



April 23, 2021

Re: Comments on a new Rural Renewable Energy Pilot Program

Thank you for the opportunity to provide comments to the USDA as it seeks feedback during the development of a new Rural Renewable Energy Pilot Program.

We, the undersigned, represent a broad group of local governments, non-profit organizations, renewable energy developers, grant writers, and trade associations. Together, we support the development, installation, operation, and ownership of a wide variety of rural renewable energy projects, many of which provide for multiple benefits in the communities where they are sited.

In general, we believe that a new Rural Renewable Energy Pilot Program should “go further” than current programmatic offerings that support renewable energy projects at USDA. By “further” we mean that the pilot program should support a wider variety of applicants, a wider variety of technologies, a wider variety of project development and installation needs, and a wider variety of project benefits.

Below we provide a set of high-level principles for consideration that give additional detail to the general concepts noted above.

### **High-level principles to consider for a new Rural Renewable Energy Pilot Program**

- 1. Consider streamlining applications for funding under the pilot program and using a rolling submission and approval process.** Complex applications can be very costly to draft. Work to make the application as simple as possible while getting the data you need for review. Application deadlines and review processes that occur only once or twice per year dramatically slow project development. Rolling application reviews and approvals enable project proponents to move more quickly, keeping more projects alive. To increase internal review efficiency, consider different levels of application requirements and review processes depending on the level of funding requested.

2. **Consider allowing for a wide range of eligible applicants, including both for profit and nonprofit organizations, and local governments.** Good projects that can provide multiple benefits in rural communities can be developed by both for profit and nonprofit organizations as well as local governments. Often, the revenues from power sales from projects developed by nonprofits and local governments are reinvested into the community they serve, creating a virtuous cycle.
3. **Consider providing funding for project development activities, such as feasibility, design, and permitting.** Funding for the earliest stages of project development is often the hardest to get and many projects in rural communities are unable to move forward without early funding assistance to support development activities. Development activities that may be appropriate to consider for funding include feasibility studies, engineering and design work, interconnection studies with a utility, and permitting processes. In addition, as communities work to incorporate energy resilience benefits into projects, funding assistance may also be required to support local coordination and project management.
4. **Consider providing funding for a wide variety of renewable energy technologies, such as conduit hydropower, as well as equipment or infrastructure that can support energy resilience, such as battery storage and microgrid controls.** Installing a hydropower project within irrigation-district infrastructure not only produces renewable energy; power sales provide a revenue stream that can be reinvested in further modernization and the local economy. There is an estimated potential for 300–500 MW of new conduit hydropower projects in agricultural water delivery systems. Hydropower systems can also be combined with community-scale solar projects to create holistic, diversified energy solutions. Conduit hydropower projects of 1–5 MW capacity can be large enough to power all or a portion of an entire utility circuit. This capability could keep critical facilities such as hospitals and fire stations energized during outages or other grid disturbances, allowing for public safety power shutoffs on other parts of the power supply to prevent wildfires.

Energy resilience, such as being able to provide backup power during outages, is critical in rural areas where utility response times may be extended. Adding resilience capabilities to existing renewable energy projects may be cost efficient and can leverage existing utility interconnections. Including energy resilience capabilities in new renewable energy projects is smart and should become a standard operating procedure nationally. Importantly, energy resilience capabilities add costs and complexities to a project and require additional financial incentives as utilities in many regions do not currently value the services that resilient technologies can provide to the grid.

5. **Consider providing funding for up to 50%, or more, of the cost of the project or development activity.** In many parts of the western US, the power rates available for renewable energy projects are the lowest that have been seen in decades. These low power rates make it very difficult for projects to pencil out financially without significant up-front financial incentives. As noted above, adding in equipment to provide energy resilience increases costs, often without any ability to recoup the investment. Despite the financial climate in which rural renewable energy projects operate, the projects can and do bring significant benefits to the

communities where they are sited. Providing additional up-front funding supports those benefits.

Thank you again for the opportunity to provide comments.

Sincerely,



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