



October 14, 2022

Maria Robinson  
Director, Grid Deployment Office  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, DC 20585

**Re: Request for Information - Grid Resilience and Innovation Partnerships Program (DE-FOA-0002827)**

Dear Director Robinson,

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 *Grid Resilience and Innovation Partnerships 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. Based on NASEO tracking, governors of 29 of the 37 states and territories reporting have designated State Energy Offices as the lead agency for the IIJA grid resilience formula grants (Section 40401d) programs in their states, and we encourage DOE to consider the following:

**Category 1 Question 2: How should DOE best assess and prioritize applications that further state objectives developed through the Grid Resilience formula grants under BIL section 40101(d), the State Energy Security Plans under BIL section 40108, and activities supported by the State Energy Program under BIL section 40109?**

NASEO encourages DOE to include language in all three referenced Funding Opportunity Announcements (FOAs) that would require stakeholders to coordinate with the State Energy Offices on applications submitted. State Energy Directors conduct comprehensive energy planning at the direction of the Governor or Legislature to establish a strategy or framework to meet current and future energy needs in a cost-effective manner, enhance energy system reliability, expand economic opportunity, and address environmental quality. State energy plans enable states to capitalize on existing energy resources, infrastructure, and human capital through targeted goals and directives to encourage economic development and, at the direction of the Governor, set forward-thinking energy policies for the state. In addition, they

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allow states to address stakeholder-identified objectives such as fostering competitive energy markets, promoting diverse energy supplies, and ensuring energy affordability and reliability. Furthermore, State Energy Offices lead the update of the State Energy Security Plans under the IIJA (Section 40108), which serve as the foundation of resilience planning by identifying threats, hazards, and vulnerabilities as well as outlining mitigation efforts, all in consultation with energy sector stakeholders including Public Utility Commissions (PUC) and utilities (investor-owned utilities (IOU) as well as generally unregulated consumer-owned utilities). Section 40109 of the IIJA also outlines that State Energy Offices engage in mandatory transmission and distribution planning. As noted above, the vast majority of Governors have also designated the State Energy Offices as the lead-agency for the 40101(d) resilience formula funds. Many State Energy Offices have stood up programs to support grid-interactive efficient buildings, microgrids, energy storage, EV charging infrastructure, mission-critical facility resilience upgrades, and are deeply engaged in strengthening building codes and increasing clean energy generation. State Energy Offices also coordinate with State Emergency Management Agencies on FEMA BRIC applications and have been successful in securing federal funding for public-private projects to enhance the energy sector, a critical lifeline. By strengthening the existing coordinating role of the State Energy Offices, projects can be more aligned with state, federal and private funding, amplifying the funding included in the IIJA and GRIP Program and enabling truly transformative and innovative projects that have an added value to existing state and private programs and funding. Additionally, NASEO encourages DOE to not discount projects that already have been identified in the existing plans referenced above (e.g., grid modernization plans) but not yet built or implemented. This includes private-sector or utility plans. DOE should capitalize on the existing plans that have thoroughly evaluated long-term existing electrical grid needs and projects wherever possible.

**Category 1 Question 7: DOE proposes to open the first application cycle for the GRIP program in fall 2022 for 45 days for applicants to submit concept papers, that the Department will then down select to recommend submission of full applications in winter 2023, targeting award selections announced in spring 2023. a. Any comments on this proposed timing?**

While NASEO understands the need for implementing the GRIP program quickly, the outlined timeline is a significant challenge for states. 45 days for a concept paper is not enough time to establish teams, potentially hire consultants, consider multi-state and regional coordination where resilience actions cross geographic boundaries, and undertake significant stakeholder outreach, especially as states are still awaiting requested additional guidance from DOE on the Section 40101(d) formula grants. Most state agencies have established processes and requirements for awarding funds to external entities. These processes support responsible stewardship and investment of public funds and require adequate time to implement. It would be very helpful if DOE could provide ten to twelve weeks for the submission of the concept papers and an additional ten to twelve weeks for full application submission if down selected. This will enable greater coordination between potential GRIP Program applicants and improve coordination across other provisions of the Infrastructure Investment and Jobs Act (i.e., 40108 and 40109). Additionally, in many states the IOUs have to receive approval from PUCs for cost matches over a certain amount, which adds additional time for an application under any of the GRIP programs IOUs are eligible for.

A potential path forward could be to have a rolling deadline, so that projects can be awarded on a rolling basis, allowing for faster implementation of projects that are advanced and more time for states to develop strong proposals. Additionally, proposal developments take a high-level of effort and it will be difficult for smaller-sized applicants or those who have not previously responded to FOA's to address all the requirements within the timeframes. This would be an inherent advantage to past award winners.

