into state energy program and policy design. NASEO encourages DOE to work with State Energy Offices to engage appropriate community-based organizations and local stakeholders and to determine what level of support is needed to build an equitable engagement strategy. NASEO also encourages DOE to allow funds to be used for community involvement and engagement related to the required activities outlined in the statute.

Category 2: Potential Project Details - Project Size: Question 2.11 Demonstration projects through DOE typically require a 50% cost share, in other words a minimum 1:1 match of private sector to federal funds. Do you anticipate challenges for a 50% cost share requirement?

Unless required by statute, NASEO strongly encourages DOE to decrease the non-federal cost share. The 50 percent cost share requirement can be a significant challenge for state-led projects and, by lowering it, states would be able to support more projects. Additionally, non-federal cost share should be staggered over the period of performance. This is important considering that the cost share may come from investor-owned utilities that may require regulatory approval to make investments. Consumer-owned utilities may also be able to provide cost share but could require additional time to make those commitments. Consideration of approval timelines is of particular importance for smaller states that may not have ready access to cost match. Overall, cost share can deter rural, remote, and disadvantaged communities from pursuing funding opportunities and should be limited or eliminated whenever possible. Considering no low or cost match makes it easier for these groups to be able to participate.

Category 3: Program Structure - Partnerships: Question 3.5 What existing Federal, Regional, and or State entities that are already engaging in rural and remote communities should OCED leverage?

State Energy Offices across the country are engaging rural and remote communities. For example, the Washington Department of Commerce has implemented a *Rural Clean Energy Innovation Program* that will, among other things, provide grants to rural communities pursuing clean energy projects. They have also formed a Rural Clean Energy Working Group that convenes key stakeholders and develops recommendations for better rural engagement. The Rhode Island Office of Energy Resources manages

an *Agricultural Energy Grant Program* which provided funds to six farms in the state to develop solar projects. The Virginia Department of Energy developed a *Reenergize Southwest Report* that looked at opportunities to support rural communities in diversifying their local economy, redeveloping abandoned mine lands, and expanding access to solar energy. The Wisconsin Office of Energy Innovation's inclusive solar community plan specifically examines stakeholder engagement opportunities with rural communities. In addition, State Energy Offices work closely with state agricultural extension programs, often run through local universities. For example, the University of Minnesota Clean Energy Resource Teams (CERTs) is an extension that partners with the Minnesota Department of Commerce on a variety of projects, including providing technical assistance to farmers on improving energy efficiency and siting solar or wind projects on their land. NASEO encourages DOE to support State Energy Offices in engaging with rural and remote communities when developing the program structure.

We appreciate the opportunity to provide comments and look forward to continuing our partnership with DOE in supporting states' rural and remote clean energy initiatives.

Best regards,

A handwritten signature in black ink, appearing to read 'D. Terry', with a stylized flourish at the end.

David Terry
Executive Director, NASEO