**Category 2 Question 1: How should DOE define community and assess “greatest community benefit in reducing the likelihood and consequences of disruptive events” for prioritization of applications?**

State Energy Offices have worked with communities on resilience and energy priorities for quite some time. For example, Washington state energy policy and programs include strong equity considerations. The Wisconsin State Energy Office, the Office of Energy Innovation at the Public Service Commission of Wisconsin, and the Division of Energy – Missouri Department of Natural Resources, the Missouri State Energy Office, have implemented projects geared toward strengthening local and community resilience. The Maryland Energy Administration, the State Energy Office, has supported several microgrid projects with disadvantaged communities through its Resilient Maryland Program. The Kentucky Office of Energy Policy developed a Kentucky Regional Microgrids for Resilience Study. NASEO encourages DOE to engage State Energy Offices on potential ways to assess the community benefits of resilience.

**Category 2 Question 7: Is the proposed information to be contained in the Report on Resilience Investments appropriate to determine if proposed projects are supplemental to existing efforts? What challenges may be faced in developing the report? What additional DOE guidance would aid in development of the report?**

NASEO encourages DOE to engage with State Energy Offices and Public Utilities Commissions on how states are already measuring some of this information to avoid duplication and additional burdens on applicants. Especially for consumer-owned utilities and applicants with limited organizational capacity, detailing past, current, and future efforts to reduce the likelihood and consequences of disruptive events would be burdensome and may delay action to support utilities and states that are most at risk, thereby potentially increasing the risk for other entities. Therefore, DOE should rely on existing information from the applicants as much as possible and balance the request for information with the potential for unintended burdening potential applicants.

**Category 3 Question 1: Appropriateness of highlighted grid flexibility functions and technologies of interest identified by DOE above. Are there additional smart grid functionalities or technologies that would support grid reliability and resilience that should be considered?**

NASEO encourages DOE to explicitly allow utility demand response and load management programs as eligible activities. These technologies are already being utilized in some jurisdictions to contribute to grid flexibility at a lower cost than some other measures. The potential of demand-side resources, including grid-interactive buildings that utilize energy efficiency, demand response, EV integration, and more, can only be realized if appliances and

device controls are combined with effective customer education and engagement strategies. This could include up-front consumer marketing, financial incentives for device adoption, and other strategies to boost enrollments and participation. The IJA included data analytics and software among qualifying smart grid investments, as well as “the ability to develop, store, send and receive digital information” among smart grid functions. These technologies can be applied to customer engagement features of demand-side programs. Moreover, leveraging federal investments with consumer and ratepayer funded demand response program elements is precisely the type of innovation envisioned under the IJA. NASEO encourages DOE to update the FOA to recognize the importance of modern customer engagement tactics as a key component of smart grid projects. Additionally, NASEO encourages the consideration of technologies that provide innovation for existing transmission lines that can increase their efficiency and capacity, allow additional clean energy generation to be added to the grid, increase resilience, and reduce costs to consumers.

**Category 3 Question 4 and Category 4 Question 8: Appropriateness of the requirement for a cybersecurity plan for this provision, and the required contents of such a cybersecurity plan.**

NASEO encourages GDO to work with the DOE Office of Cybersecurity, Energy Security, and Emergency Response (CESER) on this aspect of the GRIP program. CESER has provided technical assistance on cybersecurity for states, utilities, and fuel providers. To enhance the development of a requested cybersecurity plan, NASEO would encourage GDO and CESER to provide technical assistance specifically to states and consumer-owned utilities to ensure that this requirement becomes a benefit and not a burden on the applicant. NASEO also requests that GDO clarify if the plan requirement is on the awardee or the project/sub-awardee. Additionally, NASEO encourages GDO to ensure that the cybersecurity plans are submitted through secure channels.

**Category 4 Question 1: How should DOE define and evaluate a full range of “innovative approaches” to transmission and distribution projects that deploy large-scale, high-value projects that are innovative in scope; scale; stakeholder engagement; technology; partnership or business model; financial arrangement; use of innovative planning, modeling, or cost allocation approaches; environmental siting or permitting strategies; or in overcoming other existing barriers to project development and deployment in ways that enhance reliability and resilience and unlock new renewable generation?** NASEO encourages DOE to maintain a broad definition of “innovative approaches” as proposed. Inclusion of all technologies and approaches is important towards innovation. In terms of evaluating innovation, NASEO recommends DOE to focus on outcomes, expected results, and probability of success. NASEO also posits that it would be important that DOE make an allowance for new technologies that are unknown today. This could be accomplished through reserving some of the funds to be potentially used through a competition with suggestions from the national laboratories, EPRI, and ARPA-E. NASEO would be happy to set up a national meeting between the State Energy Offices and GDO with national laboratories, utilities, smart grid providers, ISOs/RTOs, PUCs and others to creatively discuss potential ideas prior to the issuance of a FOA.

**Category 4 Question 4: What are best practices and processes for states, public utility commissions, Tribes, and other eligible entities to obtain input and engage in coordination with regional planning organizations, electricity utilities, and other stakeholders in developing and submitting proposals?**

Programs in California like the Electric Program Investment Charge (EPIC) program at the California Energy Commission (CEC), the State Energy Office, have focused on wildfire mitigation, longer duration storage and transactive systems. Programs at the New York State Energy Research and Development Authority (NYSERDA), the State Energy Office, have funded offshore resource integration, community level projects, and advanced building controls. The Clean Energy Fund at the Washington State Department of Commerce, the Washington State Energy Office, has helped support community microgrids, energy storage, and other advanced grid applications. The NASEO-NARUC Microgrid Working Group provides many examples of successful financing for microgrid projects (see [https://naseo.org/data/sites/1/documents/publications/v2\\_NASEO\\_MicroGrid.pdf](https://naseo.org/data/sites/1/documents/publications/v2_NASEO_MicroGrid.pdf)). To name only a few states, New Jersey, Wisconsin, Connecticut and Rhode Island all have microgrid programs, which in most cases are run by the State Energy Offices. To support states in overarching planning considerations, the NASEO-NARUC Task Force on Comprehensive Electricity Planning (see <https://www.naruc.org/taskforce/>) provided a forum for the development of state-led pathways toward a more resilient, efficient, and affordable grid. States such as Maryland and Minnesota and others have taken additional steps (see <https://www.naseo.org/news-article?NewsID=3575>). Additional examples can be found in NASEO publications on resilience and planning (<https://www.naseo.org/publications>).

**Category 4 Question 13: Appropriateness of the use of a minimum 50% non-Federal cost share for the proposed project. Should DOE establish a different minimum non-Federal cost share? Should DOE express a preference for projects with a higher non-Federal cost share than the statutory minimum? a. To what degree should DOE include in the Technical Review Criteria and Policy Program Factors an assessment of applicant’s ability to provide sufficient information to show that minimal federal cost-share is being requested, so that GRIP program dollars are 1) only providing the amount of additional capital needed to advance project development and 2) unlocking the greatest possible public benefits relative to the amount of federal investment. What types of application information should be requested to indicate that minimal federal cost-share is being requested?**

Unless specifically required by the statute, NASEO encourages DOE to decrease the non-federal cost share. Especially for projects implemented by states, the non-federal cost share can be a significant barrier for states to even apply for projects. Additionally, non-federal cost share could be staggered over the period of performance, to allow for state legislatures meeting later during the period of performance to consider cost share in the state budgets. This is important considering that the cost share in many instances would come from utilities who in many states will require regulatory approvals to make the investments. Consideration of regulatory approval timelines is of particular importance for smaller states who can be structurally disadvantaged without a level of flexibility and consideration in the evaluation of cost match in applications because as the smaller the state, and utility, the greater the likelihood that

regulatory approvals would be required for utilities investments that could be used as cost match.

**Category 4 Question 14: DOE is interested in supporting highly impactful projects that can deliver significant public benefit and acknowledges that some of these projects may be earlier in the planning or development stages. DOE is considering an option to offer grants of up to \$20 million for planning and development activities for concept papers submitted by a coalition of multiple states for projects that are interregional (i.e., cross multiple ISOs, grid operators, or other balancing authorities) and/or a product of an interregional planning process – assuming the concept paper shows promise in the ability to deliver significant public benefit, but has a project that is not sufficiently mature enough to submit a Full Application. Please provide comment on this approach, the maximum planning and development grant size, what factors to consider in offering these types of grants, and any other additional considerations.**

NASEO agrees with this approach but encourages DOE to support planning and development activities of all applications to the 40103b FOA. This will enable greater coordination and result in more impactful projects. A possible path could be planning grants based on concept papers, with successful planning projects then invited for a full proposal. DOE should ensure that such grants include a variety of state agencies, such as State Energy Offices and PUCs to ensure that state objectives and energy priorities are considered, and projects are aligned with existing plans and strategies. As important, we encourage DOE to take additional steps to engage largely unregulated consumer-owned utilities on a multi-state basis, and to recognize the importance of considering how major, mission critical community, industrial, and defense facilities are impacted. For these reasons, DOE should emphasize means to work with state and private organizations that have expansive views of the energy system – grid, fuels, end-use – and its many interdependencies.

We appreciate the opportunity to provide comments and look forward to continuing our partnership with DOE in supporting states on enhancing grid resilience and implementing the IJJA.

Best regards,

David Terry /s/

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